Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for Tuesday, January 16, 2024, has been cancelled.

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, February 20, 2024 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 10th day of January 2024.

I Misty Johnson, do hereby certify that I caused to be posted this 10th day of January, 20 24, the Notice of Cancellation of the Tuesday, January 16, 2024 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com ; 2) Gateway Administration Building.

Misty Johnson

Misty Johnson, Clerk of the Board

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a telephonic meeting open to the public on **Tuesday, February 20, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Chip Wilson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Chip Wilson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Allegiant Presentation** – Thayne Klingler, Director Airport Affairs

7. **Fiscal Year 2024 Budget Presentation** – Chuck Odom, Chief Financial Officer

8. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **December 19, 2023**.

   b) **Resolution No. 24-01 –** Authorizing the purchase of one pavement sweeper from **Tymco, Inc. (Tymco)**, in an amount not to exceed $364,494.48.

   c) **Resolution No. 24-02 –** Authorizing a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with **BCS Enterprises, Inc.** for Demolition Services of Airport Facilities, in an amount not to exceed $58,474 under CIP1223.

   d) **Resolution No. 24-03 –** Authorizing a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with **KEAR Civil Corporation (KEAR)**, to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed $1,908,773 under CIP 1224.

   e) **Resolution No. 24-04 –** Authorizing the purchase of Jet A and 100LL Avgas fuel from **Ascent Aviation Group, Inc. (World Fuel)** for Airport Authority resale in the amount of $1,550,000.

f) **Resolution No. 24-05 –** Authorizing Amendment 4 to the Land Lease Agreement with **Gateway Executive Airpark, LLC** for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064.

g) **Resolution No. 24-06 –** Approving an Authorization of Services with **Kimley-Horn and Associates**, **Inc. (Kimley-Horn)** for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed $170,527 under CIP 1243.

h) **Resolution No. 24-07 –** Authorizing a contract modification to the current Roof Coating Phase 1 Contract with **Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS)**, to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed $118,944 under CIP1269.

9. Board Member Comments/Announcements

10. Next Meeting: Tuesday, March 19, 2024 at 9:00 a.m.

11. Adjournment

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Five-Gate, 30,000 Sq. Ft. Terminal Addition Opening in February**
- **Terminal Connector Walkway Opens This Month**
- **Allegiant Announces Over 19% Increase in Flights at Gateway Airport**
- **New $10MM Rental Car Care Facility Now Open**
- **Gateway Tomorrow East Side Terminal Planning Study to Present Final Report to PMGAA Board in March**

Executive Director's Report
February 2024

Financial Snapshot

OPERATING INCOME	December		Month Variance	FYTD Comparison		FYTD Variance
	2022	2023		FY23	FY24	
Revenues	$2,397,101	$2,391,211	**($5,890)**	$14,081,961	$14,802,420	**$720,459**
Less Expenses	$2,077,424	$2,147,591	**$70,167**	$12,579,263	$12,895,348	**$316,085**
Operating Income *(Before Depreciation)*	**$319,677**	**$243,620**	**($76,057)**	**$1,502,698**	**$1,907,072**	**$404,374**

Investment Fund Balances: As of December, the Local Governmental Investment Pool (LGIP) 700 = $6,330,414; Wells Fargo; Collateralized Money Market = $11,401,023 and Commercial/Paper Brokered CD's = $48,449,289; Total $66,180,726. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $243,620 in December 2023, $76,057 below last year. December's financial results are still a strong showing considering the 16% decrease in enplaned passenger activity during the month. Fiscal year-to-date (FYTD) operating results are $1,907,072 a 27% improvement compared to FYTD23. December aeronautical revenues from Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) increased by 1% due to new leases with Allegiant, DSV, and the U.S. Forest Service. December 2023 non-aeronautical revenues decreased by 3%, with concessions revenues down due to a decreased passenger activity during the month.

Operating expenditures for December increased by 3% and totaled $2,147,591. The increase is due to PMGAA staff compensation increases and inflationary pressures across most categories of expenditures.

FYTD operating expenditures are 3% above the previous FYTD. Total operating expenditures are 6% under budgeted amounts.

Calendar Year Operational Metrics				
METRIC	**2021**	**2022**	**2023**	**% Change**
Total Commercial Passengers	1,542,951	1,890,686	1,876,110	-1%
Total Aircraft Operations	242,187	254,599	262,097	3%
Aircraft Landing Fee Revenue	$1,726,009	$1,479,049	$1,571,844	6%
Terminal Tenant Lease Revenue	$148,648	$164,727	$164,731	0%
Gallons of Aviation Fuel Delivered	19,963,203	19,343,454	17,766,240	-8%
Operating Revenue	$24,463,843	$29,965,816	$30,301,952	1%
Terminal Concession Revenue	$991,209	$1,350,504	$1,448,418	7%
Facility/Land Lease Revenue	$3,997,275	$4,627,010	$4,644,562	0%
Ground Transportation Revenue	$170,814	$238,350	$246,349	3%
Car Rental Revenue	$1,915,437	$2,777,104	$3,033,667	9%
Vehicle Parking Revenue	$3,425,867	$4,144,111	$4,702,507	13%
Net Operating Income	$3,448,955	$5,127,368	$4,297,068	-16%
Aviation Fuel Sales	$5,194,856	$7,863,678	$6,812,352	-13%

Active/Pending Solicitations

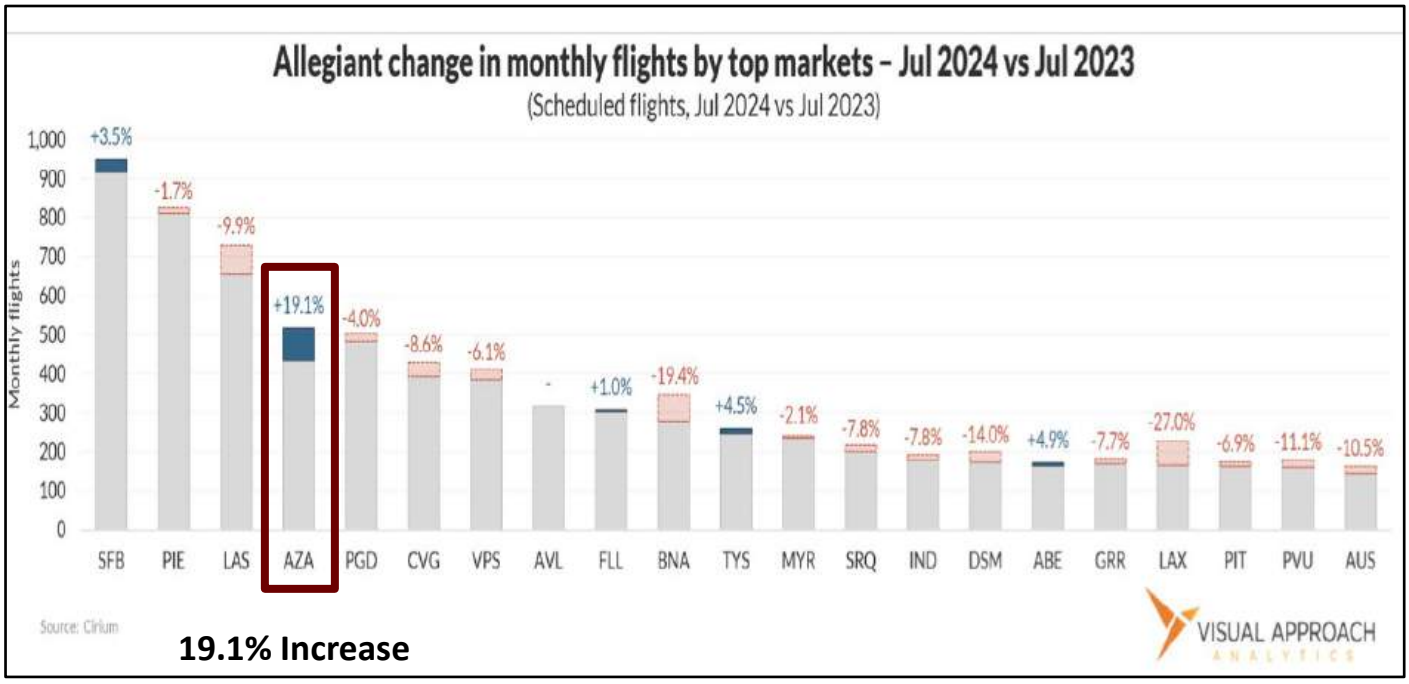
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2024-009-RFQ	CMAR for Demolition of Airport Facilities	February 2024
Invitation for Bid	2024-011-IFB	Defuel/Refuel Cart	March 2024
Request for Qualifications	2024-013-RFQ	Primary Legal Services	April 2024
Request for Qualifications	2024-016-RFQ	Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Rehabilitation	February 2024
Request for Qualifications	2024-001-RFQ	CMAR for In-Line Checked Baggage System Improvements	March 2024
Invitation for Bid	2024-014-IFB	Runway 12C-30C Mill & Overlay	March 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	March 2024

Airport Operations

Allegiant Announces Over 19% Increase in Flights at Gateway Airport



Of the top 20+ Allegiant markets, only five airports will see an increase in flights this summer. Of those five, Gateway Airport will see the largest increase. Thank you, Allegiant, for your continued investment in the Airport and greater Phoenix. Our growing number of air travelers and our economy appreciate you.

PASSENGER COUNTS		December		% Change	FYTD		% Change
		2022	2023		FY23	FY24	
Passengers	TOTAL	199,287	167,210	-16%	892,436	850,635	-5%
	Deplaned	101,308	84,769	-16%	453,757	431,734	-5%
	Enplaned	97,979	82,441	-16%	438,679	418,901	-5%
Allegiant	Scheduled	180,451	161,250	-11%	856,703	836,448	-2%
Swoop	Scheduled	4,508	0	-100%	11,092	0	-100%
Sun Country	Scheduled	5,645	5,960	6%	13,261	14,187	7%
WestJet	Scheduled	1,907	0	-100%	3,628	0	-100%
Flair	Scheduled	6,776	0	-100%	7,358	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	December		% Change	FYTD		% Change
	2022	2023		FY23	FY24	
Air Carrier	1,173	1,167	-1%	5,804	5,908	2%
Military	407	163	-60%	1,953	1,245	-36%
General Aviation	13,662	19,459	42%	116,131	131,451	13%
TOTAL	**15,242**	**20,789**	**36%**	**123,888**	**138,604**	**12%**

Engineering and Planning

Five-Gate, 30,000 Sq. Ft. Terminal Addition Opening in February

Tech Lounge and First Jet Market

Lounge Seating

South Concourse

On February 20th, PMGAA will hold a Ribbon-Cutting Ceremony for its new five-gate, 30,000 sq. ft. terminal addition. More than 250 federal, state, and local elected officials will be on-hand to help celebrate this important construction milestone. PMGAA would like to thank the following groups of people for their efforts to get this important project completed. We couldn't have done it without you.

- **Arizona's Congressional Delegation**
- **Federal Aviation Administration**
- **Arizona State Legislature/ADOT**
- **PMGAA Board/Member Communities**
- **PMGAA Staff**
- **McCarthy Building Companies, Inc.**
- **DWL Architects**
- **Gateway Airport Tenants/Customers**

Terminal Connector Walkway Opens this Month

New Terminal Connector Walkway Taking Shape

Construction of Gateway Airport's new "Chris Brady-inspired" enclosed terminal connector walkway is progressing, and the project is scheduled to be completed by early to mid-February, just in time for the busy spring travel season.

Air travelers using Gateway Airport currently must exit the ticketing terminal and walk along an outdoor sidewalk to access the Transportation Security Administration (TSA) Security Screening Checkpoint (Checkpoint), which can be challenging when it's 4:30 a.m. in January or 4:30 p.m. in August. Beginning in February, Airport customers will be able to remain inside in climate-controlled conditions from the airline ticket counter to their gate.

This new facility, paid for with a $4.4MM Bipartisan Infrastructure Law (BIL) grant, is a major customer experience enhancement that will also expand Checkpoint queuing by 30%.

Gateway Airport's New $10MM Rental Car Care Center Opened in January

Enterprise, Avis, Hertz, and their partner rental car companies are excited to be using a new modern Rental Car Care Center at Gateway Airport. The impressive $10MM facility includes separate wash, vacuum, and maintenance bays, as well as office space and ample parking for on-site vehicle storage. The new facility was paid for using fees, called Customer Facility Charges (CFCs), collected from airline customers renting cars at the Airport. The Airport's CFC Program includes a $3.50 per rental day charge, and money collected is placed in a dedicated account that can only be used for the development and improvement of rental car facilities and infrastructure.

Community Noise Report

CALLERS	December		FYTD	
	2022	2023	FY23	FY24
Total	13	12	74	72

AIRCRAFT TYPE	December		FYTD	
	2022	2023	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	9	7	45	36
GA Total	1	4	13	18
Helicopter	0	0	0	17
Military	3	1	16	1
Total	13	12	74	72

LOCATION	December		FYTD	
	2022	2023	FY23	FY24
Mesa	6	3	35	16
Gilbert	4	4	28	33
Gold Canyon	0	0	1	0
Queen Creek	2	4	6	19
Queen Valley	0	1	1	3
Apache Junction	1	0	3	1
Fountain Hills	0	0	0	0
TOTAL	13	12	74	72

PMGAA received communications from 12 individuals regarding aircraft noise issues during the month of December 2023, compared to 13 received last December.

Gateway Aviation Services

PMGAA pumped approximately 1.46MM gallons of aviation fuel during the month of December 2023, a 22% decrease compared to the approximately 1.89MM gallons dispensed last December. Avgas was up 3% year-over-year, but all other segments – Retail Jet A, Contract, Commercial, and Commercial/Cargo – were down this December.

FUEL (Gallons)	December			FYTD		
	2022	2023	% Change	FY23	FY24	% Change
AvGas	32,507	33,618	3%	248,309	206,622	-17%
Retail Jet A	66,355	60,607	-9%	399,230	331,555	-17%
Contract	257,144	184,778	-28%	1,835,005	1,849,922	1%
Commercial	1,350,777	1,136,116	-16%	5,884,247	5,776,487	-2%
Cargo	152,700	42,234	-72%	342,559	116,276	-66%
TOTAL	**1,859,483**	**1,457,353**	**-22%**	**8,709,350**	**8,280,862**	**-5%**

Business Development

Private Development Construction Update

SkyBridge Arizona Industrial Buildings

Virgin Galactic Hangar/Manufacturing Facility

Gulfstream West Coast Service Center

Gateway Airport has more than one million square feet of private development projects currently under construction. These future aeronautical and non-aeronautical tenants represent a significant number of high-wage jobs, increased local taxes, and long-term economic stability for the Phoenix East Valley.

Gulfstream Aerospace is constructing 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 scheduled to be operational in Q2 2024.

Virgin Galactic is constructing a 40,000 sq. ft. hangar and a 125,000 sq. ft. manufacturing facility on the north end of the airfield adjacent to Cessna, Embraer, and Boeing. The hangar will house the "mothership" and the manufacturing facility will produce up to six completed spaceships each year. The mothership will transport the spaceships to New Mexico for horizontal launch. The Virgin Galactic complex is scheduled to be completed in Q2 2024.

SkyBridge Arizona is constructing two 250,000 sq. ft. flex industrial buildings designed to accommodate both single and multi-tenant users. The two buildings are scheduled to be completed in Q2 2024.

The Boyer Company has begun clearing and prepping a 17-acre site within the Gateway East Master Development for a 275,000 sq. ft. manufacturing facility for XNRGY Climate Systems, a leader in the design and manufacturing of advanced energy-efficient commercial climate control systems. This will be XNRGY's U.S. headquarters. XNRGY also has options to build future phases totaling an additional 750,000 sq. ft adjacent to their Phase I facility.

PMGAA Team Member Spotlight

Employee Name: **Veronica Lewis**
Employee Title: **Human Resources Director**
PMGAA Department: **Human Resources**
Years with PMGAA: **10+**

What are your job responsibilities for PMGAA I oversee all aspects of the Human Resources department that includes employee benefits, recruitments, classification/compensation, policies, employee relations and ensuring compliance with laws and regulations. I enjoy working with employees and leadership to make a positive employee experience.

What is your most memorable Gateway Airport moment? When the Guppy visits. I love that it looks like a whale and watching it land is very cool.

What is something people may not know about you? My first language was Spanish. I didn't learn English until I was 5 or 6 years old. Picture included is of my family in NYC during Christmas. I love spending time with my family and Christmas is my favorite holiday.

Community and Government Relations

Gateway Tomorrow Planning Study to Present Final Report to PMGAA Board in March

Gateway Airport will eventually outgrow its current commercial passenger terminal located on the west side of the Airport. In preparation for that day, PMGAA has embarked upon a planning study to determine infrastructure and facility needs of a future terminal campus on the east side of the Airport. Roadways, vehicle parking, fuel storage, terminal size and amenities, ground transportation, and international capabilities are just a few of the many areas of discussion. The Study Advisory Committee (SAC) will present its final study report and renderings to the PMGAA Board at their March 19, 2024 meeting.

PMGAA Board Welcomes New Representative from the Gila River Indian Community

On January 1, 2024, PMGAA welcomed a new representative from the Gila River Indian Community (GRIC) to its Board of Directors. Lt. Governor Regina Antone replaces former Lt. Governor Monica Antone (no relation) as the Member Community's PMGAA Board representative.

Lt. Governor Regina Antone was born and raised on the Gila River Indian Community, District 4, with a family lineage in District 5. She is honored and humbled to serve the people of this Community, as the Lieutenant Governor.

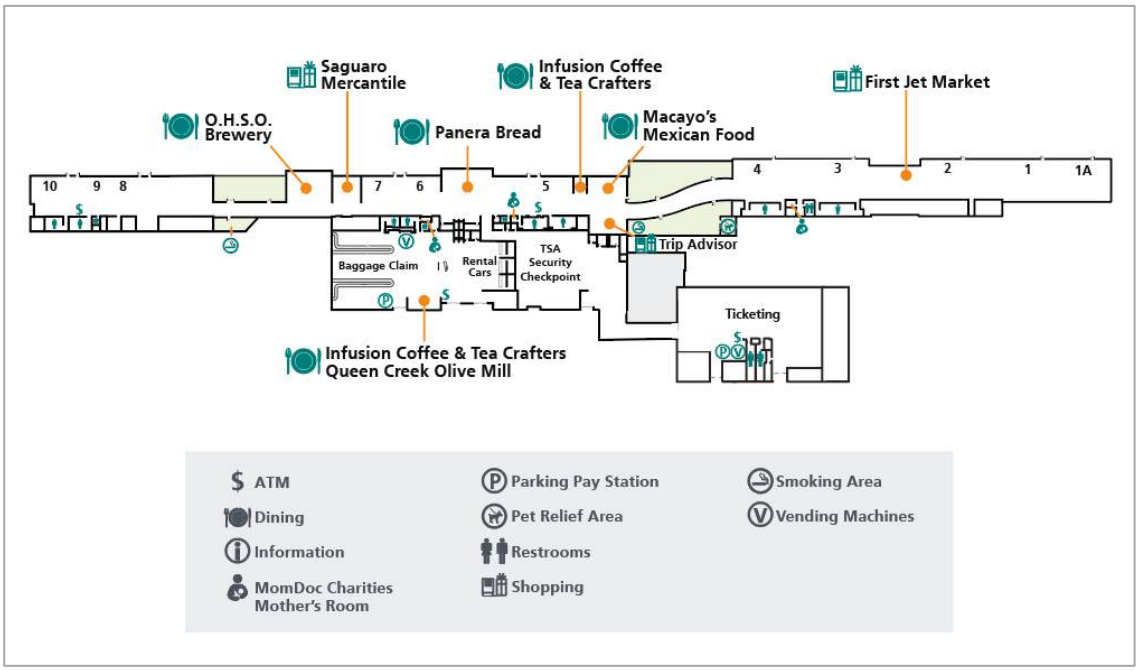
Her father is the former Gila River Indian Community Governor Donald Antone Sr., her mother is Betty Enos from District 5, and her supportive stepmother is Sonja Antone from District 3.

Antone comes from a large family and has three children: Jason Pratt, Star Johnson, and Cheyenne Gurrola, along with 11 amazing grandchildren and 6 brothers and sisters.

Lt. Governor Antone pursued her education in the medical field, receiving her Associate's Degree in Radiology & Ultrasound science. This allowed her to help others when needed, by being able to work with many other Native Tribes and hospitals in other states for 27 years. She became a 3D/4D ultrasound specialist working in the surgical and emergency rooms, while providing on-call services to tribal communities and surrounding areas, including local hospitals and doctors' offices.

Welcome Lt. Governor Antone!

Terminal Layout Map Including New Five-Gate Addition



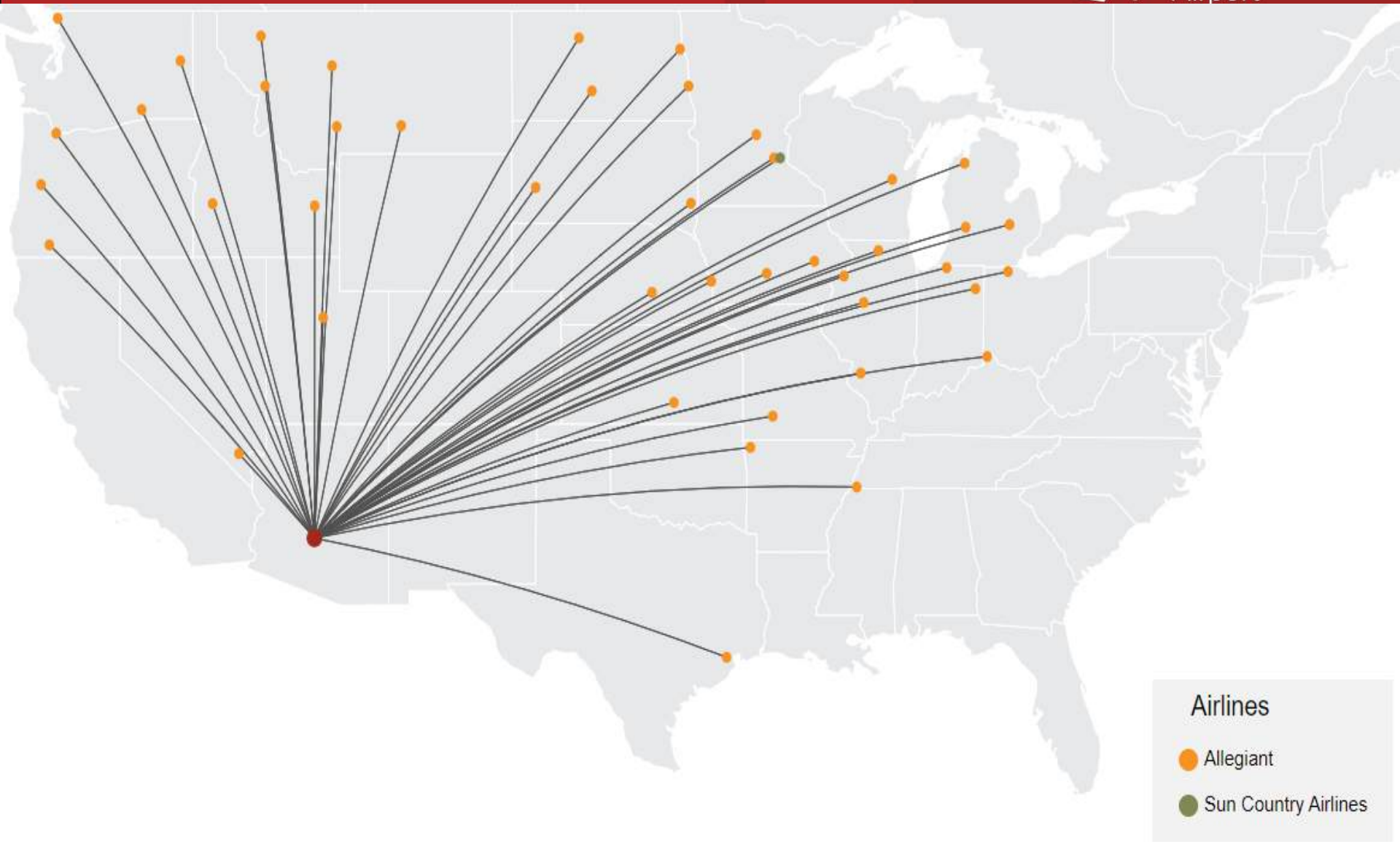
Phoenix-Mesa Gateway Airport

FISCAL YEAR 2025 BUDGET

Our Mission:

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.

Phoenix-Mesa Gateway Airport



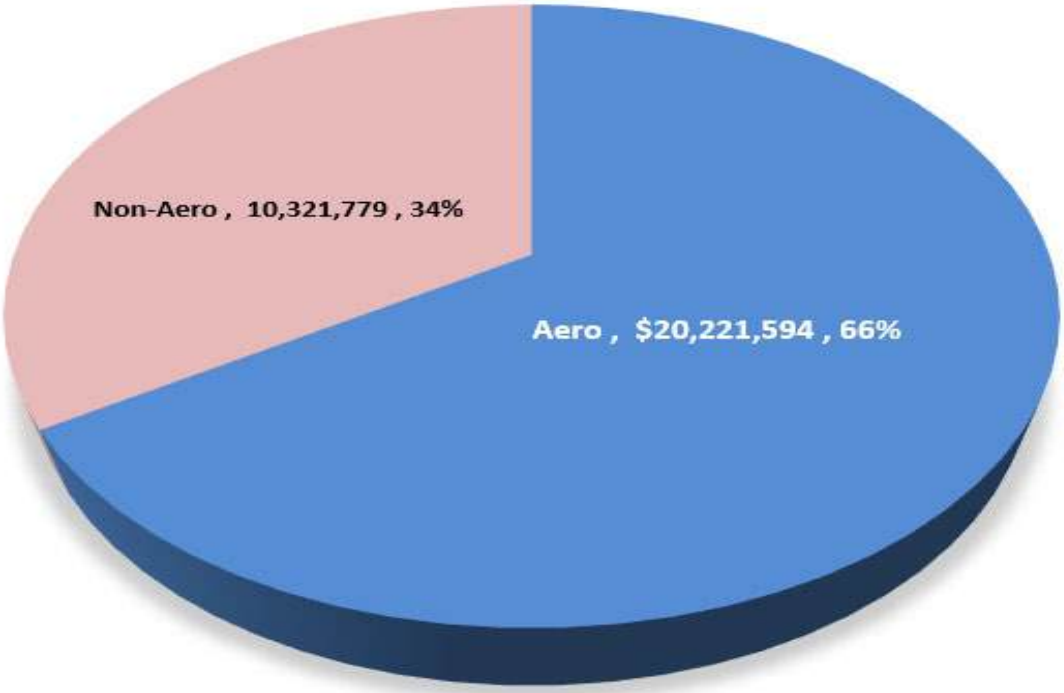
Phoenix-Mesa Gateway Airport

Budget Key Assumptions

1. Member contributions for FY25 will continue to partially fund capital improvements. The new total amount will be $2,760,000 without the City of Phoenix.
2. Enplaning passenger activity is expected to decrease in FY25's budget by 32,917 or 4% from FY24's budget due to no Canadian airlines.
3. Aero revenue is planned to increase $1,259,474 or 7%; Non-Aero revenue is budgeted to be up $963,712 or 10%.
4. Air-Service Incentive Program carries over from previous fiscal year.
5. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

FY25 Operating Budget Revenue

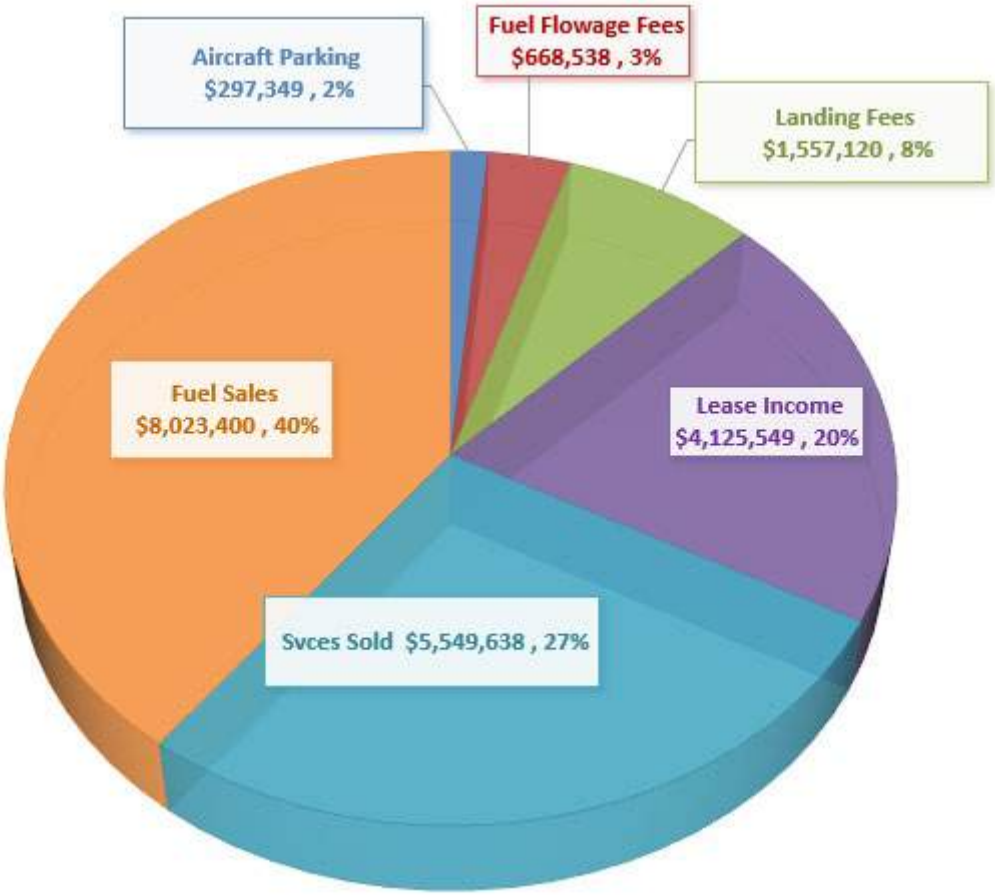
Operating Revenue	FY24 Budget	FY25 Budget	Difference	%
Aeronautical	$ 18,962,120	$ 20,221,594	$1,259,474	7%
Non-Aeronautical	9,358,067	10,321,779	963,712	10%
Total Operating Revenue	$ 28,320,187	$ 30,543,373	$2,223,186	8%



FY25 AERO Operating Revenue Graph

Phoenix-Mesa Gateway Airport

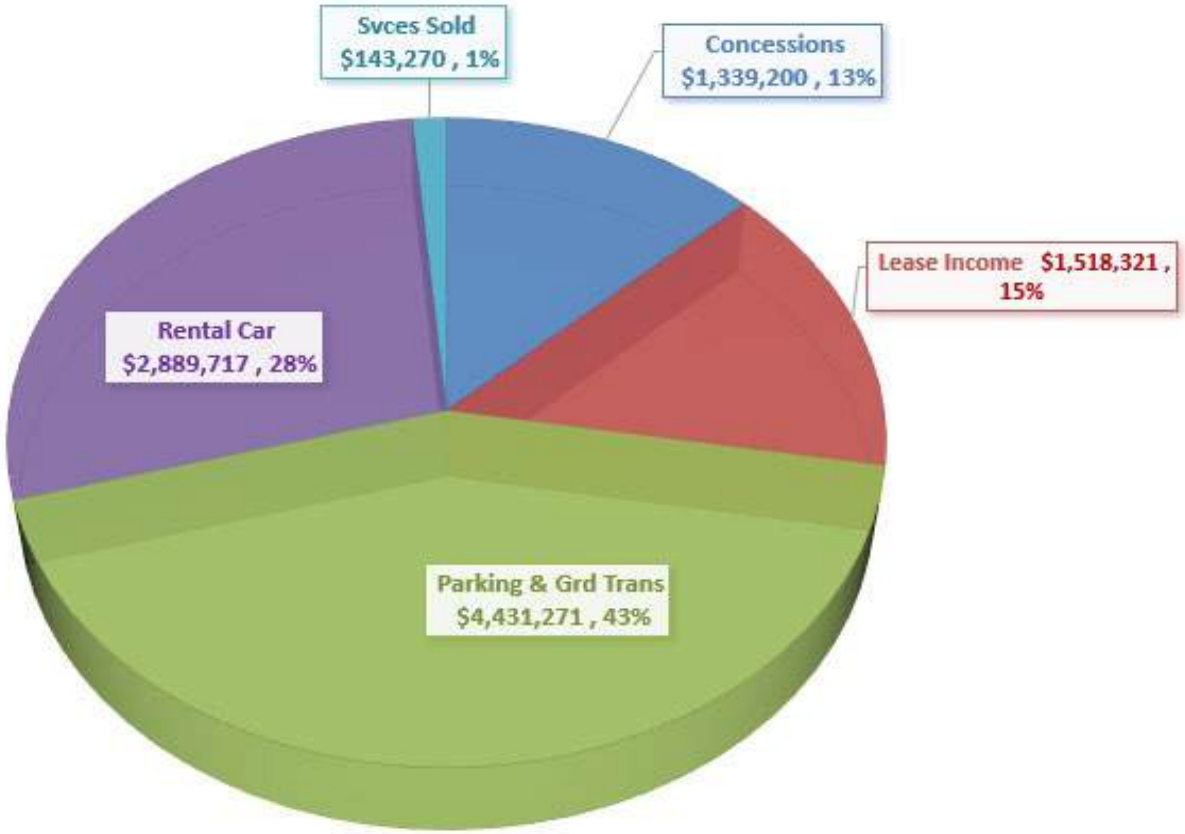
FY25 AERO-Operating Revenue Budget $20M



FY25 NON-AERO Operating Revenue Graph

Phoenix-Mesa Gateway Airport

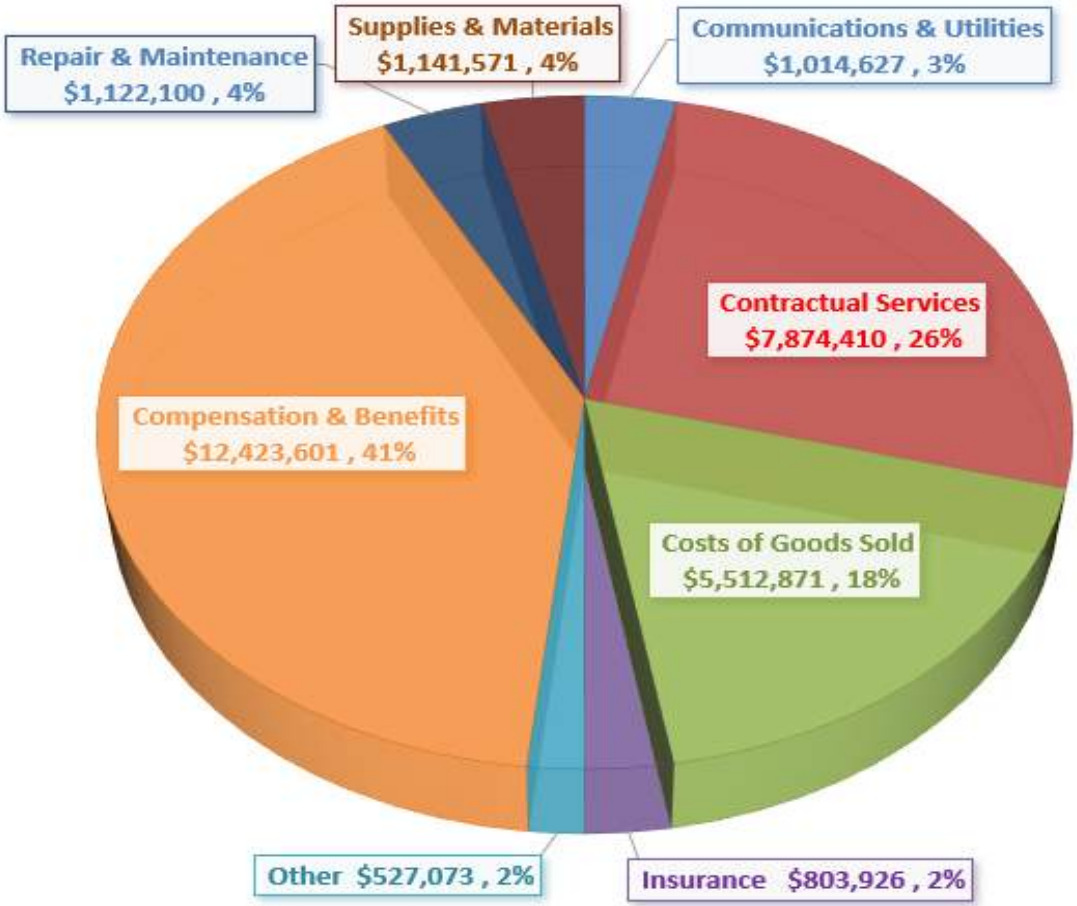
FY25 Non-Aero Revenue Budget $10M



FY25 Operating Expense Graph

Phoenix-Mesa Gateway Airport

FY25 Expense Budget $30M



FY25 Budget Full Time Equivalents by Department

Phoenix-Mesa Gateway Airport

PMGAA Full Time Equivalents

Department	FY24	FY25	Difference	
Accounting	8	9	1	
Business Development	5	4	-1	Moved from BDO to ACT
Comm Gov Relations	4	4	0	
Exec Office	2	2	0	
Engineering	16	16	0	
Fixed Based Operator	33	33	0	
Human Resources	3	3	0	
Information Technology	4	4	0	
Operations	36.5	41.5	5	3 FTE Term Agents, 1 Airfield Operations Officer, 1 Airport Communications Dispatcher
	111.5	116.5	5	

FY25 Budget Full Time Equivalents History

Phoenix-Mesa Gateway Airport

PMGAA Full Time Equivalents History

FY25 Budget	116.5
FY24	111.5
FY23	108.0
FY22	106.5
FY21	104.5
FY20	105.0
FY19	112.0

Phoenix-Mesa Gateway Airport

FY25 Operating Budget

Total Operating Revenue	$30,543,373
Total Operating Expenses	(30,420,180)
Operating Income	$123,194
Cash from Unrestricted Reserve	$5,042,018
Potential Air Incentive	(2,000,000)
10% Contingency	(3,042,018)
	0
Total Budgeted Operating Expense Capacity	$(35,462,198)

Phoenix-Mesa Gateway Airport

FY25 Capital Budget

FY25 Capital Budget	$45,341,979
Carry Over from FY24	35,147,682
FY25 Capital Maintenance Reserve	1,000,000
	$81,489,661

Phoenix-Mesa Gateway Airport

FY25 Debt Service Budget

FY25 Lease Aero Revenue (City of Mesa/Able)	$ 1,291,750
Principle Payment	(605,000)
Interest Payment	(686,750)
FY25 Debt Service Payment	($1,291,750)
Remaining Balance of Series 2012 Special Facility Revenue Bond	$13,735,000

Phoenix-Mesa Gateway Airport

FY25 Operating, Capital, and Debt Service Budget

Combined Summary

Total Operating Expense	$ 30,420,180
Potential Air Incentive	2,000,000
10% Contingency	3,042,018
FY25 Capital Budget	45,341,979
FY24 Carry Over Capital Projects	35,147,682
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,291,750
Total Budget Operating and Capital	$118,243,609

Phoenix-Mesa Gateway Airport

FY25 Capital Improvement Program
Funding Sources

FAA/TSA	$ 36,179,941
PMGAA Cash Reserves	4,556,019
Member Contributions	2,760,000
ADOT	1,776,019
PFC	70,000
Total Capital Funding Sources	$ 45,341,979

FY24 Capital Carry Over into FY25 Funding Summary

Phoenix-Mesa Gateway Airport

FY24 Capital Carry Over Funding Sources

FAA/TSA	$23,378,834
PMGAA Cash Reserves	9,329,056
ADOT	2,439,792
Total FY24 Carry Over	$35,147,682

FY25 5-Year Capital Project Plan

Phoenix-Mesa Gateway Airport

	FY25	FY26	FY27	FY28	FY29
Airfield	$67,063,493	$18,771,979	$11,850,000	$12,000,000	$25,150,000
Terminal	900,000	15,210,000			
Roadways & Parking	525,000	7,620,000	146,500		
Equipment	1,444,000	444,000	1,240,000	308,000	180,000
Vehicles	150,000	635,000	45,000	1,495,000	195,000
Infor & Tech	1,728,500	169,000	413,000	194,000	110,000
Fuel Farm	100,000	10,550,000			
Bldg Improv	650,000	160,000			
Other	1,928,668				
	$ 74,489,661	$53,509,979	$13,694,500	$13,997,000	$25,635,000

Phoenix-Mesa Gateway Airport

5-Year Capital Plan Funding Sources

FAA/TSA Grants	$134,665,975
PMGAA Cash Reserves	23,786,965
Member Contributions	13,800,000
ADOT	7,203,201
PFC	1,870,000
	$181,326,140

FY25 Budget Questions?

Comments or Questions

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | December 19, 2023

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, December 19, 2023, 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 Chip Wilson, Apache Junction
Lt. Governor Monica Antone, Gila River Indian Community
Mayor Julia Wheatley, Queen Creek *(joined in person at 9:02 a.m.)*
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix *(via audioconference)*

Airport Staff Present

J. Brian O'Neill, Executive Director/CEO
Scott Brownlee, Deputy Director/COO
Misty Johnson, Clerk of the Board
Jill Casson Owen, Attorney
Tony Bianchi, Planning Project Manager
** Neither present nor represented*

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

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   Before the start of this morning's Board meeting, City of Mesa Fire Captain Scott Figgins submitted to the Clerk of the Board a public comment card to speak on the incident and response at Gateway Airport on December 18, 2023, where a fuel truck from Gateway Aviation Services overturned spilling a portion of the Jet-A fuel onboard onto the ramp. Several area emergency responders and environmental contractors were on site to ensure the safe and thorough clean-up of the spill. Captain Figgins thanked the board, the staff, and Executive Director O'Neill for the continuous commitment to the highest level of services for the businesses, employees, and visitors at PMGAA.

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-to-Date (FYTD) Net Operating Income is $1,518,584.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 165,886 commercial passengers during October 2023. This is a new October record.
   - On November 17th, Allegiant began twice-weekly nonstop service to Portland, OR from Gateway Airport. Portland was one of the Airport's most requested cities. Allegiant recently announced a 19.1% increase in their Summer 2024 flight schedule at Gateway Airport.
   - The PHX East Valley Partnership named PMGAA as their 2023 Corporate Legacy Award Winner! The award is presented annually to one organization that has made an indelible mark on business and the quality of life in the PHX East Valley, Greater Phoenix, and the State of Arizona. Mayor Wilson and Executive Director O'Neill accepted the award on behalf of the Authority at the December 6th ceremony.

DRAFT

- A ribbon-cutting event is planned for February 20, 2024, at 10 a.m. for Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition.
- Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. Progress for the customization of these hangars continues. Virgin Galactic intends to house "the mothership" in the taller hangar and to use the 125,000 sq. ft. hangar as a manufacturing facility to assemble up to six spaceships each year. The spaceships will be transported to New Mexico by the mothership for their launch activities. Completion of these two hangars is anticipated for the Summer of 2024.
- Progress on Gulfstream's 225,000 sq. ft. West Coast Service Center continues along Ellsworth Road on the east side of the Airport. Gulfstream anticipates occupying this space in the Summer of 2024.
- Progress continues for SkyBridge Arizona's construction of two 250,000 sq. ft. industrial buildings. These two large buildings are being built to accommodate both single and multiple tenants. SkyBridge Arizona is still planning for the construction of the 129-room dual-brand hotel along Sossaman Road. Northern Arizona University (NAU), in partnership with Kind Hospitality and SkyBridge, is building two two-story facilities next to the hotel. The first floor of one building will be a sit-down, high-quality restaurant, and the second floor and second building will house a satellite of NAU's hospitality program.
- The entrance roadway to Gateway East has new palm trees planted, and new stone monuments built along the sides. Soon the Gateway East arch will go in as a symbolic nod to Williams Air Force Base and the arch that led to the entrance of the base. Gateway East is a nearly 300-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The master developer for this project is the Boyer Company (Boyer) from Salt Lake City, UT. The City of Mesa has provided roadway and utility infrastructure to allow for Phase I of Gateway East's development. In September, Boyer received PMGAA Board approval to construct and sublease a 278,000 sq. ft. building to house the U.S. headquarters and manufacturing facility for XNRGY North America, LLC, a climate technology company. Phase I will employ 700 people and will include a research and production facility and office space. XNRGY also has options to build future phases totaling an additional 750,000 sq. ft. adjacent to their Phase I facility.
- Progress continues for Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition. The concourse hold room flooring is installed, and exterior windows, signage, and seating are all in. This project creates efficiencies that will allow the Airport to grow with more nonstop service from Allegiant and possibly additional airlines.
- In February 2024, PMGAA will open a new Enclosed Pedestrian Walkway connecting the ticketing terminal to the TSA Security Screening Checkpoint. This new facility addition, paid for with a $4.4MM Bipartisan Infrastructure Law (BIL) Grant, is a major customer experience enhancement that will allow customers to remain inside from the airline ticket counter to their gate.
- Improvements to the Rental Car Care Facility are ongoing. The project includes new vehicle wash and vacuum bays, upgraded maintenance facilities, additional vehicle queuing/storage, and new operations offices. The funding for the project comes from the Airport's dedicated Customer Facility Charge (CFC) account. CFC funds are fees assessed to passengers renting cars at the Airport. The CFC amount is $3.50 per rental day. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- The Authority has purchased and installed three new 50,000-gallon Jet-A fuel storage tanks. This additional fuel storage capacity will provide the Airport with approximately seven days of on-Airport fuel storage.

- PMGAA issued a solicitation in November 2023 to select a CMAR team to provide preconstruction and construction services for the demolition of eight buildings including the old air traffic control tower. Ten acres on the south ramp of the Airport are being cleared by this demolition and will provide a tremendous aeronautical facility redevelopment opportunity.

6. **Gateway Tomorrow Planning Study Presentation** – Tony Bianchi, Planning Project Manager

Gateway Tomorrow is a planning initiative designed to reset and refine the vision for a future commercial passenger terminal campus on the east side of the Airport. The goal of this project is to develop a vision that will guide PMGAA and its stakeholders in the future decision-making process for the relocation of the passenger terminal and support facilities from the west side of the Airport to the east side.

Mr. Bianchi presented the preferred terminal concept and alternative. Phase I of the preferred two-level terminal concept will consist of 14 gates with jet bridges, all surface parking, and a consolidated rental car facility (CONRAC). The ultimate phase will expand to 25 gates with multi-level structures for CONRAC and parking. Ground transportation will be on the bottom level of CONRAC.

The initial financial analysis for phase I includes only construction costs represented in 2023 dollars. The Phase I program cost is $832,950,000.

The next steps will be to make refinements to the renderings and compile a final report (executive summary) that can be shared with Member Communities, key stakeholders, and others. The final deliverables will be presented and delivered to the board in early 2024.

7. **Consent Agenda**

a) **Minutes** of the Board Meeting held on **November 21, 2023**.

b) **Resolution No. 23-64 –** Adopting the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2024.

c) **Resolution No. 23-65 –** Authorizing Professional Service Agreements for On-Call Engineering Services with **Kimley-Horn and Associates, Inc**. and **Olsson, Inc**. for various grant and non-grant projects.

d) **Resolution No. 23-66 –** Authorizing the Executive Director to execute an Air Carrier Operating Agreement with **Allegiant Air, LLC** for commercial air service at the Airport.

e) **Resolution No. 23-67 –** Authorizing a contract with **Premise One, LLC** to provide preventative maintenance for Access Control and Alarm Monitoring System Services (ACAMS) at a fixed fee, in an amount not to exceed $243,237.98, for the length of the base term of three years, with two optional one-year extensions not to exceed $85,992.01 and $88,571.77 respectively. This amount does not include variable costs for projects or Ad Hoc repairs.

f) **Resolution No. 23-68 –** Authorizing an **Amendment of the FY24 Capital Budget** to add $428,639.07 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc., due to owner-driven changes that are necessary to meet the actual needs of the car rental companies.

g) **Resolution No. 23-69 –** Authorizing a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with **Willmeng Construction, Inc.,** due to requests from the rental car companies and SRP for changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $428,639.07 under CIP 1242.

h) **Resolution No. 23-70 –** Authorize an **Amendment of the FY24 Capital Budget** to provide an additional $1,400,000 to the existing $800,000 budget due to a 100% ADOT Grant for Taxiway W PCCP Repairs under CIP 744. The new project total will be $2,200,000.

Mayor Julia Wheatley moved to approve the Consent Agenda.
Lt. Governor Monica Antone seconded the motion.
The motion was carried unanimously.

Consideration and Approval of:

8. **Resolution No. 23-71** Authorizing a Land Lease Agreement with **VTWV GATEWAY INDUSTRIAL I, LLC** for Lots 101, 102, and 103, consisting of approximately 7.5 acres (327,252.46 SF). The lease term is sixty (60) years, with no renewal options. The annual Base Rent is $202,896.60 annually, payable in equal monthly installments of $16,908.05 plus applicable taxes.

Mayor Brigette Peterson moved to approve Resolution No. 23-71.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

9. **Board Member Comments/Announcements.**
Lt. Governor Monica Antone introduced Lt. Governor-Elect Regina Antone as the newest member of the PMGAA Board of Directors beginning January 1, 2024.

On behalf of the PMGAA Board, Chairman Wilson thanked Lt. Governor Monica Antone for her years of leadership as a member of the PMGAA Board of Directors. Her first term of service was from January 2015 to December 2017. Her second term began in January 2021 and concludes at the end of this month. She will be missed.

10. **Next Meeting: Tuesday, January 16, 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.

11. **Adjournment.**
The meeting adjourned at 9:46 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-01

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 964, Replace Pavement Sweeper**
Date:	**February 20, 2024**

Proposed Motion
To authorize the purchase of one pavement sweeper from Tymco, Inc. (Tymco), in an amount not to exceed $364,494.48.

Narrative
FY24 approved capital plans included replacement of one pavement sweeper.

Currently one 2003 pavement sweeper is beyond the service life due to age and normal wear and tear. It no longer meets the level of the primary and secondary ambient air quality standards for PM10 set forth by the Arizona Department of Environmental Quality. In addition, the chassis is dated and obsolete, making it a challenge for staff to find repair parts.

Phoenix-Mesa Gateway Airport Authority (PMGAA) is a participant of the Houston-Galveston Area Council (H-GAC) cooperative purchasing group. Under H-GAC, Tymco was awarded Motorized Sweepers contract #SW04-20. It is through this cooperative purchasing agreement that PMGAA will utilize Tymco for the purchase of a sweeper. This contract is available upon request.

Fiscal Impact
This purchase was included in the FY24 capital budget and is funded with CIP 964.

Attachment(s)
Quote

RESOLUTION NO. 24-01

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one pavement sweeper from Tymco, Inc. (Tymco), in an amount not to exceed $364,494.48;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of one pavement sweeper from Tymco, Inc. (Tymco), in an amount not to exceed $364,494.48. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

HGACBuy	CONTRACT PRICING WORKSHEET For MOTOR VEHICLES Only	Contract No.:	SW04-20 (expires: 3/31/24)	Date Prepared:	12/7/2023

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	Phoenix-Mesa Gateway Airport, AZ	Contractor:	TYMCO, Inc. (ISSUE P.O. TO TYMCO, Inc.-email below)
Contact Person:	Jeff Burwell	Prepared By:	Kaye Morgan
Phone:	480.406.2343	Phone:	254-799-5546
Fax:		Fax:	254-799-2722
Email:	jburwell@gatewayairport.com	Email:	kaye.morgan@tymco.com

Product Code:	C05	Description:	TYMCO Model HSP Regenerative Air Sweeper

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: $ 187,965.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if

Description	Cost	Description	Cost
Camera/Monitor System - 2 Cameras 615008-B	$ 1,100.00	Extra Water Capacity - 330 Gallons 615021	$ 4,900.00
Hopper Deluge 615043	$ 850.00	Gutter Broom Tilt Adjuster - Right 615022	$ 850.00
Auxiliary Hydraulic System 615053	$ 1,130.00	Lateral Air Flow Nozzle with/Right Gutter Broom 615072	$ 2,865.00
Traffic Directing Light - LED 615823	$ 1,200.00	2023 Peterbilt 220 Cabover Chassis Right Steer 600708	$ 118,710.00
		QUOTE GOOD THROUGH FEB. 29, 2024	
		DELIVERY SUBJECT TO TRUCK AVAILABILITY	
		Subtotal From Additional Sheet(s):	
		Subtotal B:	$ 131,605.00

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.

Description	Cost	Description	Cost
Water Tank Level Gauge in Cab	$ 600.00	Additional Nozzle w/Separate Switch: Hopper	$ 400.00
Auto Sweep Interrupt w/Overspeed Interrupt	$ 1,000.00	Poly Gutter Broom Segments	$ -
Dump Switch in Cab	$ 200.00	Fire Extinguisher	$ 100.00
		2024 Peterbilt 220 Chassis **LEFT** Steer **UPGRADE**	$ 6,540.00
		Subtotal C:	$ 8,840.00

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 3%

D. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C) $ 328,410.00

Quantity Ordered: 1 X **Subtotal of A + B + C:** $ 328,410.00 = **Subtotal D:** $ 328,410.00

F. Trade-Ins / Other Allowances / Special Discounts / Freight / Installation

Description	Cost	Description	Cost
Freight/PDI/Inservice	$ 3,500.00		
Surcharge - Base Sweeper	$ 4,650.00		
AZ Sales Tax (8.3%)	$ 27,934.48	**Subtotal F:**	$ 36,084.48

Delivery Date:	**240 - 300 Days**	**G. Total Purchase Price (D+E+F):**	$ 364,494.48

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-02

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Demolition of Airport Facilities – Construction Manager at Risk Pre-Construction Services Contract - BCS Enterprises, Inc. – CIP 1223**
Date:	**February 20, 2024**

Proposed Motion

To authorize a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $58,474 under CIP1223.

Narrative

Due to the continued growth of the Phoenix-Mesa Gateway Airport Authority (PMGAA), staff has determined that we have a rare aeronautical opportunity available to us, which will bring significant economic benefit to the Airport. This aeronautical opportunity is the redevelopment of Lots 50A and 50B, which are located on the southwest portion of the Airfield. PMGAA Staff will conduct a national search for a developer or end-user to maximize this rare opportunity by redeveloping these two prime airside locations.

The first step of this redevelopment process is to demolish the existing buildings, known as Bldg 1095 on Lot 50B, Bldg 1087 on a portion of Lot 50C, and a sound suppression facility on Lot 50A. Staff also identified three additional buildings, known as Hangar 24 on Lot 33D, Building 1541 located on Lot 45, and the original Air Traffic Control Tower on Lot 51. All of these facilities, and the reinforced concrete pipes in the Eastside Development Area, have reached the end of their useful life, and due to their age and deteriorated condition, they have been identified for demolition and are included in this project.

The Request for Qualifications (RFQ), Solicitation 2024-009-RFQ was issued on November 6, 2023, and advertised in the Arizona Business Gazette on 11/09, 11/16, 11/23 and 11/30/23; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE, and Phoenix-Mesa Gateway Airport Authority Websites. In addition, the RFQ was emailed to a list of 92 prospective firms. PMGAA received five (5) Statements of Qualifications on December 6, 2023, from the following firms:

AZ West Builders and Communications Inc.
Builders Guild, Inc.
BCS Enterprises, Inc.
Signature Projects AZ Demolition Services LLC
W.E. O'Neil Construction Co. of Arizona

The Evaluation Panel unanimously selected BCS Enterprises, Inc. as the firm that best satisfied the requirements based on the qualifications of the firm, project team experience, project understanding and approach to performing the required services.

Fiscal Impact
This project was included in the FY24 Capital Budget, utilizing PMGAA non-grant funding under CIP1223.

Attachment(s): CMAR Pre-Construction Services Contract

RESOLUTION NO. 24-02

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $58,474 under CIP1223;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $58,474 under CIP1223. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DEMOLITION OF AIRPORT FACILITIES

CONSTRUCTION MANAGER AT RISK (CMAR) PRE-CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1223

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Phoenix-Mesa Gateway Airport
Engineering Department

Construction Manager at Risk
Pre-Construction Services
Project No. 1223

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

PMGAA and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

PMGAA:	Phoenix-Mesa Gateway Airport Authority Project Manager: Carl D'Acosta Telephone: 480-988-7612 E-mail: cd'acosta@gatewayairport.com
CMAR:	BCS Enterprises, Inc. 4136 S. 80th Street Mesa, AZ 85212 CMAR Representative: James R. Middleton Telephone: 602.549.2882 E-mail: jrmiddleton@bcsdemo.com
DESIGN PROFESSIONAL:	N/A
PROJECT DESCRIPTION:	Demolition of Airport Facilities
PROJECT LOCATION:	Airport Wide

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between PMGAA and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits herein;
2. The General Conditions to the CMAR Construction Contract;
3. The Statement of Qualifications (SOQ) requirements (2024-009-RFQ), documents, and CMAR's submittal dated November 21, 2023.

2.2 DEFINITIONS

Whenever the following terms are used in this Contract, the intent and meaning shall be interpreted as follows:

Allowance – A specific amount for a specific item of Work, if any, that PMGAA agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of PMGAA) at the time the Contract Price is agreed to for CMAR to provide a definitive price. Allowances shall be treated in accordance with Article 14 of this Contract.

Baseline Cost Model –A breakdown and estimate of the scope of the Project developed by CMAR pursuant to Article 3.4.1 of this contract.

CMAR or Construction Manager at Risk – The person or firm selected by PMGAA to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with PMGAA. The term "CMAR" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or CMAR's Fee – An agreed to percentage in an accepted GMP that represents the CMAR's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by PMGAA, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by PMGAA, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents, these would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by CMAR in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Exhibit A of this Contract.

Deliverables – The work products prepared by CMAR in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by CMAR during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate PMGAA's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between PMGAA and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under the Pre-Construction Services

Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Project Manager in accordance with Article 3.2 of this contract, if applicable.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum Price Proposal is based.

GMP Proposal – The proposal of CMAR submitted pursuant to Article 3.6 of this contract for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract, Change Order, or Job Order if applicable.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

3.1 GENERAL REQUIREMENTS

3.1.1 CMAR shall perform the Services under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated November 21, 2023 or as otherwise approved by PMGAA. No other entities or individuals may be used without the prior written approval of the Project Manager.

3.1.2 CMAR will comply with all terms and conditions of the General Conditions to the CMAR Construction Contract.

3.1.3 In the event of a conflict between this Contract and the General Conditions or any exhibit hereto or appendix thereto, the terms of this Contract shall control.

3.1.4 CMAR shall prepare and present to PMGAA a Detailed Project Schedule that is acceptable to PMGAA and in accordance with Article 3.2 of this Contract.

3.1.5 CMAR shall conduct the evaluations, perform the design document reviews, make the recommendations and provide the other Services referenced and in accordance with Article 3.3 of this Contract.

3.1.6 CMAR shall prepare and submit the Baseline Cost Model, Detailed Cost Estimates and Schedule of Values in accordance with Article 3.4 of this Contract.

3.1.7 The submitted Baseline Cost Model, Detailed Cost Estimates and Schedule of Values shall not exceed PMGAA's Construction Budget, which is $2,000,000. If CMAR submits a Baseline Cost Model, Detailed Cost Estimates, and Schedule of Values that exceeds the Construction Budget, negotiations could lead to termination or suspension of the Contract.

3.1.8 CMAR shall perform the Services required by, and in accordance with the Contract Documents and as outlined in Exhibit A of the Contract to the satisfaction of the Project Manager, exercising the degree of care, skill, diligence and judgment a professional construction manager experienced in the performance of such services for construction and/or facilities of similar scope, function, size, quality, complexity and detail to the Project in urban areas throughout the United States, would exercise at such time, under similar conditions. CMAR shall, at all times, perform the required services consistent with sound and

generally accepted engineering principles and construction management and construction contracting practices

3.1.9 As a participating member of the Project Team, CMAR shall provide to PMGAA a written evaluation of PMGAA's Project Program and budget, each in terms of the other, with recommendations as to the appropriateness of each. CMAR shall prepare a Baseline Cost Model that validates PMGAA's budget. The Baseline Cost Model shall include all assumptions and basis of estimates in enough detail so that the Project Team can compare future detail estimates to the Baseline Cost model for variances. PMGAA will provide all the reasonably required data that is available in order to reach agreement between the team members that the Baseline Cost Model is an accurate projection of the costs of the Project.

3.1.10 CMAR shall attend Project Team meetings, which may include, but are not limited to, bi-weekly Project management meetings, Project workshops, special Project meetings, construction document rolling reviews, public meetings and partnering sessions. CMAR attendance at design or other meetings in which CMAR is provided the opportunity but does not actively participate and/or is not properly prepared is not acceptable. Repeated instances of non-participation and/or lack of preparedness shall be grounds for termination of CMAR Contract for default.

3.1.11 CMAR when requested by PMGAA, shall attend, make presentations and participate as may be appropriate in public agency and or community meetings, relevant to the Project. CMAR shall provide drawings, schedule diagrams, budget charges and other materials describing the Project when their use is required or appropriate in any such public agency meetings.

3.1.12 PMGAA ownership of Work Product. All Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of PMGAA. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or material, in whatever form created (e.g., electronic or printed) and in all media now know or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. §101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to PMGAA. The rights in this Section are exclusive to PMGAA in perpetuity.

3.1.13 CMAR represents to PMGAA in completing Pre-Construction Services and providing the reports and analysis required thereunder, that Work can be properly and timely constructed within the GMP Proposal, if accepted. CMAR does not assume any design responsibilities unless specifically called for in the scope of work, but CMAR shall be responsible for their errors, omissions or inconsistencies included in the Work.

3.1.14 CMAR and PMGAA agree and understand that PMGAA is at all times subordinate to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009)(including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.)

3.2 DETAILED PROJECT SCHEDULE

3.2.1 The fundamental purpose of the Detailed Project Schedule is to identify, coordinate and record the tasks and activities to be performed by all of the Project Team members and then for the Project Team to utilize that Deliverable as a basis for managing and monitoring all member's compliance with the schedule requirements of the Project. Each Project Team member is responsible for its compliance with the Detailed Project Schedule requirements. CMAR shall, however, develop and maintain the Detailed Project Schedule on behalf of and to

be used by the Project Team based on input from the other Project Team members. The Baseline Project Schedule shall be developed as part of the Baseline Cost Model. The Detailed Project Schedule shall use the Critical Path method ("CPM") technique, unless required otherwise, in writing by PMGAA. CMAR shall use scheduling software acceptable to PMGAA to develop the Detailed Project Schedule. The Detailed Project Schedule shall be presented in graphical and tabular reports as agreed upon by the Project Team. If Project phasing as described below is required, the Detailed Project Schedule shall indicate milestone dates for the phases once determined. As part of construction phase, PMGAA may require CMAR to prepare a "resource loaded" schedule for all work, including work performed by Subcontractors, detailing each of the project tasks and the required/anticipated number of personnel per day for each task. CMAR shall also indicate on the schedule its ability to meet said required/anticipated personnel requirements.

3.2.2 CMAR shall include and integrate in the Detailed Project Schedule the services and activities required of PMGAA and CMAR including all construction phase activities based on the input received from PMGAA. The Detailed Project Schedule shall define activities as determined by PMGAA to the extent required to show: (a) the coordination between preliminary design and various pre-construction documents, (b) any separate long-lead procurements, (c) any permitting issues, (d) any land, right-of-way, or easement acquisition, (e) bid packaging strategy and awards to Subcontractors and Suppliers, (f) major stages of construction, (g) start-up and commissioning, and (h) occupancy of the completed Work by PMGAA. The Detailed Project Schedule shall include by example and not limitation, proposed activity sequences and durations for design, procurement, construction and testing activities, milestone dates for actions and decisions by the Project Team, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead time procurement (if any), milestone dates for various construction phases, Total Float for all activities to the extent authorized by PMGAA, relationships between the activities, PMGAA's occupancy requirements showing portions of the Project having occupancy priority, and proposed dates for Final Completion.

3.2.3 A Baseline Project Schedule shall be initiated with the project Baseline Cost Model and agreed to by the project team at the same time. CMAR shall update and maintain a detailed Project Schedule throughout pre-construction such that it shall not require major changes at the start of the construction phase to incorporate CMAR's plan for the performance of the construction phase Work. CMAR shall provide updates and/or revisions to the Detailed Project Schedule for use by the Project Team, whenever required, but no less often than at the Project Team meetings. CMAR shall include with such submittals a narrative describing its analysis of the progress achieved to-date vs. the Baseline Project Schedule, including any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions.

3.2.4 If phased construction is deemed appropriate at the time of developing the Baseline Cost Model or during the development of the Detailed Project Schedule, and PMGAA and Design Professional approve, CMAR shall review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work, with the objective of reducing the Project Schedule and/or Cost of the Work. CMAR shall take into consideration such factors as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, and any other factors pertinent to saving time and cost.

3.2.5 Long Lead Time Items. As part of developing the Detailed Project Schedule, CMAR shall identify all long lead time materials, fabrications, equipment, or other items which may impact the Project Schedule and may require early action on the part of the Project Team.

Dates for selecting and ordering long lead time items will be included and highlighted in the Detailed Project Schedule.

3.2.6 Equipment Plan. CMAR shall develop an Equipment Plan that addresses all rental and owned equipment, regardless of whether such equipment will be provided by CMAR or subcontractor(s), that will be necessary to construct the Project and the cost of which will be included as a Cost of the Work in the GMP Proposal. The Equipment Plan will seek to minimize the cost of the equipment to PMGAA and maximize the efficient and coordinated use of the equipment for completion of the Project. The Equipment Plan will not only include the costs and allowable lease rates for the equipment but will also include an equipment schedule that will be incorporated into the Detailed Project Schedule and the Schedule of Values submitted with the GMP Proposal.

3.3 DESIGN DOCUMENT REVIEWS

3.3.1 CMAR shall evaluate the availability of labor, materials/equipment, cost-sensitive aspects of the design; and other factors that may create an unacceptable variance to the Baseline Cost Model and/or Baseline Project Schedule.

3.3. 2 CMAR shall recommend, in conjunction with the Project Team, those additional surface and subsurface investigations that, in its professional opinion, are required to provide the necessary information for CMAR to construct the Project. These additional investigations, if agreed to be necessary by the Project Manager, shall be acquired by PMGAA and copies of the reports will be provided to CMAR.

3.3.3 CMAR shall meet with the Project Team as required to review designs during their development. CMAR shall familiarize itself with the evolving documents through pre-construction. CMAR shall proactively advise the Project Team and make recommendations on factors related to construction costs, and concerns pertaining to the feasibility and practicality of any proposed means and methods, selected materials, equipment and building systems, and, labor and material availability. CMAR shall furthermore advise the Project Team on proposed site improvements, excavation and foundation considerations, as well as, concerns that exist with respect to coordination of the Drawings and Specifications. CMAR shall use established value analysis principles in recommending cost-effective alternatives.

3.3.4 CMAR shall routinely conduct constructability and bid-ability reviews of the Drawings and Specifications as necessary to satisfy the needs of the Project Team. The reviews shall attempt to identify all discrepancies and inconsistencies in the Construction Documents especially those related to clarity, consistency, completeness and coordination of Work of Subcontractors and Suppliers.

3.3.5 CMAR shall evaluate whether: (a) the Drawings and Specifications are configured to enable efficient construction; (b) design elements are standardized; (c) construction efficiency is properly considered in the Drawings and Specifications; (d) module/preassembly design is prepared to facilitate fabrication, transport and installation; (e) sequences of Work required by or inferable from the Drawings and Specifications are practicable; (f) the design has taken into consideration efficiency issues concerning access and entrance to the site, laydown and storage of materials,
staging of site facilities, construction parking, and other similar pertinent issues; and (g) the design maintains continued operation of the existing PMGAA operations, security and systems and maintains traffic on adjacent roadways. CMAR shall also review the Drawings and Specifications to ensure that what is depicted therein can be constructed as designed and shall promptly inform the Project Team of any issues.

3.3.6 CMAR shall check cross-reference and complementary Drawings and sections within the Specifications and in general evaluate whether: (a) the Drawings and Specifications are Sufficiently clear and detailed to minimize ambiguity and to reduce scope interpretation discrepancies; (b) named materials and equipment are commercially available and are performing well, or otherwise, in similar installations; (c) Specifications include alternatives in the event a requirement cannot be met in the field; and (d) in its professional opinion, the Project is likely to be subject to Differing Site Conditions.

3.3.7 The results of the reviews shall be provided to Project Team in formal, written reports clearly identifying all reviewed documents and the discovered discrepancies and inconsistencies in the Drawings and Specifications with notations and recommendations made on the Drawings, Specifications and other documents. CMAR shall meet with Project Team to discuss any findings and review reports.

3.3.8 CMAR's reviews shall be from a CMAR's perspective, and though it shall serve to eliminate/reduce the number of RFI's and changes during the construction phase.

3.3.9 It is CMAR's responsibility to assist the Team in ascertaining that, in CMAR's professional opinion, the Construction Documents are in accordance with Applicable Laws, Regulations, or Legal Requirements, building codes, sound engineering principle's rules and regulations. If CMAR recognizes that portions of the Construction Documents are at variance with applicable laws, statutes, ordinances, building codes, sound engineering principle's rules and regulations, it shall promptly notify the Project Team in writing, describing the apparent variance of deficiency.

3.3.10 The Project Team shall routinely identify and evaluate using value analysis principles and alternate systems, approaches, design changes that have the potential to reduce Project costs while still delivering a high quality and fully functional Project consistent with the Project Program. If the Project Team agrees, CMAR in cooperation with the Team will perform a cost/benefit analysis of the alternatives and submit such in writing to the Project Team. PMGAA, through the Project Manager, will direct which alternatives will be incorporated into the Project.

3.4 BASELINE COSTS MODEL, DETAILED COST ESTIMATES, AND SCHEDULE OF VALUES

3.4.1 The CMAR will review all available information regarding the design and scope of the Project using CMAR's experience in performing similar work, knowledge of similar projects and current and projected construction costs and, based upon that review, shall develop a Baseline Cost Model for review by the Project Team and approval by PMGAA. Once approved by PMGAA, the Baseline Cost Model shall be continually referenced as detailed estimates are created as the design progresses throughout Pre-Construction until the final GMP for the entire Project is established. A final GMP for the entire Project must be established and approved by PMGAA prior to the start of construction. It is the responsibility of CMAR to ensure PMGAA has sufficient information to evaluate and approve a final GMP prior to the time necessary to start construction so construction can be completed within the Contract Time. The Project Detailed Cost Estimate shall be the best representation from CMAR of what the complete functional Project's construction costs will be as indicated by the most current available documents and will be constantly checked against the Baseline Cost Model. CMAR shall communicate to the Project Team and assumptions made in preparing the Baseline Cost Model. The Baseline Cost Model shall support CMAR's Detailed Cost Estimates

and may be broken down initially as dictated by the available information, as required by PMGAA.

3.4.2 N/A

3.4.3 If at any point the Detailed Cost Estimate submitted to PMGAA exceeds the previously accepted Baseline Cost Model or previously approved Detailed Cost Estimate agreed to as set forth in Article 3.4.2 above, CMAR shall make appropriate recommendations to project Team on means/methods, materials, and or other design elements that it believes will reduce the estimated construction costs, such that it is equal to or less than the established Project Team's Baseline Cost Model.

3.4.4 N/A

3.4.5 N/A

3.4.6 Upon request by PMGAA, CMAR shall submit to PMGAA a cash flow projection for the Project based on the current updated/revised Detailed Project Schedule and the anticipated level of payments for CMAR during the design and construction phases. In addition, if requested by PMGAA and based on information provided by PMGAA, CMAR shall prepare a cash flow projection for the entire Project based on historical records for similar types of projects to assist PMGAA in the financing process.

3.5 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTIONS

3.5.1 Except as noted below, the selection of Subcontractors/Suppliers is the sole responsibility of CMAR. In any case, CMAR is solely responsible for the performance of the selected Subcontractors/Suppliers, and for compliance with the requirements of Title 34 of the Arizona Revised Statutes in the selection of a Subcontractors/Suppliers, to the extent applicable. CMAR shall comply with its Subcontractor Selection Plan submitted with its Statement of Qualifications.

3.5.2 PMGAA may approve the selection of a Subcontractor(s) or Suppliers(s) based only on their qualifications when CMAR can demonstrate it is in the best interest of the Project. All Work that is performed, after such a qualifications-based selection, for a price that is negotiated by CMAR will be billed in accordance with the GMP for actual costs and may be subject to audit by PMGAA.

3.5.2.1 Qualifications based selection of a Subcontractor(s)/Supplier(s) should only occur prior to the submittal of the GMP Proposal and such a way as to not delay the start date of the Construction phase as defined in the Baseline Project Schedule.

3.5.2.2 If a Subcontractor/Supplier selection plan was submitted and agreed to by PMGAA, CMAR Shall apply the plan in the evaluation of the qualifications of a Subcontractor(s) or Supplier(s) and provide PMGAA with its review and recommendations.

3.5.2.3 CMAR must receive written PMGAA approval for each selected Subcontractor(s) and Supplier(s).

3.5.2.4 CMAR shall negotiate costs for services/supplies from each Subcontractor/Supplier selected under this method.

3.5.3 All Work shall be competitively bid unless a Subcontractor or Supplier was selected pursuant to paragraph 3.5.2 above.

3.5.3.1 CMAR shall develop Subcontractor and Supplier interest, submit the names of a minimum of three qualified Subcontractors or Suppliers for each trade in the Project for approval by PMGAA and solicit bids for the various Work categories. If there are not three qualified Subcontractors/Suppliers available for a specific trade or there are extenuating circumstances warranting such, CMAR may request approval by PMGAA to submit less than three names.
Without prior written notice to PMGAA, no change in the recommended Subcontractors/Supplies shall be allowed.

3.5.3.2 If PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work for good reason, CMAR shall nominate a substitute Subcontractor/Supplier that is acceptable to PMGAA.

3.5.3.3 CMAR shall distribute Drawings and Specifications, and when appropriate, conduct a Pre-Bid Conference with prospective Subcontractors and Suppliers.

3.5.3.4 If CMAR desires to self-perform certain portions of the Work, it shall request to be one of the approved Subcontractor bidders for those specific bid packages. CMAR's bid will be evaluated in accordance with the process identified below. If events warrant and PMGAA concurs that it is necessary in order to ensure compliance with the Project Schedule and/or the most recent Detailed Cost Estimate, CMAR may be authorized to self-perform Work without bidding or rebidding the Work. When CMAR self-performs work without bidding, only the actual costs associated with performing the Work in accordance with the approved GMP will be billed and may be subject to audit by PMGAA.

3.5.3.5 CMAR shall receive, open, record and evaluate the bids; provided, however, that if CMAR or one of its affiliates is bidding to self-perform the Work that is the subject of the bid, then the bids shall be received, opened, recorded and evaluated by Project Manager instead of CMAR. Bids for each category of Work shall be opened and recorded at a pre-determined time. The apparent low bidders shall be interviewed to determine the responsiveness of their proposals. In evaluating the responsiveness of bid proposals CMAR, in addition to bid price,
may consider the following factors: past performance on similar projects, qualifications and experience of personnel assigned, quality management plan, approach or understanding of the Work to be performed, and performance schedule to complete the Work. The final evaluation of Subcontractor/Supplier bids shall be done with Project Manager in attendance to observe and witness the process. CMAR shall resolve any Subcontractor/Supplier bid withdrawal, protest or disqualification in connection with the award at no increase in the Cost of Work.

3.5.4 CMAR shall be required to prepare two different reports on the subcontracting process.

3.5.4.1 Within fifteen days after each major Subcontractor/Supplier bid opening process; CMAR shall prepare a report for PMGAA's review and approval identifying the recommended Subcontractors/Supplier for each category of Work. The report shall detail: (a) the name of the recommended Subcontractor/Supplier and the amount of the Subcontractor/Supplier bid for each sub-agreement; (b) the sum of all recommended Subcontractor/Supplier bids received; (c) and trade work and its cost that CMAR intends to self-perform, if any.

3.5.4.2 Upon completion of the Subcontractor/Supplier bidding process, CMAR shall

submit a summary report to PMGAA of the entire Subcontractor/Supplier selection process. The report shall indicate, by bid process, all Subcontractors/Suppliers contacted to determine interest, the Subcontractors/Suppliers solicited, the bids received and costs negotiated, and the recommended Subcontractors/Suppliers for each category of Work.

3.5.5 The approved Subcontractors/Suppliers shall provide a Schedule of Values with their bid proposals, which shall be used to create the overall Project Schedule of Values.

3.5.6 If after receipt of sub-bids or after award to Subcontractors and Suppliers, PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work based upon any reasonable basis, CMAR shall nominate a substitute Subcontractor or Supplier, preferably if such option is still available, from those who submitted Subcontractor bids for the Work affected. Once such substitute Subcontractors and Suppliers are consented to by PMGAA, CMAR's proposed GMP for the Work or portion thereof shall be correspondingly adjusted to reflect any higher or lower costs form any such substitution.

3.6 GMP PROPOSAL

3.6.1 CMAR shall submit a GMP Proposal for the entire Work, and for each phase (if required) of the Work, at the times set forth in the Pre-Construction Schedule included in attached Exhibit A. The GMP Proposal shall be presented in a format acceptable to PMGAA based upon the attached Exhibit B. PMGAA may change the schedule, format, and/or requirements for the GMP Proposal as it deems necessary during Pre-Construction and may request resubmittal of the GMP Proposal to reflect such changes.

3.6.2 For the purpose of the GMP Proposal, the parties agree that:

1. The CMAR Fee shall be equal to _5_% (percent) of the Direct Costs;
2. General Conditions costs shall be a fixed amount or percentage agreed to as part of the Baseline Cost Model.

3.6.3 The GMP Proposal shall not exceed PMGAA's budget for the construction of the Project, which is $2,000,000 ("Construction Budget").

3.6.4 When a GMP Proposal is submitted for a phase of the Work, the GMP will have a Detailed Cost Estimate of the Costs of the Work in each phase of the Work that is being proposed plus the current estimate for all other Work. PMGAA will not approve the GMP for the phase of work without a total estimate for the complete Project. PMGAA may request a GMP Proposal for all or any portion of the Project and at any time during pre-construction. Any GMP Proposals submitted by CMAR shall be based on and consistent with Baseline Cost Model and the current update/revised Detailed Cost Estimate at the time of the request and include any clarifications or assumptions upon which the GMP Proposal(s) are based.

3.6.5 A GMP Proposal for the entire Project shall be the sum of the Cost of the Work, CMAR Fee, and General Conditions Cost. CMAR guarantees to complete the Project at or less that the final GMP Proposal amount plus approved Change Orders. CMAR shall be responsible for any costs for expenses that would cause the Cost of the Work actually incurred, including the Construction Fee and General Conditions Costs, to exceed the GMP.

3.6.6 CMAR shall prepare its GMP Proposal in accordance with PMGAA's request for GMP Proposal requirements based on the most current completed Drawings and Specifications at that time, which unless otherwise directed by PMGAA in writing, shall be at 100% Construction Drawings. CMAR shall mark the face of each document of each set upon which

its GMP Proposal is based. These documents shall be identified as the GMP Plans and Specifications. CMAR shall send one set of those documents to the Project Manager, keep one set and return the third set to the Design Professional.

3.6.7 An updated/revised Detailed Project Schedule, Equipment Plan, and Schedule of Values shall be included in any GMP Proposal(s), all of which shall reflect the GMP Plans and Specifications the Detailed Project Schedule shall be shown in relationship to the Project Schedule and identify any variance to the Baseline Project Schedule. Any such Detailed Project Schedule updates/revisions shall continue to comply with the requirements of Article 3.1.2 through 3.2.5 of this contract.

3.6.8 GMP Proposals(s) Review and Approval

3.6.8.1 CMAR shall meet with the Project Team to review the GMP Proposal(s) and the written statement of its basis. In the event the Project Team discovers inconsistencies or inaccuracies in the information presented, CMAR shall make adjustments as necessary to the GMP Proposal.

3.6.8.2 If during the review and negotiation of GMP Proposals design changes are required, PMGAA may authorize and cause the Design Professional to revise the GMP Plans and Specifications to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved GMP Proposal. Such revised GMP Plans and Specification will be furnished to CMAR. CMAR shall promptly notify the Project Team in writing if any such revised GMP Plans and Specifications are inconsistent with the agreed upon assumptions and clarifications.

3.6.9 All portions of or items comprising the GMP Proposal are subject to audit by PMGAA, as deemed appropriate by PMGAA, including, without limitation, any based upon unit prices or Work to be self-performed by CMAR, or its affiliates.

3.7 PAYMENT PROCEDURE FOR PRE-CONSTRUCTION SERVICES

3.7.1 Requests for monthly payments by CMAR for Pre-Construction Services shall be submitted monthly and shall be accompanied by a progress report, detailed invoices and receipts, if applicable. Any requests for payment shall include, as a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and copies of any Subconsultants' requests for payment, plus similar narrative and listings of Deliverables associated with their Work. Payment for services negotiated as a lump sum shall be made in accordance with the percentage of work completed during the preceding month.

3.7.2 In no event will PMGAA pay more that seventy-five (75%) of the Contract Price until final acceptance of ALL Pre-Construction Services, and award of the final approved Construction Services Contract for the entire Project by PMGAA Council. If CMAR does not prepare a GMP Proposal that is acceptable to PMGAA, or the GMP Proposal exceeds PMGAA's Construction Budget, then CMAR understands and acknowledges that it will forfeit any right to receive the 25% of the Contract Price being retained by PMGAA.

3.7.3 CMAR agrees that no charges or claims for costs or damages of any type shall be made by it for any delays or hindrances beyond the reasonable control of PMGAA during the progress of any portion of Pre-Construction Services specified in this Contract. Such delays or hindrances, if any, shall be solely compensated for by an extension of time for such

reasonable period and may be mutually agreed between the parties. It is understood and agreed, however, that permitting CMAR to proceed to complete any such Services, in whole or in part after the date to which the time of completion may have been extended, shall in no way act as a waiver on the part of PMGAA of any of their respective legal rights herein.

3.7.4 No compensation to CMAR shall be allowed contrary to Article I, Chapter I, Title 34 of the Arizona Revised Statutes.

3.7.5 If any service(s) executed by CMAR is abandoned or suspended in whole or in part, for a period of more than 180 days through no fault of CMAR, CMAR is to be paid for the services performed prior to the abandonment or suspension.

3.8 ADDITIONAL PRE-CONSTRUCTION SERVICES

3.8.1 Additional services which are outside the scope of the services required under the Contract Documents shall not be performed by CMAR without prior written Authorization from PMGAA. Additional services, when authorized by an executed written Change Order by PMGAA, shall be compensated for by a fee mutually agreed upon in such Written Change Order between PMGAA and CMAR.

3.8.2 No claim for additional services, extra work done or materials furnished by CMAR shall Be allowed by PMGAA except as provided herein, nor shall CMAR provide any additional services, do any work, or furnish any material(s)not covered by this Contract unless such work or material is first authorized in writing by the Project Manager. Work or material(s) furnished by CMAR without such prior written authorization shall be CMAR's sole jeopardy, cost, and expense, and CMAR hereby agrees that without prior written authorization no claim for compensation for such services, work or materials furnished shall be made, and PMGAA shall not be responsible for such costs.

3.8.3 No Work may be performed under this Pre-construction Services Contract, without prior written approval by PMGAA. As an example, all procurement of long lead time items that must be procured to support the construction schedule or site investigative Work necessary to complete Pre-Construction Services, if done by the CMAR, will be performed only after the long lead time items or investigative Work has been approved and accepted in writing by PMGAA and all such Work shall be done only under an executed Contract for Construction Services, or pursuant to a prior written direction from PMGAA to engage in such procurement..

3.9 SURVIVAL OF THE DESIGN SERVICES CONTRACT, DUTIES, OBLIGATIONS AND WARRANTIES

If the GMP Proposal is accepted by PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

If PMGAA accepts CMAR's GMP Proposal, CMAR and PMGAA will enter a Construction Services Contact for Construction of the Project based upon CMAR's Pre-Construction

Services performed and GMP Proposal and detailed Project Schedule submitted pursuant to this Contract. The terms of the Construction Services Contract are being negotiated contemporaneously with this Contract and CMAR agrees to execute the Construction Services Contract, without further modification, upon acceptance by PMGAA of the GMP Proposal. All of CMAR's obligations, duties and warranties in relation to Pre-Construction Services and Deliverables (including specifically the GMP Proposal) survive the completion of this Contract and will be incorporated into the Construction Services Contract.

ARTICLE 5 – PMGAA FURNISHED INFORMATION

5.1 PMGAA, AT NO COST TO CMAR, WILL FURNISH THE FOLLOWING TO CMAR:

5.1.1 One copy of data in PMGAA's possession or control which PMGAA determines in its discretion to be pertinent to the Work. However, CMAR shall be responsible for searching the records and requesting information it deems reasonably required for the Project.

5.1.2 Electronic copies of programs, reports, drawings, and specifications reasonably required by CMAR, to the extent in the possession of PMGAA.

5.1.3 Additional information to be provided by PMGAA, if any, is listed below:

ARTICLE 6 – CONTRACT TIME

Contract Duration is 75 Calendar Days.

The Pre-Construction Services described in this Contract shall be performed by CMAR in accordance with the Pre-Construction Schedule set forth in attached Exhibit A. Failure on the part of CMAR to adhere to the Pre-Construction Schedule requirements for activities for which it is responsible and in control will be deemed a material breach and sufficient grounds for termination for cause of this Contract by PMGAA.

ARTICLE 7 – CONTRACT PRICE

7.1 In exchange for CMAR's full, timely and acceptable performance of the Services under this Contract, and subject to all of the terms of this Contract, PMGAA will pay CMAR a not to exceed price of $58,474.57 (the "Contract Price"). The method of payment for this contract is Hourly, Not-to-Exceed. The amount paid shall not exceed the amount listed in Article 7.1 for actual costs incurred, based on the negotiated hourly rates and reimbursement schedule as defined in Exhibit A, Scope of Services.

7.2 The Contract Price is all-inclusive, and PMGAA shall not pay any additional amounts, costs expense, except for only those specifically designated reimbursable costs, without markup, as set forth in Exhibit A.

ARTICLE 8 – PAYMENTS

The Contract Price shall be paid based upon the completion of tasks comprising the Pre-Construction Scope of Work as shown in Exhibit A.

ARTICLE 9 – CHANGES

9.1 PMGAA reserves the right to make such changes in the plans and specifications for the Work, as it may deem appropriate and any such change as set forth in a written Change Order shall be deemed a part of this Contract as if originally incorporated herein.

9.2 If design changes are required, PMGAA's and CMAR's responsibilities shall be in accordance with Article 3.6.8.2 of this Contract.

ARTICLE 10 – SUSPENSION AND TERMINATION

10.1 TERMINATION BY PMGAA FOR CAUSE

10.1.1 Criteria for Termination for Cause. CMAR shall be considered in default of his or her contract and such default will be considered as cause for PMGAA to terminate the contract for any of the following reasons if the CMAR:

1. Fails to begin the work under the contract within the time specified in the Notice to Proceed, or
2. Fails to perform the work or fails to provide sufficient workers, equipment and/or materials to assure completion of work in accordance with the terms of the contract, or
3. Performs the work unsuitably or neglects or refuses to remove materials or to perform anew such work as may be rejected as unacceptable and unsuitable, or
4. Discontinues the execution of the work, or
5. Fails to resume work which has been discontinued within a reasonable time after notice to do so, or
6. Becomes insolvent or is declared bankrupt, or commits any act of bankruptcy or insolvency, or
7. Allows any final judgment to stand against the CMAR unsatisfied for a period of 10 days, or
8. Makes an assignment for the benefit of creditors, or
9. Disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction, or
10. Breaches any provision of the contract, or
11. Violates any provision of the PMGAA Rules and Regulations or Minimum Standards, as amended from time to time, and as incorporated into the Contract by reference (Exhibit C), or
12. For any other cause whatsoever, fails to carry on the work in an acceptable manner.

Should the Engineer consider the CMAR in default of the contract for any reason above, the Engineer shall immediately give written notice to the CMAR and the CMAR's surety as to the reasons for considering the CMAR in default and the PMGAA's intentions to terminate the contract.

10.1.2 Effect of Termination for Cause. When any of the above conditions exist, PMGAA, may without prejudice to any other rights or remedies of PMGAA and after giving the CMAR ten (10) days' written notice, terminate the Contract and may, subject to any prior rights of the surety:

1. take possession of the Site and all materials, equipment, tools, and construction equipment machinery thereon owned by the CMAR;
2. accept assignment of subcontracts, and
3. finish the work by whatever reasonable method PMGAA may deem expedient.

10.1.3 CMAR Right to Receive Payment. When PMGAA terminates the Contract for one of the reasons stated in Article 10.1.1, the CMAR shall not be entitled to receive further payment until the work is finished.

10.1.4 Costs for Finishing Work. If the unpaid balance of the Contract Sum exceeds costs of finishing the work, including compensation for the Design Professional services and expenses made necessary thereby, such excess shall be paid to the CMAR. If such costs exceed the unpaid balance, the CMAR shall pay the difference to PMGAA.

10.2 Not Used.

10.3 PMGAA'S TERMINATION FOR CONVENIENCE.

10.3.1 Effect of Termination for Convenience. PMGAA reserves the right to terminate the Contract for convenience and without cause even if CMAR has not failed to perform any part of the Contract. Termination of the work hereunder shall be effected by written notice to the CMAR. Upon receipt of such notice, CMAR shall, unless the notice otherwise directs:

1. Immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract;
2. Immediately cancel all of the existing orders and subcontracts made hereunder;
3. Immediately transfer to PMGAA all materials, supplies, work in progress, appliances, facilities, machinery and tools acquired by the CMAR in connection with the performance of the Contract, and take such action as may be necessary or as PMGAA may direct for protection and preservation of the work relating to this Contract;
4. Deliver all plans, Drawings, Specifications and other necessary information to PMGAA; and
5. Complete performance of the work not terminated by the notice.

10.3.2 CMAR's Exclusive Remedy. If PMGAA terminates the Contract for convenience, the following shall be the CMAR's exclusive remedy:

1. Reimbursement of all actual expenditures and costs approved by PMGAA as having been made or incurred in performing the work;
2. Reimbursement of expenditures made and costs incurred with PMGAA's prior written approval in settling or discharging outstanding commitments entered into by the CMAR in performing the Contract;
3. Reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
4. Reasonable and substantiated expenses to the CMAR directly attributable to PMGAA's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

10.3.3 Warranties, Guarantees and Indemnified Parties to Remain in Effect. All obligations of the CMAR under the Contract with respect to completion of the work, including but not limited to all warranties, guarantees and indemnities, shall apply to all work completed or substantially completed by the CMAR prior to a convenience termination by PMGAA. Notwithstanding the above, any convenience termination by PMGAA or payments to the CMAR shall be without prejudice to any claims or legal remedies that PMGAA may have against the CMAR for any cause, including liquidated damages assessed for CMAR's delays to any work Milestone Dates.

10.3.4 Conversion of Termination for Cause to Termination for Convenience. Upon a determination that a termination of this Contract other than a termination for convenience under this Article was wrongful or improper for any reason, such termination shall automatically be deemed converted to a convenience termination under this Article 10, and the CMAR's remedy for such wrongful termination shall be limited to the recoveries specified under Article 10.3.2.

10.3.5 Remedy Limited to Damages. In the event that CMAR is terminated, whether for cause or convenience, the CMAR's sole remedy shall be for damages. In no event shall the CMAR be entitled to reinstatement or other equitable relief from a court or through alternative dispute resolution.

10.3.6 Notice that Contract is Subject to Termination Provisions of A.R.S. § 38-511.The parties acknowledge, and as required by law, notice is hereby given that this Contract is subject to A.R.S. § 38-511.

ARTICLE 11 – INSURANCE

11.1 CMAR shall provide insurance in accordance with this Article 11.

11.2 CMAR shall provide proof of such insurance and all required endorsements in forms Acceptable to PMGAA prior to commencing any Work or providing any Services under this Contract.

11.3 Failure to provide proof of insurance and the required endorsements acceptable to PMGAA will be a material breach and grounds for termination for cause of this Contract by PMGAA.

11.4 The CMAR and Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for three (3) years thereafter.

11.5 Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less

than $1,000,000 per occurrence for bodily injury, $1,000,000 per employee for bodily injury by disease and a $1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

11.6 Commercial General Liability. Commercial General Liability insurance, with a combined single limit of $2,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, CMARs' Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

11.7 Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than $5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

11.8 Additional Insured. The policies required by Articles 11.6, and 11.7 herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority, their Design Professional, their officer's employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

11.9 Waiver. CMAR and Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Design Professional, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Design Professional, and all of their respective directors, officers, employees, successors and assigns.

11.10 CMAR to Provide Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish PMGAA with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to PMGAA, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this Article 11, are in full force and effect. PMGAA has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. PMGAA will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, PMGAA's right to insist on strict fulfillment of CMAR's obligations hereunder.

11.11 Cancellation Notice. CMAR's and Subcontractors' Certificates of Insurance shall identify the Contract number and shall provide for not less than thirty (30) days' advance notice of any cancellation, termination, or alteration. All such certificates, endorsements, and notices shall be sent to the following:

PMGAA: Phoenix-Mesa Gateway Airport Authority
Address: 5835 South Sossaman Road
Mesa, Arizona 85212-6014
Attn: Mr. Bob Draper, PE – Engineering and Facilities Director

11.12 Costs of Insurance. Costs of all insurance coverage required by Article 11.1 are the sole responsibility of the CMAR.

11.13 Cancellation of Insurance. In the event any insurance coverage for the work is cancelled or terminated, CMAR agrees to replace the insurance without any lapse of protection to PMGAA.

11.14 Contractual Obligations. The stipulation of insurance coverage in this Article 11 shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

11.15 Notice of Loss. All physical loss or damage to the work or to PMGAA property must be reported immediately to PMGAA.

11.16 Higher Limits. If the CMAR maintains higher limits than the minimums stated in this Article 11, PMGAA requires, and shall be entitled to, coverage for the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

11.17 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, PMGAA. At the option of PMGAA, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to PMGAA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

11.18 Claims Made Policy. No Claims Made policies will be accepted.

11.19 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A-" unless otherwise acceptable to PMGAA.

11.20 Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that PMGAA is an additional insured on insurance from subcontractors.

11.21 Special Risks or Circumstances. PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

ARTICLE 12 – INDEMNIFICATION

12.1 To the fullest extent permitted by law, Design Professional or CMAR, its successors, assigns, and guarantors, shall indemnify and hold harmless PMGAA, and its officers and employees, from liabilities, damages, losses and costs, including reasonable attorney fees and court costs, to the extent caused by the negligence, recklessness or intentional wrongful conduct of Design Professional, CMAR, or other persons employed or used by Design Professional or CMAR in the performance of this Contract

12.2 If court of law determines that this section is void under A.R.S. § 34-226 because a word,

words, or phrase in this section makes this section void under A.R.S. § 34-226, then such word, words, or phrase (as applicable) shall be deemed to be stricken to the extent necessary so that this section is not void under A.R.S. § 34-226 and the remaining obligations shall remain in full force and effect; and the language of this section shall be retroactively reformed to the extent reasonably possible in such a manner so that the reformed language provides essentially the same rights and benefits to the fullest extent permitted by A.R.S. § 34-226(B).

ARTICLE 13 – DISPUTE RESOLUTION

13.1 All disputes arising out of or relating to the Contract, the Work or the Project shall be resolved pursuant to the Dispute Resolution process set forth in MAG Specifications § 110.

13.2 CMAR agrees that during any dispute between the parties, CMAR will continue to perform its obligations under the Contract until such dispute is resolved.

13.3 Notwithstanding any other provision in this Contract, PMGAA has the right to immediately file in court and pursue an action for a temporary restraining order and/or injunctive relief against CMAR if PMGAA determines that such action is necessary to protect its interests under the Contract, to obtain specific performance of any provision of the Contract, to advance the completion of the Project, or to protect health, welfare and/or safety, including without limitation, an action of an order directing CMAR to continue or return to construction the Work under the Contract.

13.4 PMGAA and CMAR may adjudicate any dispute between them arising out of or relating to this Contract through alternative dispute resolution if they mutually agree. PMGAA and CMAR shall include a similar alternative dispute resolution provision in all agreements with all other contractors, subcontractors, suppliers, and consultants retained for the Project, and they shall require these contractors, subcontractors, and suppliers to include similar alternative dispute resolution provisions in all contracts relating to the Project.

ARTICLE 14 – ALLOWANCES

14.1 UNLESS OTHERWISE PROVIDED IN THE CONTRACT DOCUMENTS:

14.1.1 The CMAR shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by PMGAA.

14.1.2 Whenever the costs is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order.

ARTICLE 15 – TITLE VI

15.1 CIVIL RIGHTS ACT OF 1964, TITLE VI - GENERAL

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex

(including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

15.2 CIVIL RIGHTS ACT OF 1964, TITLE VI- ASSURANCE

COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

15.3 CIVIL RIGHTS –TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public

accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

WITNESS WHERE OF, the parties here to executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

CMAR
BCS Enterprises, Inc.
an Arizona C Corporation

By: James R Middleton
Name: James R Middleton
Title: President
Date: 1/30/24

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____
Name: J. Brian O'Neill, A.A.E.
Title: Executive Director/CEO
Date: _____

EXHIBIT A – PRE-CONSTRUCTION SERVICES SCOPE OF WORK AND SCHEDULE

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's/Design Professional's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

See following pages.

Phoenix Mesa Gateway Airport Authority

DEMOLITION OF AIRPORT FACILITIES
CONSTRUCTION MANAGER AT RISK (CMAR)
PRE-CONSTRUCTION SERVICES CONTRACT
PROJECT NO. 1223

Exhibit A - Scope of Work and Schedule

BCS Enterprises will provide the following activities in the execution of the Pre-Construction Services Contract:

Investigation of current condition of the individual sites and structures

Investigation of utilities connected to the structures

Coordinate or assist in the coordination for the abandonment of utilities

Review existing As-Built drawings

Develop multiple site-specific Demolition Surveys

Develop a site-specific Safety Plan

Develop site-specific Demolition Logistics Plans

Develop Subcontractor Scopes of Work for activities not self-performed by BCS

Create 3-D models of the former Control Tower and “pink” Hanger as part of the Demolition Logistics Plans and presentation to PMGAA and stake holders

Provide personnel for meetings with PMGAA as needed

Provide personnel to make presentation(s) to stake holder and lease tenants as requested

Acquire and submit job-specific Insurance Certificates

Create overall Demolition Schedule

Develop the overall Demolition Budget

Solicit subcontract bids for required services not self-performed by BCS

Review Demolition Budget and subcontract proposals with PMGAA

Submit formal GMP and schedule with Construction Services Contract

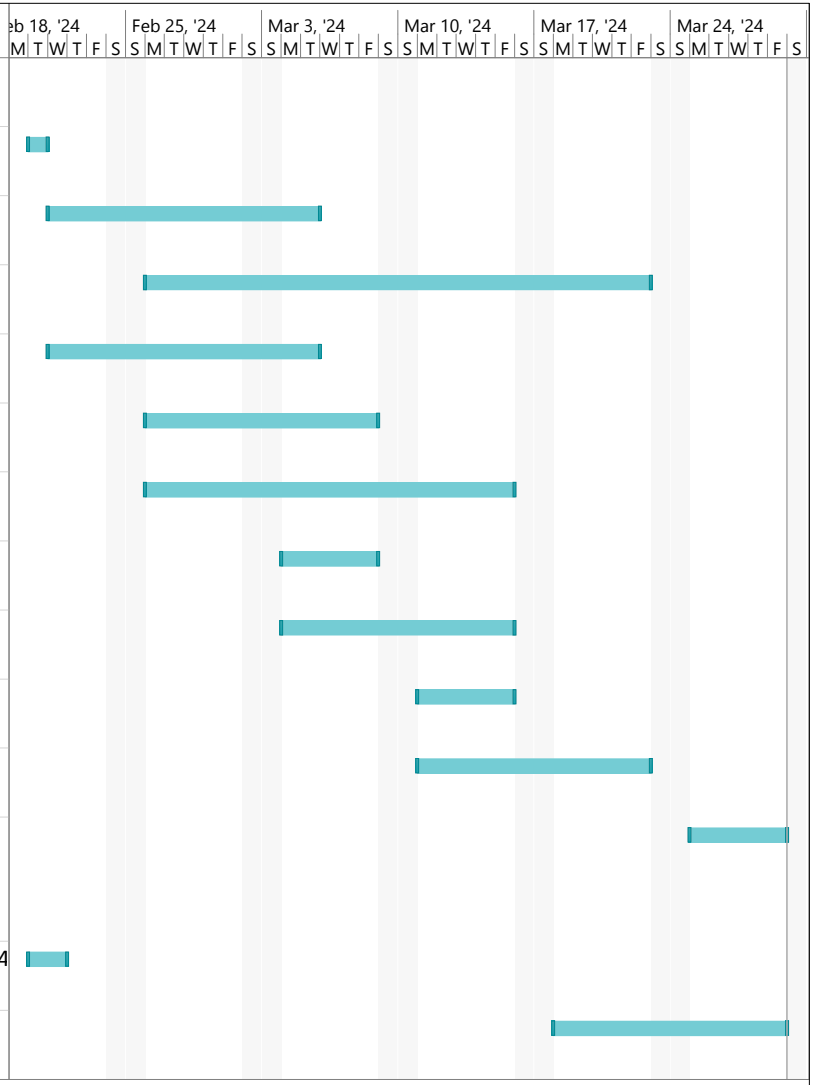
Prepare NESHAP Notification and Air Pollution Control Permit

PMGAA Demoliton

Preconstruction Cost Model

	Rate		Units	Total	Base Rate	Overhead	Profit	Combined	Base Rate Subtotal	Overhead Subtotal	Profit Subtotal	
Office Staff												
Director of Operations	$126.74	hr	100	$12,674.00	$110.21	$11.02	$5.51	$126.74	$11,020.87	$1,102.09	$551.04	
Project Executive	$126.74	hr	20	$2,534.80	$110.21	$11.02	$5.51	$126.74	$2,204.17	$220.42	$110.21	
Safety Director	$96.32	hr	30	$2,889.60	$83.76	$8.38	$4.19	$96.32	$2,512.70	$251.27	$125.63	
Project Manager	$96.32	hr	150	$14,448.00	$83.76	$8.38	$4.19	$96.32	$12,563.48	$1,256.35	$628.17	
Project Engineer	$66.76	hr	120	$8,011.20	$58.05	$5.81	$2.90	$66.76	$6,966.26	$696.63	$348.31	
Payroll/Accounts Payable	$82.28	hr	10	$822.80	$71.55	$7.15	$3.58	$82.28	$715.48	$71.55	$35.77	
General Office Staff	$55.89	hr	120	$6,706.80	$48.60	$4.86	$2.43	$55.89	$5,832.00	$583.20	$291.60	
Man Power												
General Superintendant w/truck	$96.32	hr	40	$3,852.80	$83.76	$8.38	$4.19	$96.32	$3,350.26	$335.03	$167.51	
Site Supervisor w/truck	$82.28	hr		$0.00	$71.55	$7.16	$3.58	$82.28	$0.00	$0.00	$0.00	
Foreman/Operator w/truck	$66.76	hr		$0.00	$58.05	$5.81	$2.90	$66.76	$0.00	$0.00	$0.00	
Labor w/ Sm. Hand Tools	$55.89	hr		$0.00	$48.60	$4.86	$2.43	$55.89	$0.00	$0.00	$0.00	
General Labor	$43.47	hr		$0.00	$37.80	$3.78	$1.89	$43.47	$0.00	$0.00	$0.00	
Subtotal				$51,940.00					$45,165.22	$4,516.52	$2,258.26	$51,940.00
Insurance Fees (Premiums based on gross revenues)				$3,750.07								
Adjusted Total				$55,690.07								
CMAR Fees				$2,784.50								
Preconstruction GMP				$58,474.57								

ID	Task Mode	Task Name	Duration	Start	Finish
1					
2		Pre-construcition Services Contract Approval	1 day	Tue 2/20/24	Tue 2/20/24
3		Investigation of Site and Utilites	10 days	Wed 2/21/24	Tue 3/5/24
4		Coordination of Utility Abandonments	20 days	Mon 2/26/24	Fri 3/22/24
5		Review of Existing As-Builts	10 days	Wed 2/21/24	Tue 3/5/24
6		Develop Demolition Survey and Safety Plans	10 days	Mon 2/26/24	Fri 3/8/24
7		3-D Models Creation	15 days	Mon 2/26/24	Fri 3/15/24
8		Develop Demolition Logistic Plans	5 days	Mon 3/4/24	Fri 3/8/24
9		Solicit Subcontractors	10 days	Mon 3/4/24	Fri 3/15/24
10		Develop overall Destruction Schedule	5 days	Mon 3/11/24	Fri 3/15/24
11		Develop GMP Budget	10 days	Mon 3/11/24	Fri 3/22/24
12		Review Budget, Subcontractor Proposals and Schedule with PMGAA	5 days	Mon 3/25/24	Fri 3/29/24
13		Submit Insurance Certificates	2 days	Tue 2/20/24	Wed 2/21/24
14		Prepare and submit NESHAP and Dust Permit	10 days	Mon 3/18/24	Fri 3/29/24



Project: PMGAA Pre-constructio
Date: Mon 1/29/24

Task	Inactive Task	Manual Summary Rollup	External Milestone
Split	Inactive Milestone	Manual Summary	Deadline
Milestone	Inactive Summary	Start-only	Progress
Summary	Manual Task	Finish-only	Manual Progress
Project Summary	Duration-only	External Tasks	

Review of Overhead and Profit

BCS is a privately held corporation whose two shareholders make yearly decisions on bonuses that effect the overall overhead cost and profits that remain in the corporation as retained earnings. Thereby the overhead and profit fluctuate yearly. Our recent 2023 year end review showed the following:

Contract revenues earned	$ 6,238,230
General and administrative expenses	$ 1,559,153
Creating a OH/P percentage of	25%

Those expenses include General Liability, Auto, Pollution and Umbrella Insurance. On our cost model we have broken our the insurance cost, separate from the other Overhead and Profit cost. Our current and projected insurance rate during this project will be slightly above 7.2%. That creates a net OH/P of 17.8%. Because of the fluctuations that BCS experiences from year to year we are submitting our cost model with a industry standard of 10% and 5% for Overhead and Profit on self-performed work.

BCS has hand delivered the 9/30/2023 Financial Year End statement and the insurance budget provided by our insurance broker.

EXHIBIT B – SUBMITTAL REQUIREMENTS FOR GMP PROPOSAL

1. Unless otherwise instructed, CMAR shall submit three (3) bound copies of any GMP Proposal(s) that includes the following documents, complies with the requirements specified in this Contract and the following instructions. The GMP Proposal(s) shall be organized as follows:

   A. Table of Contents
   B. Project Description
   C. GMP Proposal and the following attachments:
      1) Detailed Cost Estimate upon which the GMP is based, and if for phased work, a total project Detailed Cost Estimate as of the time of the phased GMP Proposal.
      2) List of Subcontractors
      3) Schedule of Manufacturers and suppliers
   D. Schedule of Values("SOV")
   E. Project Schedule and a variance report to the Baseline Project Schedule
   F. Construction phasing/traffic control (if applicable)
   G. List of GMP Plans and Specifications

2. A summary breakdown of the GMP Proposal is shown on page 2 of this Exhibit, along with instructions regarding certain line items. The definitions included in Article 2.2 of this Contract apply to the line items, as appropriate, and set-forth the criteria to be used by CMAR in providing the requested breakdown.

3. The most current version of CMAR's SOV shall be submitted with the GMP Proposal. Supporting documents for the SOV, including the request for bids, copies of bids received and clarification assumptions used for the particular bid item listed must be provided in an organized manner that correlates with the SOV.

4. The final accepted GMP shall not include any clarifications/assumptions made by CMAR in the preparation of the GMP Proposal, unless any such clarification or assumption is agreed to in writing by PMGAA.

5. The most current version of CMAR's Detailed Project Schedule shall be submitted with the GMP Proposal with a variance report from the project's Baseline Schedule. The Detailed Project Schedule shall be prepared as specified in this Contract.

6. A table listing all drawing sheets included in the GMP Plans and Specification shall be included with the GMP package. The table shall include the following information: Sheet Number, Sheet Name, Sheet Version, and Date of Issuance. The GMP Proposal and Specifications, as defined, shall be transmitted as specified in this Contract.

EXHIBIT C - COMPLIANCE WITH PMGAA PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS

CMAR agrees to comply with Phoenix-Mesa Gateway Airport Authority's published Rules and Regulations and Minimum Standards, as amended from time to time.

1. Rules & Regulations (link)
   https://www.gatewayairport.com/policiesdocumentsandforms

2. Minimum Standards (link)
   https://www.gatewayairport.com/policiesdocumentsandforms

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-03

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Fuel Farm Expansion Contract Modification – KEAR Civil Corporation, CIP 1224**
Date:	**February 20, 2024**

Proposed Motion

To Authorize a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with KEAR Civil Corporation (KEAR), to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed $1,908,773 under CIP 1224.

Narrative

Due to the increased commercial aircraft passenger traffic and the additional airlines utilizing PMGAA, Airport staff had an analysis completed of the existing and anticipated Jet-A Fuel Storage Capacity that is needed at the Fuel Farm. Currently, the Airport has a usable storage capacity of 212,500 gallons of Jet-A aviation fuel, which has been determined (by Airport Staff), to be approximately a little over three (3) days of storage reserves on hand. Based on recent growth patterns, within the next five years, this number is anticipated to be significantly less than three days of storage reserves on hand. Industry standard is five (5) to seven (7) days storage to allow for disruptions and supply challenges. With the findings from this recent study, PMGAA staff has determined the need for an expansion of the Fuel Farm is in order to accommodate appropriate Jet-A fuel storage capacity.

The Contractor, KEAR, is currently providing Construction Services as the CMAR for this project and has completed the original construction services to install three (3) additional 50,000-gallon Jet-A fuel storage tanks, fuel lines, and pumps. As the project progressed, it was determined that additional safety, security, and capacity enhancements, that were originally planned for the future, are needed now. These include adding CCTV, installing a new 4,000-gallon Oil/Water Separator, replacing the Motor Operated Valves (MOV) and Fire Valves at the existing tanks, complete electrical upgrades to the existing control panel valve relays, and painting of selected piping and Catwalks. The existing project budget provides for sufficient funding for the additional work.

Fiscal Impact

Requesting to have this contract modification approved, for the Fuel Farm Improvements Construction Services Contract with KEAR. This project is included in the FY24 Capital Budget and is funded with PMGAA non-grant funds under CIP 1224.

Attachment(s): Contract Modification #2

RESOLUTION NO. 24-03

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with KEAR Civil Corporation (KEAR), to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed $1,908,773 under CIP 1224;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with KEAR Civil Corporation (KEAR), to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed $1,908,773 under CIP 1224. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Engineering & Facilities
5835 South Sossaman Road
Mesa, Arizona 85212
Telephone 480-988-7628
FAX 480-988-2315

CONTRACT MODIFICATION

Contract Modification No.:	2	Project Number/Name:	1224 - Fuel Farm Expansion Enabling
Contract Modification Date:	1-Feb-24	Notice to Proceed Date:	June 12, 2023
Is This Contract Modification Grant Eligible?	No	FAA Grant No.:	n/a
Are Additional Grant Funds Requested?	No	ADOT Grant No.:	n/a
Contract/Completion Implications - # of days:	277	Contract Date:	April 18, 2023
Contractor:	KEAR Civil Corporation	Exhibit A Date:	January 24, 2024
Contract No.:	20230257	Contract No.:	20230257

This Contract is modified as follows:

This contract modification will add the following owner requested scope to the existing contract: Install new CCTV camera to provide coverage to the southwest side of Jet-A tanks 9 thru 11, replace the existing outdated and inefficient oil/water seperator, replace the existing and outdated motor operated valves (MOV) for Jet-A tanks 1 thru 8, install new external emergency valves (EEV) for Jet-A tanks 1 thru 6, re-route air elimination system piping to reduce pump cavitation, and paint/re-paint selected piping and catwalk elements.

This Contract Modification shall constitute a final settlement of all matters relating to the change in the Work which is the subject of the Contract Modification, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Contract Modification supersedes all prior reservations stated or implied.

	Cost excl. taxes	Taxes	Cost incl. Taxes
The original ***Contract Sum*** was:	$ 2,727,408.32	$ 147,143.68	**$ 2,874,552.00**
Net change by previously authorized Contract Modifications:	$ -	$ (111,687.37)	**$ (111,687.37)**
The ***Contract Sum*** prior to this Contract Modification was:	**$ 2,727,408.32**	**$ 35,456.31**	**$ 2,762,864.63**
The Sum of this Contract Modification	**$ 1,884,370.00**	**$ 24,403.00**	**$ 1,908,773.00**
The new ***Contract Sum***, including this Contract Modification is:	**$ 4,611,778.32**	**$ 59,859.31**	**$ 4,671,637.63**

Approvals

Contractor:
Sign:
Print: Mike Gruey
Title: Director of Construction
Date: 1/30/24

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
An Arizona Joint Powers Airport Authority

Sign: **Date:** 01/30/2024
Print: **Mike Hanas**
Title: Project Manager

Sign: **Date:**
Print: **Bob Draper**
Title: Engineering & Facilities Director

Sign: **Date:**
Print: **J Brian O'Neill**
Title: Executive Director/CEO

If Applicable:

~~**ADOT Approval:**~~
~~**Sign:**~~
~~**Print:**~~
~~**Title:**~~
~~**Date:**~~

~~**FAA Approval:**~~
~~**Sign:**~~
~~**Print:**~~
~~**Title:**~~
~~**Date:**~~

☐ This determination is solely for the purpose of establishing eligibility of costs under the AIP program. ~~This action does not represent a commitment of Federal Funds in addition to the original grant obligation.~~

☐ Our approval with the increase in contract time does not represent FAA concurrence with additional ~~contract time for~~ construction phase services.

☐ The incorporation of non-participating work items must not directly or indirectly result in additional costs to the ~~AIP eligible~~ portion of the project. Maintain separate and accurate cost accounting of the non-participating ~~costs that will~~ permit a third auditor to quickly verify proper cost allocation.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Resolution 24-04

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Purchase of Jet-A and 100LL Avgas Fuel**
Date:	**February 20, 2024**

Proposed Motion
To authorize the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $1,550,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the Airport's sole provider of retail aviation fuel.

Jet-A and 100LL Avgas are needed to provide aircraft fuel to tenant, transient, corporate, flight school, airline, and military customers. The actual cost of fuel is based on the market price at the time of order. Airport staff expects to exceed the originally requested purchase amount prior to the end of FY24. This is due to higher fuel costs and greater than anticipated sales of Avgas in the first half of the fiscal year. The additional $1,550,000 purchase will bring the total FY24 Jet A and 100LL Avgas purchase to $5,545,750.

Request for Proposals No. 2019-005-RFP was issued, and World Fuel was selected as the fuel provider. Board Resolution No. 19-34 approved a multi-year contract between Phoenix-Mesa Gateway Airport Authority and World Fuel.

Fiscal Impact
This purchase will be funded by the FY24 operating contingency budget and will be more than offset by an increase in revenue.

Attachment(s)
N/A

RESOLUTION NO. 24-04

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $1,550,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of Jet A and 100LL Avgas fuel from Ascent Aviation Group, Inc. (World Fuel) for Airport Authority resale in the amount of $1,550,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-05

To: Board of Directors
From: Lori Collins, Business and Economic Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Gateway Executive Airpark - Lease Amendment 4 – Extending Term by 10 Years
Date: February 20, 2024

Proposed Motion

To authorize Amendment 4 to the Land Lease Agreement with Gateway Executive Airpark, LLC for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("Lessor") and Gateway Executive Airpark, LLC ("Lessee") entered into a Land Lease Agreement (the "Lease") on October 1, 2019, and amended the agreement on June 20, 2023, for Lots 11-14, consisting of approximately 12.694 acres of land (552,936 square feet).

When the Phoenix-Mesa Gateway Airport Authority Board approved the original ground lease in October 2019, the term was for twenty-five (25) years with two (2), five (5)-year extension options. At that time, it was estimated that the capital investment for the hangar complex would be $21,000,000.

The actual project costs have exceeded $40,000,000, and Phoenix-Mesa Gateway Authority staff are recommending, amending the term with an extension of ten (10) years, for a total of 45 years, ending in 2064.

In all other respects, the Lease will remain unchanged and in full force and effect.

Attachment(s)

Land Lease – Gateway Executive Airpark, LLC – Amendment 4

RESOLUTION NO. 24-05

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize Amendment 4 to the Land Lease Agreement with Gateway Executive Airpark, LLC for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes Amendment 4 to the Land Lease Agreement with Gateway Executive Airpark, LLC for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

FOURTH AMENDMENT TO LEASE

This FOURTH AMENDMENT TO LEASE ("Amendment 4") is executed to be effective as of the FIRST (1st) day of MARCH 2024 ("Amendment 4 Effective Date") by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("Lessor"), and **GATEWAY EXECUTIVE AIRPARK, LLC,** an Arizona limited liability company ("Lessee").

RECITALS:

A. Lessor and Lessee are parties to that certain Land Lease dated and effective the FIRST (1st) day of OCTOBER 2019, as amended by the First Amendment to Lease dated the TWENTY-FIRST (21st) day of October 2020, and the Second Amendment to Lease dated the FIRST (1st) day of October 2022, and the Third Amendment to the Lease dated the FIRST (1st) day of July, 2023 (collectively, the "Lease"), with respect to that certain real property at the Airport commonly described as LOT 11, LOT 12, LOT 13, and LOT 14 which real property is more particularly described in the Lease and referred to in the Lease as the "Premises".

B. Gateway Executive Airpark, a three-hangar development totaling more than 185,500 square feet, is fully leased by high-quality business tenants.

C. Capital investment by Lessee for improvements on the Premises is more than double the original estimate of TWENTY-ONE MILLION DOLLAR (USD$21,000,000.00).

D. The Parties desire to enter into this AMENDMENT 4 in order to extend the term of lease TEN (10) additional years due to the significant additional capital invested in the project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 4 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Each capitalized term used in this Amendment 4 and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

2. SECTION 2.1 is hereby modified by deleting the language and replacing it with:

   2.1 Term. The term of this Lease shall be for FORTY-FIVE (45) years, commencing on the Effective Date (October 1, 2019) and terminating on September 30, 2064.

3. Lessee warrants and represents to Lessor that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 4 by Lessee; (ii) the persons who have executed this AMENDMENT 4 on behalf of Lessee are duly authorized to do so; and (iii) this AMENDMENT 4 constitutes a legal, valid and

binding obligation of Lessee, enforceable against Lessee in accordance with its terms and the terms of the Agreement.

4. In all other respects the Lease shall remain unchanged and in full force and effect. The Lease, as amended by this AMENDMENT 4 shall continue to be binding upon Lessor and Lessee and their permitted successors and assigns.

5. All of the Recitals set forth above are incorporated into this AMENDMENT 4 by this reference.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 4 as of the date first set forth above.

FOR LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority

By:_____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

FOR LESSEE:

GATEWAY EXECUTIVE AIRPARK, LLC, an Arizona limited liability company

By: _____

Name: Daryl J. Donkersloot,
Managing Member

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Resolution 24-06

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Runway 12C-30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Engineering Design Services – Kimley-Horn and Associates, Inc. – CIP 1243**
Date:	**February 20, 2024**

Proposed Motion

To approve an Authorization of Services with Kimley-Horn and Associates, Inc. (Kimley-Horn) for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed $170,527 under CIP 1243.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, the Runway 12C-30C Asphalt Concrete (AC) pavement has experienced rapid deterioration and is in need of rehabilitation. Airport Staff has requested design plans and specifications for the milling and replacement of the AC pavements within the project area. In addition, the Airport has also requested the design team to provide plans for upgrading the existing Runway 12C-30C lighting infrastructure to an LED system and to replace the existing Runway Distance Remaining (RDR) Signage.

Kimley-Horn will perform and provide Engineering Design Services that will be comprised of the preparation of an Engineer's Design Report, preparation of preliminary/final-review/issued-for-bid contract bid documents and bid phase services. This project is anticipated to be bid in April 2024. Construction Administration services may be added to this project at a later date.

In 2023, a Request for Qualifications, 2024-005-RFQ for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement, 2024-0076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replace, Lighting and Signage Upgrade Project. The total cost for these combined services was negotiated based on the contract fee schedule at a cost not to exceed $170,527.

Fiscal Impact

This project is included in the FY24 Capital Budget utilizing FAA, ADOT, and PMGAA matching non-grant funds under CIP 1243.

Attachment(s): AOS, Proposal

RESOLUTION NO. 24-06

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve an Authorization of Services with Kimley-Horn and Associates, Inc. (Kimley-Horn) for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed $170,527 under CIP 1243;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves an Authorization of Services with Kimley-Horn and Associates, Inc. (Kimley-Horn) for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed $170,527 under CIP 1243. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DocuSign Envelope ID: 85D24325-94BB-4836-A270-2D8D719532AA

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 2024-0076 24-02

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Runway 12C-30C Asphalt Mill & Replacement, Lighting & Signage Upgrade CIP 1243.

2. **SCOPE OF WORK**: Perform and provide Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project which will consist of the rehabilitation of the existing 12C-30C structural Asphalt Pavement. Work will include milling and replacing the existing AC pavements, and upgrading the existing runway lighting system to LED, and replace the Runway Distance Remaining (RDR) Signage.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed One hundred seventy thousand, five hundred twenty-seven dollars ($170,527), with a combination of FAA, ADOT and PMGAA Match Funding under CIP 1243, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval, and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement 2024-0076 dated December 19, 2023.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal dated January 2024.

PMGAA and Kimley-Horn acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: DocuSigned by: Nate Walnum 271EE4C979344E6...

Print: Nate Walnum, P.E.

Title: Senior Vice President

Date: 1/25/2024

EXHIBIT A

SCOPE OF WORK
ENGINEERING DESIGN SERVICES

for
Runway 12C-30C Mill & Replace and Lighting Upgrades - Design

A. PROJECT BACKGROUND AND HISTORY:

The Asphalt Concrete (AC) pavement located in the center portion of Runway 12C-30C, at Phoenix-Mesa Gateway Airport (the Airport), has experienced rapid deterioration over the last few years. The existing AC pavement is in need of rehabilitation, and the Airport has requested design plans and specification for the milling and replacement of the AC pavements within the project area. In addition, the Airport has also requested that the design team provide plans for upgrading the existing Runway 12C-30C lighting infrastructure to a LED system and replace the existing Runway Distance Remaining (RDR) system.

B. PROJECT DESCRIPTION:

This project will consist of the rehabilitation of the existing Runway 12C-30C structural Asphalt Pavement (AC) section (*between the existing PCC runway ends*) by way of milling the existing AC pavement section to a depth (*to be determined during the design process: anticipated ~2"-depth +/-)* and replacing it with new AC pavement. In addition to rehabilitating the Runway 12C-30C AC pavements, the limits of this project will also include the portions of the Taxiway K AC pavements immediately adjacent to Runway 12C-30C (*up to the existing PCC portions of Taxiway K*). The existing AC pavements will be milled to a uniform depth from the existing surface, and replaced with a uniform depth of new AC pavement so that the existing grades of the runway are matched in the final condition, at the end of this project. Upon completion of the AC pavement rehabilitations, the entire Runway 12C-30C (*and portions of rehabilitated Taxiway K*) will be remarked consistent with FAA standards. This project will also include upgrading the existing runway lighting system to LED. The lighting upgrade will include replacing Runway 12C-30C lighting, transformers, cables, conduits, and base cans (*as determined by the Airport*), and also replacing the Runway Distance Remaining (RDR) signage (*the RDR PCC sign pads are anticipated to be replaced as part of this project, as determined by the Airport*). Project construction phasing will be coordinated with the Airport, and reflected in the plans. The preliminary/schematic geometry of the proposed "*New Connectors and Partial Parallel Taxiways*" project is shown in the Figure **on the next page**.

Design services will be comprised of the preparation of an Engineer's Design Report, preparation of preliminary/final-review/issued-for-bid contract bid documents, and bid phase services. The project is anticipated to be bid in April 2024. Construction Administration services may be added to this project at a later date.

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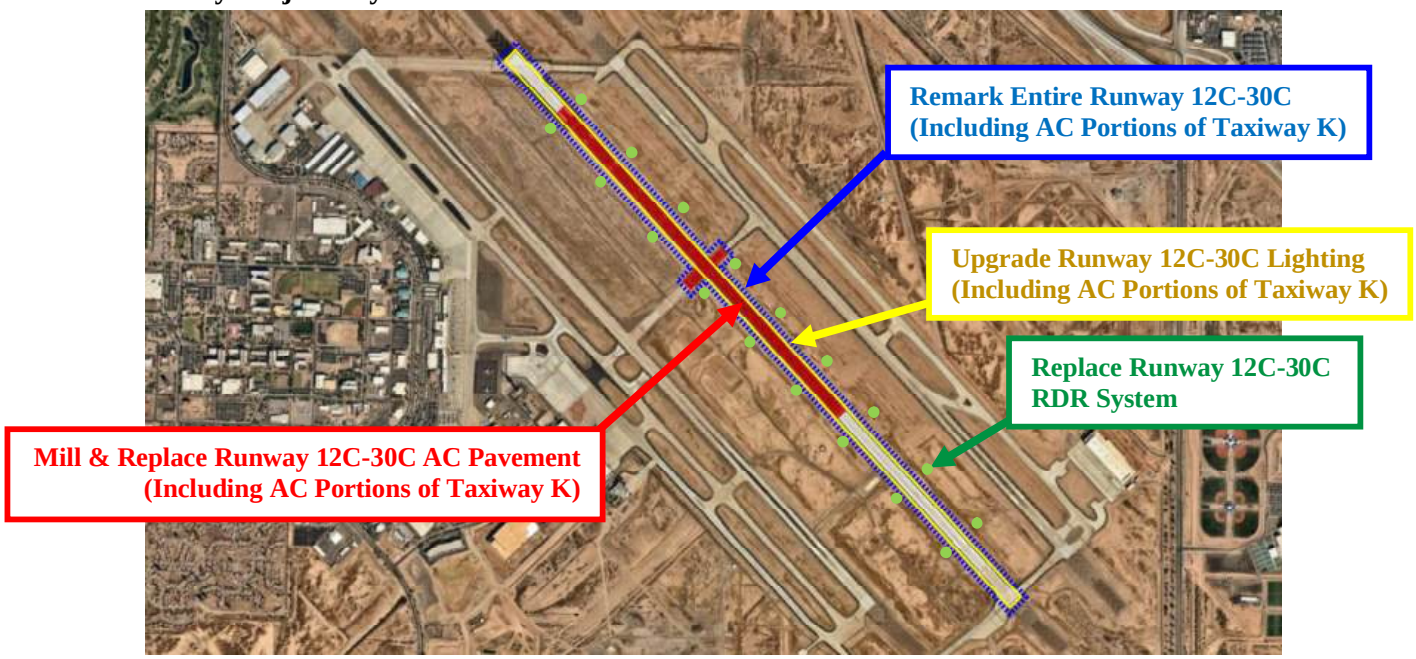
Preliminary Project Layout



C. PROJECT SCOPE:

The specific scope of work for this Authorization of Service is identified as follows:

1. **PROJECT ADMINISTRATION:** The following general tasks are anticipated to be needed for the project.
   a) Provide project administrative tasks for support throughout the project.
   b) Provide project planning, budgeting, and initial project schedule.
   c) Provide bi-weekly progress reports, meetings and notes of project meetings.
   d) Attend (up to two) coordination and plan review meetings.

2. **PRELIMINARY SUBMITTAL (60%):** Kimley-Horn (the Engineer) will produce a draft Engineer's Design Report and Preliminary Plans (60%) of the project. The Engineer's Design Report will include a description of design methodology and other design concepts, criteria and standards used. Reference will be made to appropriate FAA design circulars, specifications and applicable federal and state regulations. Design standards will be according to FAA Advisory Circular 150/5300-13B "Airport Design", other applicable circulars, and Maricopa Association of Governments (MAG) standards. A draft Construction Safety Plan and appropriate air study submittals will be made as required by the FAA for typical construction projects.

   Information created and determined during this effort will be used to prepare the construction plans and specifications. Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project. As part of this task, topographic survey processing, utility designation, and As-Built/Record Drawing review of existing conditions from will be completed.

   These efforts will be done so that preliminary plans (60%) can be prepared. A limited number of preliminary plan sheets (project layout, preliminary typical section, geometrics layout and preliminary electrical layout), an outline of intended specifications, and preliminary cost estimate will be provided to display the project elements. A facilitated review meeting will be held with PMGAA, and with the FAA and Arizona Department of Transportation (ADOT) if required, after the Preliminary submittal and comments will be incorporated into the next submittal.

3. **FINAL REVIEW SUBMITTAL (95%):** The Engineer will provide design and contract construction documents for the runway improvements. The Engineer will provide engineering drawings and specifications to be used as contract documents. Plan sheets will include: cover sheet, sheet index, summary of quantities, general notes and abbreviations, project layout, construction phasing, demolition, typical section/details, geometric layout, pavement markings plan/details, stormwater pollution prevention plan, electrical, and details will be prepared for the project. The Engineer will assemble owner provided front end documents, a project quantity based bid proposal, FAA general provisions, special provisions (unique project requirements), and technical specifications to be used as project contract documents for the bidding process. The Engineer's Design Report will include a description of design methodology and other design concepts, criteria and standards used. Reference will be made to appropriate FAA design circulars, specifications and applicable federal and state regulations. Design standards will be according to FAA Advisory Circular 150/5300-13B "Airport Design", other applicable circulars, and Maricopa Association of Governments (MAG) standards. A draft Construction Safety Plan and appropriate air study submittals will be made as required by the FAA for typical construction projects.

   Information from the E-ALP/GIS project will be used as a base and to augment the survey and utility files for use on the project.

   Plans, specifications, engineer's design report and construction safety/phasing plan will be prepared for Final Review submittal. A facilitated review meeting will be held with PMGAA, and with the FAA and ADOT if required, after the Final Review submittal and comments will be incorporated into the next submittal.

4. **ISSUED FOR BID SUBMITTAL (IFB):** The Engineer will provide Issued For Bid Plans, Specifications, Cost Estimate, and Construction Documents for the Runway 12C-30C Mill & Replace and Lighting Upgrade project.

   Construction Costs: An Engineer's Opinion of Probable Construction Costs will be provided for the project and will be based on cost history for past work within the vicinity of the airfield and for projects of a similar nature. The opinion of probable cost will reflect construction during a regular construction schedule.

5. **PRE-BID ASSISTANCE SERVICES:** The Engineer will provide bidding assistance, issue contract documents to reprographics company for distribution, attend pre-bid conference, answer contractor questions, prepare addendum, tabulate bids, prepare bid summary spreadsheet, and submit to PMGAA written recommendation of award.

D. DELIVERABLES: The following deliverables will be provided according to this contract:

(1) Preliminary Plans and Specifications (Preliminary Submittal) four (4) copies to PMGAA (and one (1) copy to the FAA and ADOT review if required).
(2) Engineer's Design Report – four copies to PMGAA.
(3) Final Review Plans and Specifications (Final Review Submittal) four (4) copies to PMGAA (and one (1) copy to the FAA and ADOT review if required).
(4) Construction Safety Plan/Phasing Plan – copy with each submittal.
(5) Opinion of probable construction costs – copy with each submittal.
(6) Issued For Bid Plans and Specifications (IFB Submittal) four (4) copies to PMGAA. The Airport will provide copies of the plans to contractors for bidding purposes.
(7) Electronic drawing files to PMGAA.

E. OWNER'S RESPONSIBILITIES: PMGAA will furnish specification front end documents including, DBE, legal, bonding and other provisions as required for the contract documents. The Engineer will assemble this information into the contract documents for the bidding process. The information will be due from PMGAA at time of service authorization. PMGAA will review the plan submittals in a timely fashion

and provide written comments of the desired changes to the contract documents. PMGAA will provide all archeological and environmental clearances for the project.

F. WORK SCHEDULE: Work is to be completed within five (5) months from the authorization of service date.

G. CONSULTANT'S COMPENSATION FOR SERVICES: Kimley-Horn shall be compensated for services using a labor fee plus expense basis with the maximum not to exceed fee shown below. Kimley-Horn will not exceed the total maximum fee shown without authorization from the Client. Individual task amounts are provided for budgeting purposes only. Kimley-Horn reserves the right to reallocate amounts among tasks as necessary.

Design Services - $170,527.14

The derivation of engineering fee for design services are attached to this authorization as Exhibits.

Runway 12C-30C Mill & Replace and Lighting Upgrades
Phoenix-Mesa Gateway Airport
Phoenix-Mesa Gateway Airport Authority

DATE: January 2024

EXHIBIT I - DESIGN DOCUMENTS - ENGINEERING FEE
Runway 12C-30C Mill & Replace and Lighting Upgrades

DERIVATION OF COST OF PROPOSAL FEE

1. DIRECT LABOR

TASK	DESCRIPTION	MANHOURS	TOTAL	EXTENDED TOTAL
001	**Project Administration**	50	2,920.48	
002	**Preliminary Submittal (60%)**			
	Construction Drawings	376	19,963.50	
	Quantities & Cost Estimate	18	1,038.46	
	Engineering Design Report	72	4,213.78	
	Project Specifications	74	4,779.86	
003	**Final Review Submittal (95%)**			
	Construction Drawings	135	7,716.19	
	Quantities & Cost Estimate	11	630.85	
	Engineering Design Report	32	1,685.84	
	Project Specifications	24	1,518.63	
004	**Issued For Bid Submittal (IFB)**	76	4,155.83	
005	**Bid Phase Services**	18	1,074.78	
TOTAL DIRECT LABOR		886		$49,698.20

2. EXPENSES:

EXPENSE (Printing)		812.00	
TOTAL EXPENSES:			$812.00

3. CONSULTANTS:

TRACE ENGINEERING - EXTERNAL PLAN REVIEW (DBE) - ESTIMATED		8,000.00	
GEOTHECNICAL MIX DESEIGN REVIEW - ESTIMATED		2,500.00	
TOTAL CONSULTANTS			$10,500.00

4. ENGINEERING FEE

TOTAL LABOR		49,698.20	
OVERHEAD (%)	191.24%	95,042.84	
FEE (% OF NET)	10%	14,474.10	
CONSULTANTS		10,500.00	
EXPENSES		812.00	
TOTAL ENGINEERING FEE			**$170,527.14**

Runway 12C-30C Mill & Replace and Lighting Upgrades
Phoenix-Mesa Gateway Airport
Phoenix-Mesa Gateway Airport Authority

DATE: January 2024

EXHIBIT II - DESIGN DOCUMENTS - ENGINEERING FEE
Runway 12C-30C Mill & Replace and Lighting Upgrades

DERIVATION OF COST OF PROPOSAL FEE

1. Direct Salary Costs

Title	HOURS	Rate	Total Labor	EXTENDED TOTAL
Project Manager (Jarrett Moore)	180	70.56	12,700.80	
Principal Engineer (Steve Reeder)	10	93.24	932.40	
Senior Professional/Engineer (Brandon Robinson)	30	62.37	1,871.10	
Electrical/Comm Engineer (Joseph Bradshaw)	175	67.99	11,898.25	
Senior Analyst (Mario Marquez)	185	51.03	9,440.55	
Analyst (Koa Dey / Sandra Quiroz-Ramirez)	232	43.63	10,122.16	
Designer (JC Cruz)	48	39.06	1,874.88	
Finance/Project Accountant (Mike Dayton)	8	43.47	347.76	
Admin/Clerical (Karen Hanas)	18	28.35	510.30	
Total Direct Salary Costs	886			**$49,698.20**

2. Labor and General & Administrative Overhead

Percentage of Direct Salary Costs By 191.24%	**$95,042.84**

3. Subtotal of Items 1 and 2	**$144,741.04**

4. Fixed Payment

10% of Item No. 3:	**$14,474.10**

5. Non-Salary Expenses

EXPENSE (Printing)	812.00	
Total Direct Non-Salary Expenses		**$812.00**

6. Subcontract Costs

TRACE ENGINEERING - EXTERNAL PLAN REVIEW (DBE) - ESTIMATED	8,000.00	
GEOTHECNICAL MIX DESEIGN REVIEW - ESTIMATED	2,500.00	
Subtotal of subcontract Costs		**$10,500.00**

7. TOTAL ENGINEERING FEE	**$170,527.14**

Runway 12C-30C Mill & Replace and Lighting Upgrades
Phoenix-Mesa Gateway Airport
Phoenix-Mesa Gateway Airport Authority

Runway 12C-30C Mill & Replace and Lighting Upgrades

DATE: January 2024

			Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
001	**Project Administration**												
1	Project Administration-Client Coordination, Subconsultant Coordination, Supervision		4		2						4	10	$520
2	Project Planning, Budgeting, and Initial Project Schedule, Billing		4		2					8		14	$755
3	Progress Reports, Bi-Weekly Meetings, Note preparation and Schedule Updates		6	2	2						4	14	$848
4	Company Quality Control Review												
	- Review Meeting after Preliminary (60%) Submittal		2	1		2					1	6	$399
	- Review Meeting after Final Review (95%) Submittal		2	1		2					1	6	$399
	Subtotal Task 001		18	4	6	4				8	10	50	$2,920
002	**Preliminary Submittal (60%)**												
	Construction Drawings	Sheets											
1	Cover Sheet, Project Title Sheet	1	1					2	6			9	$392
2	Index, Legend, Quantities, General Notes	2	1				1	2	4			8	$365
3	Project Layout and Horz/Vert Control	2	1				1	8				10	$471
5	Storm Water Pollution Prevention Plan and Details	2	1				6	2	4			13	$620
6	Project Site and Access Plan	1	1				1	6	2			10	$461
7	Demolition Plans	8	2				6	12	2			22	$1,049
8	Construction Phasing Plans	2	2				12	4	2			20	$1,006
9	Typical Sections and Details	3	2				8	18				28	$1,335
10	Geometric Layout Plans	8	4				12	8				24	$1,244
11	Pavement Marking Plans	14	2				12	12	2			28	$1,355
12	Pavement Marking Details	3	1				1	10	2			14	$636
13	Electrical Symbols, Data Table - Diagram	1				6		8				14	$757
14	Electrical Lighting Layout/Circuiting	8	2			40		40	10			92	$4,997
15	Electrical Details	5				12		8				20	$1,165
16	Circuit Maps	2				24		12				36	$2,155
17	Technical Supervision and Review		18	2	8							28	$1,956
	Subtotal	62	38	2	8	82	60	152	34			376	$19,964
	Quantities & Cost Estimate												
1	Calculate Quantities						4	1				5	$248
2	Cost Estimate												
	- Update Final Review (60%) Cost Estimates		2			2	4	1				9	$525
3	Technical Supervision and Review		2		2							4	$266
	Subtotal		4		2	2	8	2				18	$1,038
	Engineering Design Report												
1	Engineer's Report (60%)												
	- Document with summary and recommendations for civil project layout, pavement design electrical layout, sign plan and voltage calculations, drainage design, exhibits and hydraulic calculations		18			6	10	2	2			38	$2,354
2	Construction Safety Phasing Plan Report (60%)		2				24	2				28	$1,453
3	Technical Supervision and Review		4		2							6	$407
	Subtotal		24		2	6	34	4	2			72	$4,214
	Project Specifications												
1	Project Specification-General												
	- Create Cover and Table of Contents		2					1				3	$185
	- Prepare Boiler Plate including FAA Compliance		2					1				3	$185
	- Prepare Bid Tab and Agreement												
	- Add Geo-Technical Report & FAA Circulars												
2	Specification - Special Provisions		6				4					10	$627
	- Prepare Special Conditions for Project												
3	Technical Specification		24				4				4	32	$2,011
	- Prepare Technical specifications- Earthwork, Subgrade, Pavement, Marking, Electrical		2			18						20	$1,365
4	Technical Supervision and Review		4		2							6	$407
	Subtotal		40		2	18	8	2			4	74	$4,780
	Subtotal Task 002		106	2	14	108	110	160	36		4	540	29,996

Runway 12C-30C Mill & Replace and Lighting Upgrades
Phoenix-Mesa Gateway Airport
Phoenix-Mesa Gateway Airport Authority

Runway 12C-30C Mill & Replace and Lighting Upgrades

DATE: January 2024

			Sheets	Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
003		**Final Review Submittal (95%)**												
		Construction Drawings												
	1	Cover Sheet, Project Title Sheet	1						1				1	$44
	2	Index, Legend, Quantities, General Notes	2						1				1	$44
	3	Project Layout and Horz/Vert Control	2						1	1			2	$83
	5	Storm Water Pollution Prevention Plan and Details	2					2	2				4	$189
	6	Project Site and Access Plan	1					1		2			3	$129
	7	Demolition Plans	8	1				2		2			5	$251
	8	Construction Phasing Plans	2	1				2	2				5	$260
	9	Typical Sections and Details	3					2	4				6	$277
	10	Geometric Layout Plans	8	1				2	4				7	$347
	11	Pavement Marking Plans	14	1				2	4	2			9	$425
	12	Pavement Marking Details	3					1		1			2	$90
	13	Electrical Symbols, Data Table - Diagram	1				2		2				4	$223
	14	Electrical Lighting Layout/Circuiting	8	2			24		12	2			40	$2,375
	15	Electrical Details	5				6		4				10	$582
	16	Circuit Maps	2				12		4				16	$990
	17	Technical Supervision and Review		12	2	6							20	$1,407
		Subtotal	62	18	2	6	44	14	41	10			135	$7,716
		Quantities & Cost Estimate												
	1	Calculate Quantities						2	1				3	$146
	2	Cost Estimate												
		- Update Final Review (95%) Cost Estimates					2	2	1				5	$282
	3	Technical Supervision and Review		2		1							3	$203
		Subtotal		2		1	2	4	2				11	$631
		Engineering Design Report												
	1	Engineer's Report (95%)												
		- Document with summary and recommendations for civil project layout, pavement design electrical layout, sign plan and voltage calculations, drainage design, exhibits and hydraulic calculations		1			1	18		2			22	$1,135
	2	Construction Safety Phasing Plan Report (95%)		1				2	4				7	$347
	3	Technical Supervision and Review		2		1							3	$203
		Subtotal		4		1	1	20	4	2			32	$1,686
		Project Specifications												
	1	Project Specification-General												
		- Cover and Table of Contents						1					1	$51
		- Prepare Boiler Plate including FAA Compliance												
		- Prepare Bid Tab and Agreement												
		- Add Geo-Technical Report & FAA Circulars												
	2	Specification - Special Provisions		2				2					4	$243
		- Prepare Special Conditions for Project												
	3	Technical Specification												
		- Prepare Technical specifications- Earthwork, Subgrade, Pavement, Marking,		4				2				2	8	$441
		Electrical					6						6	$408
	4	Technical Supervision and Review		4	1								5	$375
		Subtotal		10	1		6	5				2	24	$1,519
		Subtotal Task 003		34	3	8	53	43	47	12		2	202	11,552

Runway 12C-30C Mill & Replace and Lighting Upgrades
Phoenix-Mesa Gateway Airport
Phoenix-Mesa Gateway Airport Authority

Runway 12C-30C Mill & Replace and Lighting Upgrades

DATE: January 2024

			Project Mgr.	Principal Engineer	Senior Prof./ Engineer	Electrical/ Comm. Engineer	Senior Analyst	Analyst	Designer	Finance/ Project Accountant	Admin/ Clerical	TOTAL MAN-HRS	TOTAL LABOR COST
004	**Issued For Bid Submittal (IFB)**												
1	Construction Drawings		2			8	18	24				52	$2,651
2	Quantities & Cost Estimate		2			1	2	1				6	$355
3	Project Specifications		2			1	2				2	7	$368
4	Technical Supervision and Review		8	1	2							11	$782
	Subtotal Task 004		14	1	2	10	22	25			2	76	$4,156
005	**Bid Phase Services**												
1	Pre-Bid Services												
a	Issue contract documents,		2				2					4	$243
b	Attend pre-bid conference, answer contractor questions, prepare addendum		4				2					6	$384
c	Prepare bid tabulate / summary spreadsheet, submit recommendation of award.		2				6					8	$447
	Subtotal Task 005		8				10					18	$1,075
SUBTOTAL - DESIGN			180	10	30	175	185	232	48	8	18	886	49,698

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-07

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Roof Coating Phase 1 Contract Modification – Jim Brown & Sons Roofing Co., Inc. dba JBS Roofing, CIP1269**
Date:	**February 20, 2024**

Proposed Motion

To authorize a contract modification to the current Roof Coating Phase 1 Contract with Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed $118,944 under CIP1269.

Narrative

The Phoenix-Mesa Gateway Airport Authority's (PMGAA) Engineering and Facilities Department is responsible for the maintenance and repair of the Airport's facilities. Many of the roofing systems on PMGAA buildings are in need of repairs and maintenance, which will assist in extending their useful lives.

Under CIP1269, JBS Roofing is currently providing roofing coating and repair services to PMGAA owned buildings through the Mohave Educational Services Cooperative Purchasing Group under contract #18R-JBSR1-0418.

The original Scope of Work/Fee received from JBS for Phase I of the Roofing Repairs did not include the pitched roof of Hangar 1084. The repairs, to the pitched portion of this hangar roof, were originally scheduled to be completed in the fiscal year 2025; however, due to recent rains, a number of leaks throughout the facility have caused the tenant, Allegiant Air, LLC, to be concerned. PMGAA Staff is recommending that we recoat the pitched roof portion of the hangar in this fiscal year. The cost to recoat and seal this portion of the roof will be $118,944.

Fiscal Impact

This project is included in the FY24 Capital Budget, utilizing PMGAA non-grant funding, under CIP1269.

Attachment(s): Scope of Work/Fee

RESOLUTION NO. 24-07

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract modification to the current Roof Coating Phase 1 Contract with Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed $118,944 under CIP1269;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a contract modification to the current Roof Coating Phase 1 Contract with Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed $118,944 under CIP1269. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of February, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

JBS ROOFING
JIM BROWN & SONS ROOFING
ROC 061127, 082024, 198099, 287012
Industrial Commercial Residential Maintenance

Date: February 5, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Project Name: Allegiant Air Hanger Middle Pitched Roof **Address:** 6250 S Taxiway Circle
City, State, Zip Code: Mesa, AZ. 85212

Grand Total: $118,944.00

MESC #18R-JBSR1-0418
Square Fee: 53,100 SF

Scope of Work

- clean roof with broom and blow method and or wash roof with bio degradable detergent and high-pressure water and let dry
- Make repairs to the coated foam roof section using the 3 course method products include acrylic coatings and or brush grade caulking and polyester web
- Over newer section that does not have spray foam we will inspect all fasteners for secureness and install a butyl fastener cover over each exposed fastener head
- Spray a base coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and allow to cure
- Spray a final coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet
- Provide manufactures 10-year warranty when complete and paid in full
- Jim Brown and Sons Roofing Co. will provide a Labor Only Warranty for a period of 2 years from the date of completion

- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: December 2023 Financials
Date: February 20, 2024

Attached is the monthly Financials Report for December 2023.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
December, 2023

	Month of December 2023				Y-T-D as of December 2023			
	December FY23 Actual	December FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	21,592	39,114	17,522	81%	147,636	179,077	31,441	21%
Fuel Flowage Fees	53,888	39,126	(14,762)	-27%	330,064	312,828	(17,236)	-5%
Landing Fees	132,385	132,086	(299)	0%	656,456	778,396	121,940	19%
Lease Income Aero	220,528	317,530	97,002	44%	1,563,718	2,047,264	483,546	31%
Fuel Sales	604,252	544,614	(59,638)	-10%	4,077,729	3,473,429	(604,300)	-15%
Services Sold - Aero	426,606	407,423	(19,183)	-4%	2,419,744	2,872,744	453,000	19%
Sub-total Aero Operating Revenues	1,459,251	1,479,893	20,642	1%	9,195,347	9,663,738	468,391	5%
Non-Aeronautical Operating Revenues								
Concessions	166,814	128,614	(38,200)	-23%	676,039	643,450	(32,589)	-5%
Lease Income Non-Aero	107,322	103,949	(3,373)	-3%	651,539	661,210	9,671	1%
Parking	414,367	425,822	11,455	3%	2,451,713	2,751,769	300,056	12%
Rental Car Fees	245,365	250,317	4,952	2%	1,075,497	1,050,698	(24,799)	-2%
Svcs Sold - Non Aero	3,982	2,616	(1,366)	-34%	31,826	31,555	(271)	-1%
Sub-total Non-Aero Operating Revenues	937,850	911,318	(26,532)	-3%	4,886,614	5,138,682	252,068	5%
Total Operating Revenues	**2,397,101**	**2,391,211**	**(5,890)**	**0%**	**14,081,961**	**14,802,420**	**720,459**	**5%**
Operating Expenses								
Cost of Goods Sold	379,615	367,945	11,670	3%	2,854,696	2,601,737	252,959	9%
Personnel	923,698	915,999	7,699	1%	4,928,130	5,049,909	(121,779)	-2%
Comm & Utilities	57,044	70,472	(13,428)	-24%	516,342	563,425	(47,083)	-9%
Contractual Services	503,257	569,376	(66,119)	-13%	2,989,262	3,336,587	(347,325)	-12%
Insurance	68,038	52,258	15,780	23%	343,748	305,332	38,416	11%
Other	32,131	27,872	4,259	13%	128,287	171,615	(43,328)	-34%
Repair & Maintenance	40,551	63,445	(22,894)	-56%	369,758	465,433	(95,675)	-26%
Supplies & Materials	73,090	80,224	(7,134)	-10%	449,040	401,310	47,730	11%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,077,424**	**2,147,591**	**(70,167)**	-3%	**12,579,263**	**12,895,348**	**(316,085)**	-3%
Operating Income (Loss) Before Depreciation	**319,677**	**243,620**	**(76,057)**	-23.8%	**1,502,698**	**1,907,072**	**404,374**	27%
	13.3%	10.2%			10.7%	12.9%		
Depreciation		1,619,920				7,395,983		

Phoenix-Mesa Gateway Airport Authority
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Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Impractical Procurement, CIP 1260, Baggage Belt Maintenance Parts and Supplies
Date: February 20, 2024

The Airport's Baggage Claim and Bag Make-up Conveyor Belt Systems are necessary for passenger bags to be transported and processed for inspections and loading onto aircrafts. These systems have become less reliable and the Airport has incurred increasing costs in both maintenance and parts to ensure proper working order. When parts are needed to complete repairs for the systems, lead times on the customized rollers, conveyor belts and motors, can range from eight (8) to twelve (12) weeks. When this vital equipment is unavailable for an extended period, it creates problematic issues for the airlines and ultimately the passengers.

To increase efficiency with the systems and to reduce downtime due to maintenance issues, Airport staff have developed a list of maintenance parts and supplies required to be purchased and kept in stock at the Airport. By having these important supplies on hand, it will allow the team to immediately complete the necessary repairs with minimal downtime.

PMGAA's Procurement Policy requires staff to issue a formal solicitation for purchases exceeding $50,000 unless otherwise approved by the Purchasing Director. The viability of issuing a formal solicitation for this procurement is impractical due to several reasons including, specialized product pricing per vendor, differentials in availability and reliability of parts, and uncertain shipping costs. Therefore, this purchase will be procured as provided for under Impractical Procurements, defined in PMGAA's Procurement Policy.

Airport staff has identified three vendors that can potentially provide the parts needed. Staff will work with these vendors to ensure purchases under this CIP will be conducted with as much competition as practical under the circumstances and, combined, will not exceed the budgeted amount of $100,000.

Phoenix-Mesa Gateway Airport Authority
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Management Information Report

To: **Board of Directors**
From: **Bob Draper, Engineering and Facilities Director**
Through: **Chuck Odom, Chief Financial Officer**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **Project 1234, Archaeology Data Recovery Mitigation of the Locus 2 Archeological Site Change Orders**
Date: **February 20, 2024**

On September 21, 2021, the Board approved a contract for Archaeology Data Recovery Mitigation of the Locus 2 Archeological Site on the Eastside of the Airport with SWCA Incorporated, dba SWCA Environmental Consultants, resolution #21-41, for a not to exceed amount of $142,506.00. This project is funded with Non-Grant funds. Since the project has been underway, Airport staff has issued one change order against the contract for required modifications.

Change order #1: addition $ 19,210.00

For the increased finding associated with the data recovery project: The actual findings during the fieldwork portion of the project far exceeded the original assumptions listed in the original scope of work. This resulted in additional work and additional fees accrued during the artifact curation process with The Arizona State Museum.

Total Revised Project Amount $161,716.00

The additional funds needed will come from the 2024 Non-Grant Capital Contingency budget. This project has been completed and closed by Airport staff.

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Management Information Report

To: **Board of Directors**
From: **Bob Draper, Engineering and Facilities Director**
Through: **Chuck Odom, Chief Financial Officer**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **Project 1224, Fuel Farm Jet A Tank Expansion Construction Administration Services Change Orders**
Date: **February 20, 2024**

On April 10, 2023, Airport staff executed a Professional Services Agreement for Construction Administration Services for the Fuel Farm Jet A Tank Expansion project with Complete Aviation Fuel Systems LLC (CAFS), in the amount of $46,255.00. This project is funded with Non-Grant funds and the total budget for the project is $11,387,750.85. Since the project has been underway, Airport staff has issued one change order against the contract for required modifications.

Due to the large scope of work change, Airport staff requires continued services from CAFS to complete the project.

Change order #1: Accelerated FY25 design and construction administration services for additional scope of work to include CCTV, replacement Oil/Water Separator, upgraded motor operated fuel valves and emergency fire valves, and paint/repaint selected piping and catwalk components.	addition	$36,050.00
Total Revised Project Amount		$82,305.00

The current remaining budget unencumbered for the project after the above change order is $6,640,299.78. If additional change orders that increase the contract amount are incurred, Airport staff will provide an MIR to the Board.

Phoenix-Mesa Gateway Airport Authority
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Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: Solicitation Notification
Date: February 20, 2024

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2024-009-RFQ	CMAR for Demolition of Airport Facilities	February 2024
Invitation for Bid	2024-011-IFB	Refuel / Defuel Bowser	March 2024
Request for Qualifications	2024-013-RFQ	Primary Legal Counsel Services	April 2024
Request for Qualifications	2024-016-RFQ	Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Phase 1 Rehabilitation	February 2024	March 2024
Request for Qualifications	2024-001-RFQ	CMAR for In-Line Checked Baggage Improvements	March 2024	June 2024
Invitation for Bid	2024-014-IFB	12C/30C Mill & Overlay	March 2024	April 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	March 2024	August 2024

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $23,877.00

If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a telephonic meeting open to the public on **Tuesday, March 19, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Chip Wilson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Chip Wilson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Presentation: SkyBridge Arizona** – Will Mosely, SkyBridge Arizona General Manager

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **February 20, 2024**.

   b) **Resolution No. 24-08 –** Authorizing the purchase of replacement terminal seats from **Airport Seating Alliance** in an amount not to exceed $160,000.00.

   c) **Resolution No. 24-09 –** Authorizing a lease agreement with the **United States Department of Agriculture, Forest Service (USDA-FS)** for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on April 1, 2024, and terminates on March 31, 2029.

Consideration and Possible Approval of:

8. **Resolution No. 24-10 –** Adopting the proposed **Operating Budget, Capital Budget, Debt Service Budget**, and **Member Government Contributions** for the fiscal year ending June 30, 2025.

9. **Resolution No. 24-11 –** Authorizing a contract with **Snell and Wilmer L.L.P**. for Primary Legal Counsel Services for an initial term of three (3) years, with two (2) optional one-year extensions.

10. Board Member Comments/Announcements

11. Next Meeting: Tuesday, April 16, 2024 at 10:00 a.m.

12. Adjournment

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Gateway Airport Aces 2024 FAA Part 139 Certificate Inspection**
- **$28MM South Concourse of Terminal Now Open**
- **Terminal Connector Walkway Now Open**
- **$10MM Rental Car Care Center Now Open**
- **150,000 Gallon Fuel Farm Expansion Complete**

Executive Director's Report
March 2024

Financial Snapshot

OPERATING INCOME	January		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY23	FY24	
Revenues	$2,681,245	$2,708,139	**$26,894**	$16,763,206	$17,510,556	**$747,350**
Less Expenses	$2,126,100	$2,197,982	**$71,882**	$14,705,763	$15,093,331	**$387,568**
Operating Income *(Before Depreciation)*	**$555,145**	**$510,157**	**($44,988)**	**$2,057,443**	**$2,417,225**	**$359,782**

Investment Fund Balances: As of January, the Local Governmental Investment Pool (LGIP) 700 = $6,357,958; Wells Fargo; Collateralized Money Market = $11,639,201 and Commercial/Paper Brokered CD's = $48,614,760; Total $66,611,919. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $510,157 for January 2024. These financial results are strong considering a 10% decrease in passenger activity and are consistent with last January. Most notable in this year's report, is the absence of three low-cost Canadian airlines that did not return to Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) this winter season.

Fiscal year-to-date 2024 (FYTD24) operating results are $2,417,225 an improvement of 17% over the previous FYTD. January aeronautical revenues increased by 3% on a year-over-year monthly comparison, due to new facility leases with Allegiant, DSV and a ramp lease with the U.S. Forest Service. January non-aeronautical revenues decreased by 2%, compared to last January.

Operating expenditures for January increased by 3% and totaled $2,197,982. The increase is due to the inflationary pressures across most categories of expenditures. FYTD24 operating expenditures are 3% above the same time period last fiscal year. Total operating expenditures are 6% below budget.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2024-011-IFB	Defuel/Refuel Cart	March 2024
Request for Qualifications	2024-013-RFQ	Primary Legal Services	March 2024
Request for Qualifications	2024-016-RFQ	Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2024-015-RFP	Airport Common Use System	March 2024
Invitation for Bid	2024-014-IFB	Runway 12C-30C Mill & Overlay	April 2024
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Rehabilitation	April 2024

Airport Operations

Gateway Airport Aces 2024 FAA Part 139 Certificate Inspection

Each year, Phoenix-Mesa Gateway Airport (Gateway Airport) participates in an intense, days-long certification and compliance inspection by the Federal Aviation Administration (FAA). This inspection, completed at all commercial airports nationwide, is to ensure that airports are following national safety standards. This year, Gateway Airport passed the FAA Part 139-Certification and Operations Inspection with flying colors.

The fact that Gateway Airport had no reportable conditions or items needing correction this year is a strong testament to the hard work and dedication of PMGAA's operations professionals that oversee nearly six miles of runways, an extensive taxiway network, and acres of ramp area. Great job team!

Included in an FAA Part 139 - Certification and Operations Inspection is a review of:

- Airport rescue/firefighting equipment, training, and response times
- Airport Emergency Plan (AEP)
- Operations/maintenance personnel training and performance
- All paved/unpaved safety areas and runway approaches
- All airfield markings and lighting
- Airport's self-inspection program
- All operations and maintenance records and logs

This year's FAA Part 139 Inspection confirmed that Gateway Airport is a safe, efficient, and well-run operation.

PASSENGER COUNTS		January		% Change	FYTD		% Change
		2023	2024		FY23	FY24	
Passengers	TOTAL	176,267	158,391	-10%	1,068,703	1,009,026	-6%
	Deplaned	91,522	82,184	-10%	545,279	513,918	-6%
	Enplaned	84,745	76,207	-10%	523,424	495,108	-5%
Allegiant	Scheduled	154,642	154,041	0%	1,011,345	990,489	-2%
Swoop	Scheduled	7,877	0	-100%	18,969	0	-100%
Sun Country	Scheduled	5,363	4,350	-19%	18,624	18,537	0%
WestJet	Scheduled	2,051	0	-100%	5,679	0	-100%
Flair	Scheduled	6,334	0	-100%	13,692	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	January		% Change	FYTD		% Change
	2023	2024		FY23	FY24	
Air Carrier	1,079	1,122	4%	6,883	7,030	2%
Military	316	395	25%	2,269	1,640	-28%
General Aviation	20,128	21,646	8%	136,259	153,097	12%
TOTAL	**21,523**	**23,163**	**8%**	**145,411**	**161,767**	**11%**

Engineering and Planning

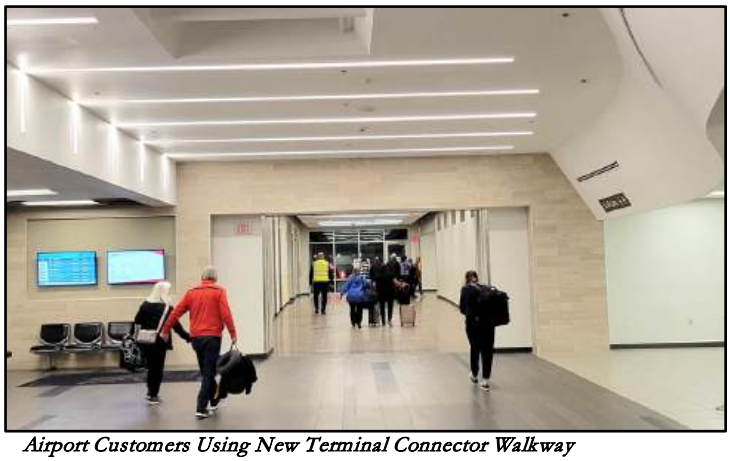
$28MM South Concourse of Terminal Now Open

On February 20th, PMGAA held a Ribbon-Cutting Ceremony for its new five-gate, 30,000 sq. ft. terminal addition. Several hundred federal, state, and local elected officials; community representatives; business leaders; and project team members were in attendance to celebrate the official opening of the new South Concourse.

First Flight Out of South Concourse

PMGAA would like to thank the Administration, U.S. Congress, and the Arizona Congressional Delegation; the Federal Aviation Administration Western-Pacific Region and Phoenix ADO; Arizona's Governor, State Legislature, and Department of Transportation; the PMGAA Board of Directors, Member Communities, and staff; McCarthy Building Companies, Inc., DWL Architects, and all subcontractors; Kind Hospitality and Paradies Lagardère; and Allegiant, Sun Country and other Airport Tenants.

Terminal Connector Walkway Now Open


Airport Customers Using New Terminal Connector Walkway

It was 42-degrees outside on the morning of February 15, 2024, but Gateway Airport customers were experiencing a comfortable 72-degrees inside the Airport's new Terminal Connector Walkway linking the Ticketing Terminal to the TSA Security Checkpoint (Checkpoint). The new facility is a major customer experience enhancement that allows Airport customers to be in a climate-controlled environment from the airline ticket counter all the way to their gate.

PMGAA invested approximately $4.5MM in Bipartisan Infrastructure Law (BIL) grant funding to design and construct the new terminal facility that also adds more than 30% passenger queuing area to the Checkpoint.

PMGAA would like to thank the membership of U.S. Congress for passing this important airport infrastructure legislation, Arizona's Congressional Delegation for their continued support of Gateway Airport, and the FAA for being a terrific partner and providing funding and guidance for both airport facility and infrastructure improvement projects. Thank you all!

$10MM Rental Car Care Center Now Open

Rental Car Care Center Offers Modern Facilities and Expanded Vehicle Storage

Enterprise, Avis, Hertz, and their partner rental car companies are excited to be using a new modern Rental Car Care Center at Gateway Airport. The impressive $10MM facility includes separate wash, vacuum, and maintenance bays, as well as office space and ample parking for on-site vehicle storage. The new facility was funded by Customer Facility Charges (CFCs), a user fee collected from airline customers renting cars at the Airport. The Airport's CFC Program includes a $3.50 per rental day charge, and money collected is placed in a dedicated account that can only be used for the development and improvement of rental car facilities and infrastructure.

150,000 Gallon Fuel Farm Expansion Complete

Three New 50,000 Gallon Aviation Fuel Storage Tanks Expands On-Airport Storage Capacity to 400,000 Gallons

Pipeline disruptions from California or Texas to Phoenix, distribution facility closures for required maintenance, and unexpected or prolonged trucking delays can negatively impact scheduled aviation fuel deliveries bound for Gateway Airport. These unforeseen challenges can negatively impact the operation of the Airport and create major problems for its tenants requiring dependable fuel deliveries.

As part of an ongoing effort to ensure sufficient aviation fuel, now and in the future, for its growing list of Airport tenants, PMGAA recently completed the installation of three additional 50,000-gallon storage tanks at its fuel farm. This project increased fuel storage capacity from 250,000 gallons to 400,000 gallons. The additional 60% in tank capacity increases on-Airport fuel storage capabilities from 4-5 days to 8-9 days.

Community Noise Report

CALLERS	January		FYTD	
	2023	2024	FY23	FY24
Total	11	20	85	92

AIRCRAFT TYPE	January		FYTD	
	2023	2024	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	5	5	50	41
GA Total	5	6	18	24
Helicopter	0	7	0	24
Military	1	2	17	3
Total	11	20	85	92

PMGAA received communications from twenty individuals regarding aircraft noise issues during the month of January 2024, compared to 11 received last January.

LOCATION	January		FYTD	
	2023	2024	FY23	FY24
Mesa	5	4	40	20
Gilbert	5	5	33	38
Gold Canyon	1	0	2	0
Queen Creek	0	4	6	23
Queen Valley	0	1	1	4
Apache Junction	0	0	3	0
San Tan Valley	0	0	0	1
Fountain Hills	0	0	0	0
Goodyear	0	1	0	1
Phoenix	0	2	0	2
Tempe	0	3	0	3
TOTAL	11	20	85	92

Gateway Aviation Services

PMGAA pumped approximately 1.67MM gallons of aviation fuel during the month of January 2024, an 18% increase compared to the approximately 1.41MM gallons dispensed last January.

FUEL (Gallons)	January			FYTD		
	2023	2024	% Change	FY23	FY24	% Change
AvGas	40,346	36,072	-11%	288,655	242,694	-16%
Retail Jet A	67,238	75,083	12%	466,468	406,638	-13%
Contract	255,712	274,115	7%	2,090,717	2,124,037	2%
Commercial	814,634	1,247,023	53%	6,698,881	7,023,510	5%
Cargo	233,170	35,865	-85%	575,729	152,141	-74%
TOTAL	1,411,100	1,668,158	18%	10,120,450	9,949,020	-2%

Business Development

Gateway Airport has more than one million square feet of private development projects currently under construction. These future aeronautical and non-aeronautical tenants represent a significant number of high-wage jobs, increased local taxes, and long-term economic stability for the Phoenix East Valley.

Gulfstream Aerospace is constructing 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 scheduled to be operational in Summer 2024.

Virgin Galactic is constructing a 40,000 sq. ft. hangar and a 125,000 sq. ft. manufacturing facility on the north end of the airfield adjacent to Cessna, Embraer, and Boeing. The two-building complex is scheduled to be operational by Summer 2024.

SkyBridge Arizona is constructing two 250,000 sq. ft. flex industrial buildings designed to accommodate both single and multi-tenant users. The two buildings are scheduled to be completed in Q2 2024.

The Boyer Company has cleared and prepped a 17-acre site within the Gateway East Master Development for a 275,000 sq. ft. manufacturing facility for XNRGY Climate Systems, a leader in the design and manufacturing of advanced energy-efficient commercial climate control systems. This will be XNRGY's U.S. headquarters. A groundbreaking ceremony will occur in the March/April timeframe.

PMGAA Team Member Spotlight

Employee Name: **Rich Adams**
Employee Title: **Project Manager**
PMGAA Department: **Engineering and Facilities**
Years with PMGAA: **5+**

What are your job responsibilities for PMGAA My job responsibilities for PMGAA as a Project Manager are managing, coordinating, and directing the design and construction of our Capital Improvement Projects as assigned. Included are tenant improvement projects and City of Mesa projects that impact the Airport.

What is your most memorable Gateway Airport moment? Getting OHSO Brewery open before Spring Training in 2020. Working with the contractor to compress the schedule to have the expansion complete and integrate the tenant build out was a challenge.

What is something people may not know about you? I worked as a consultant for the Airport for 5 years before being hired as a Project Manager, and my grandfather retired from Williams Airforce Base in the 1980's.

Community and Government Relations

PMGAA Community Relations Manager Brian Sexton to Retire

After more than 27 years at the Airport, longtime PMGAA employee and community icon Brian Sexton is retiring. Many, or more appropriately most, of you know Brian, have interacted with Brian, and were treated kindly and professionally by Brian during his almost three decades representing Gateway Airport. Everyone at PMGAA wishes Brian and his family the very best as they begin the next chapter of their life.

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

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, February 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 Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian Community *(joined in person at 9:05)*
Mayor Julia Wheatley, Queen Creek
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix *
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

1. **Call to Order** at 9:03 a.m. (Mayor Wilson, 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's financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2024 (FYTD) Net Operating Income is $1,907,072.
   - Calendar Year-End 2023 (CYE23) Net Operating Income was $4,297,068.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 1,876,110 commercial passengers during calendar year 2023 (CY23). This is 1% below CY22.
   - A comparison of CY21, CY22, and CY23 metrics for commercial passengers, operations, revenue, and fuel showed the various % changes for operational metric during the past few years.
   - Allegiant's summer 2024 schedule includes a 19.1% flight increase for Gateway Airport.
   - A ribbon-cutting event is being held on Tuesday, February 20, 2024, at 10 a.m. for Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition.
   - Each year, the FAA conducts a Part-139 Certificate Inspection. The 2024 FAA Certification Safety Inspection shows Gateway Airport had a clean inspection with no reportable conditions.
   - Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. The shell is completed on Virgin Galactic's manufacturing hangar and they are completing the shell on the hangar that will house the mothership. Completion of these two hangars is anticipated for the Summer of 2024.
   - Progress on Gulfstream's 225,000 sq. ft. West Coast Service Center continues along Ellsworth Road on the east side of the Airport. Gulfstream anticipates occupying this space in the Summer

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of 2024. While the West Coast Service Center is being constructed, Gulfstream has established a base at the Airport and is leasing over 100,000 sq. ft. of hangar space. The industry-leading company has already hired over 250 local employees.

- Progress continues for SkyBridge Arizona's construction of two 250,000 sq. ft. industrial buildings. These two large buildings are being built to accommodate both single and multiple tenants. Northern Arizona University (NAU), in partnership with Kind Hospitality and SkyBridge, is building two two-story facilities. The first floor of one building will be a sit-down, high-quality restaurant, and the second floor and second building will house a satellite of NAU's hospitality program.
- The entrance roadway to Gateway East has new palm trees planted, and new stone monuments built along the sides. Gateway East is a nearly 300-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The City of Mesa has provided roadway and utility infrastructure to allow for Phase I of Gateway East's development. In September, Boyer received PMGAA Board approval to construct and sublease a 278,000 sq. ft. building to house the U.S. headquarters and manufacturing facility for XNRGY North America, LLC, a climate technology company. Phase I will employ 700 people and will include a research and production facility and office space.
- Gateway Commerce Center III will be developed along the southeast corner of Sossaman Road and Velocity Way. This project is two small industrial buildings totaling just less than 100,000 sq. ft. The appearance will be of an office complex with no loading dock visibility from Sossaman Road.
- Gateway Airport's 5-gate, 30,000 sq. ft. commercial passenger terminal addition is complete. This project creates capacity and efficiencies that will allow the Airport to grow with more nonstop service from Allegiant and possibly additional airlines.
- Last week, PMGAA opened the new terminal connector walkway, linking the ticketing terminal to the TSA Security Screening Checkpoint. This new facility addition is a major customer experience enhancement that allows customers to remain inside from the airline ticket counter to their gates.
- Improvements to the Rental Car Care Facility are complete. The project includes new vehicle wash and vacuum bays, upgraded maintenance facilities, additional vehicle queuing/storage, and new operations offices. The funding for the project comes from the Airport's dedicated Customer Facility Charge (CFC) account. CFC funds are fees assessed to passengers renting cars at the Airport. The CFC amount is $3.50 per rental day. These funds go into a dedicated account and can only be used to improve the infrastructure and facilities for rental car operations.
- The 150,000-gallon Fuel Farm Expansion project is complete. The Authority purchased and installed three new 50,000-gallon Jet-A fuel storage tanks. This additional fuel storage capacity provides the Airport with approximately 8-9 days of on-Airport fuel storage.

6. **Allegiant Presentation** – Thayne Klingler, Director of Airport Affairs

Mr. Klingler provided a brief update.

- Over the next three years Allegiant will take possession of 50 Boeing 737 MAX 7 and 8 aircraft. The new aircraft will be deployed in Florida and the Airbus 320's currently operating there will be reassigned throughout Allegiant's system.
- The environment for pilots has improved substantially for Allegiant with stabilized retention levels, a reduction in pilot hires at other airlines, and full recruiting classes for Allegiant. They are working on a pilot contract with the National Mediation Board.

7. **Fiscal Year 2024 Budget Presentation** – Chuck Odom, Chief Financial Officer
    - Mr. Odom provided a presentation on PMGAA's proposed FY25 Operating and Capital Budget for the Board's review. The Board will be asked to consider the budget for approval at the March 19, 2024, PMGAA Board meeting.

8. **Consent Agenda**

    a) **Minutes** of the Board Meeting held on **December 19, 2023**.

    b) **Resolution No. 24-01 –** Authorizing the purchase of one pavement sweeper from **Tymco, Inc. (Tymco)**, in an amount not to exceed $364,494.48.

    c) **Resolution No. 24-02 –** Authorizing a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with **BCS Enterprises, Inc.** for Demolition Services of Airport Facilities, in an amount not to exceed $58,474 under CIP1223.

    d) **Resolution No. 24-03 –** Authorizing a contract modification to the current Fuel Farm Expansion Project Construction Manager at Risk (CMAR) Construction Services Contract with **KEAR Civil Corporation (KEAR)**, to expand the improvements to include additional safety, security, and capacity enhancements, in an amount not to exceed $1,908,773 under CIP 1224.

    e) **Resolution No. 24-04 –** Authorizing the purchase of Jet A and 100LL Avgas fuel from **Ascent Aviation Group, Inc. (World Fuel)** for Airport Authority resale in the amount of $1,550,000.

    f) **Resolution No. 24-05 –** Authorizing Amendment 4 to the Land Lease Agreement with **Gateway Executive Airpark, LLC** for Lots 11-14 to amend the lease term with an extension of ten (10) years, for a total of 45 years, ending in 2064.

    g) **Resolution No. 24-06 –** Approving an Authorization of Services with **Kimley-Horn and Associates**, **Inc. (Kimley-Horn)** for Engineering Design Services for the Runway 12C-30C Asphalt Mill & Replacement, Lighting and Signage Upgrade Project in an amount not to exceed $170,527 under CIP 1243.

    h) **Resolution No. 24-07 –** Authorizing a contract modification to the current Roof Coating Phase 1 Contract with **Jim Brown & Sons Roofing Co., Inc., dba JBS Roofing (JBS)**, to complete repairs to the pitched roof portion of Hangar 1084, in an amount not to exceed $118,944 under CIP1269.

    Mayor Brigette Peterson moved to approve the Consent Agenda.
    Mayor John Giles seconded the motion.
    The motion was carried unanimously.

8. **Board Member Comments/Announcements.**
   None.

9. **Next Meeting: Tuesday, March 19, 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.

10. **Adjournment.**
    The meeting adjourned at 9:33 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-08

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Terminal Seating – CIP 1258**
Date:	**March 19, 2024**

Proposed Motion
To authorize the purchase of replacement terminal seats from Airport Seating Alliance in an amount not to exceed $160,000.00.

Narrative
In 2023, as part of the Terminal Modernization Project, terminal seats were procured from Airport Seating Alliance with the planned replacement of all terminal seats in phases. Currently, 346 seats need to be replaced due to wear and tear.

For consistency, program continuity, and aesthetic consistency, with the recently purchased terminal seats from Airport Seating Alliance, the replacement terminal seating for the aged and worn seats will be procured as part of Phase 1- Terminal Seat Replacement project from the Airport Seating Alliance.

A sole-source procurement will maintain consistency across the terminal seating and maintenance compatibility with the existing, recently purchased, terminal seats.

Fiscal Impact
This project is authorized in the FY24 capital budget as part of Project 1258.

Attachment(s)
Quote, design drawing

RESOLUTION NO. 24-08

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of replacement terminal seats from Airport Seating Alliance in an amount not to exceed $160,000.00;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of replacement terminal seats from Airport Seating Alliance in an amount not to exceed $ 160,000.00. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 19th day of March, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Airport Seating Alliance

Garavelli Enterprises
65 Germantown Court
Suite 406
Cordova, TN 38018

QUOTE

Date	Quote #
3/7/2024	6628

Name / Address
Phoenix-Mesa Gateway Airport Parley Casto 5835 S. Sossaman Road Mesa, AZ 85212

Quote is Valid for 7 Days	Project No.	Terms	FOB	Project
3/15/2024	23/154	50% deposit with P.O.		AZA

Item	Description	Qty	Rate	Total
101-GSA	DIRECT SALE TO THE US GOVERNMENT - GSA NET PRICING WITH DELIVERY INCLUDED. (rev 5) Phoenix-Mesa Gateway Airport		0.00	0.00
	** GATE 5 **			
Gateway X3-0A-PU	GATEWAY: 3-seat unit, no arms, 2 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	24	928.00	22,272.00
Gateway X4-0A-PU	GATEWAY: 4-seat unit, no arms, 2 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	2	1,221.00	2,442.00
Gateway X5-0A-PU	GATEWAY: 5-seat unit, no arms, 3 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	20	1,544.00	30,880.00
Gateway B2B Kit	GATEWAY: Back-to-Back connection kit, includes 2 bars and all hardware	18	70.00	1,260.00
PAGH15USB1ASA06	POWER and GO Hubbell: 1 power module, includes 2 standard receptacles, 2 5 amp USB, 1 mounting bracket, 6' power cord	13	389.00	5,057.00
	** GATES 6 & 7 **			
Gateway X3-0A-PU	GATEWAY: 3-seat unit, no arms, 2 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	8	928.00	7,424.00
Gateway X4-0A-PU	GATEWAY: 4-seat unit, no arms, 2 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	8	1,221.00	9,768.00
Gateway X5-0A-PU	GATEWAY: 5-seat unit, no arms, 3 legs, frame powder coated, molded polyurethane seat/back (use beams for all arms)	22	1,544.00	33,968.00
Gateway B2B Kit	GATEWAY: Back-to-Back connection kit, includes 2 bars and all hardware	14	70.00	980.00
PAGH15USB1ASA06	POWER and GO Hubbell: 1 power module, includes 2 standard receptacles, 2 5 amp USB, 1 mounting bracket, 6' power cord	0	389.02	0.00
106	FREIGHT: to door ONLY. Carton packed, palletized. No additional freight services have been quoted. Please request a re-quote for additional services such as lift gate, appointment, inside delivery, etc...	1	13,110.00	13,110.00
107	INSTALLATION SERVICES: deliver, unload, stage, assemble, place all new seats. Remove all related trash. *ASSUMES NORMAL DAYTIME HOURS*	1	23,800.00	23,800.00
1115	TERMS & CONDITIONS - SEE ATTACHED DOCUMENT FOR DETAILS.			

Purchasing Signature	**Total**

Seating is shipped KD ready for assembly. Assembly drawings and procedures are supplied. Installation or installation supervision will be quoted upon request.	Federal, State or Local taxes not included. The customer is responsible for all taxes if any. Please supply Tax Free certificate or re-sale certificate.

Phone #	Fax #	E-mail	Web
(901) 685-8263	(901) 683-6745	sales@airportseatingalliance.com	www.airportseatingalliance.com

Airport Seating Alliance

Garavelli Enterprises
65 Germantown Court
Suite 406
Cordova, TN 38018

QUOTE

Date	Quote #
3/7/2024	6628

Name / Address
Phoenix-Mesa Gateway Airport Parley Casto 5835 S. Sossaman Road Mesa, AZ 85212

Quote is Valid for 7 Days	Project No.	Terms	FOB	Project
3/15/2024	23/154	50% deposit with P.O.		AZA

Item	Description	Qty	Rate	Total
2018	QUOTE IS VALID FOR 7 DAYS: Due to fluctuations in steel, aluminum, plastic and fuel prices, these prices are subject to change. PO must be received so raw materials can be purchased.			0.00
SPECIFICATIONS	TOTAL SEATS: 346 FRAME: color: metallic silver ARMS: all, between each seat, color: metallic silver CUSHION: molded polyurethane, color: Black POWER: 13 modules supplies power to 26 seats, (1 Year Warranty) LEAD TIME: 10-12 weeks (estimated)			0.00
Warranty	SEATING WARRANTY: 5 Year limited		0.00	0.00
Payment Options	Company Check, MasterCard, Visa, American Express, or Domestic Wire Transfer (call 901-685-8263 for payment, ask for Gina) *NOTE: a 4% service fee is required for all credit card purchases.			0.00

Mesa Use Tax added 7.6%
to materials ($114,051) = $8,667.88

$150,961 + $8,667.88 = $159,628.88

Purchasing Signature _____

Total $150,961.00

Seating is shipped KD ready for assembly. Assembly drawings and procedures are supplied. Installation or installation supervision will be quoted upon request.

Federal, State or Local taxes not included. The customer is responsible for all taxes if any. Please supply Tax Free certificate or re-sale certificate.

Phone #	Fax #	E-mail	Web
(901) 685-8263	(901) 683-6745	sales@airportseatingalliance.com	www.airportseatingalliance.com

AIRPORT SEATING ALLIANCE
TERMS AND CONDITIONS

TERMS OF PAYMENT

50% deposit with purchase order, balance due at time of shipping. The processing of orders and/or shipment of orders placed may be delayed if the deposit is not received with the order or if customer's account is in "Past Due" status.

CREDIT POLICY

All customers of Airport Seating Alliance must complete a credit application with current information, which must be signed by an owner or officer. A line of credit may be set by our Credit Department, however the basis for the line of credit may be changed or cancelled at our discretion and advance payment may be required. Any unpaid balance, upon which payments are not made according to the terms governing the sale, will be considered "Past Due" and will increase by 2% per month, without forfeit of Airport Seating Alliance right to payment.

ORDER CHANGES / CANCELLATIONS

All changes to or cancellations of orders placed must be in writing and sent to Customer Service. Orders may be changed or cancelled without penalty if Airport Seating Alliance is notified at least four (4) weeks before the scheduled ship-date. All order changes or cancellations made less than four (4) weeks before the scheduled ship-date will incur a minimum change/cancel fee of 15% of net. Irrespective of when notified, changes or cancellations are not binding upon Airport Seating Alliance until Airport Seating Alliance issues a written acknowledgment of the change or cancellation. Order changes are defined as the deletion of line items or a change in style, color, quantity or ship-to address. Order changes that result in a quantity reduction may be subject to an additional small order handling fee. Under no circumstances will changes or cancellations be accepted on any custom fabric orders.

TAXES

Airport Seating Alliance list prices do not include sales tax. Customer is responsible to remit all such tax. Airport Seating Alliance requires a State Resale/Exemption Certification to be on file at its main office. Sales made without said Certificate will be charged the appropriate sales tax.

PRICES

All discounts and list prices are subject to change without notice. Prices in effect are those at the time of order entry. If the requested Shipment Date is more than 120 days after the Order Date, Airport Seating Alliance reserves the right to price said order based on the current published list price on the Shipment Date.

CREDIT CARD POLICY & AUTHORIZATION

Visa and Master Cards accepted for US Government orders and domestic orders. By entering your credit card information: You are stating that you are an authorized user of the credit card and that the associated information entered (account holder name, account number, billing address, etc.) is accurate. You authorize Garavelli Enterprises, Inc., to charge the amount you have requested to your credit card. If you set up automatic payments, then you authorize Garavelli Enterprises Inc., to charge the amount due for the invoice being paid to the credit card. You also authorize Garavelli Enterprises, Inc., to return to your credit card any funds due to you. For each transaction, in addition to the charge you have authorized your credit card issuer and network may assess their customary transaction or handling charge, if any. If a charge is declined or reversed by the credit card issuer or network, you agree to pay us a service charge and to reimburse us for all reasonable costs of collection. Your credit card issuer may also assess its customary charge for such transactions. If your credit card issuer or network does not honor an online payment transaction, then we have the right to charge the amount of any such transaction to your account or to collect the amount from you. If your credit card issuer or network does not honor an online payment transaction, we may terminate any or all service, and we may cancel your right to participate in the online payment program. Orders over $5,000.00 paid with a credit card will have service fees added to the invoice.

STANDARD DELIVERY

Unless otherwise specified, all orders will ship within 6 to 8 weeks from the date of order. Unless otherwise contractually specified, all chairs will ship with the base and frame disassembled. Seats can be easily assembled in minutes with standard tools.

DELIVERY SHORTAGES

Product shortages must be noted at the time of delivery and reported to the carrier for correction. Claims against Airport Seating Alliance for shortages, errors, etc. must be in writing and made within three (3) days of the date of delivery or the customer waives its right to make such a claim.

FREIGHT CLAIMS

Airport Seating Alliance will file all F.O.B. destination claims. In

order to receive credit, customer agrees to cooperate and assist in the procedures set out by the carrier and Airport Seating Alliance.

EXTERNAL DAMAGE

If the shipping container shows any external damage, the customer is instructed to refuse the product at time of delivery. If it is a multiple piece shipment, the customer may refuse only the damaged items. Airport Seating Alliance will not issue full credit for returned product unless the following Action Steps are taken by the customer:

1. Note damage on the delivery receipt at time of delivery.
2. Refuse product at time of delivery.
3. Contact Airport Seating Alliance Customer Service within 24 hours of the attempted delivery and advise them of the damage.
4. Enter a chargeable replacement order; credit will be issued after the disposition of damaged product is determined.

CONCEALED DAMAGE/LOSS

If customer determines that there is internal damage, not visible at time of delivery, customer will retain all packaging materials and take the following Action Steps within fifteen (15) calendar days from the date of delivery:

1. Request inspection by calling local terminal to report damage.
2. Retain merchandise in the original box.
3. Call your Airport Seating Alliance customer service agent, provide order and product information.
4. Get a copy of the inspection report from carrier.
5. Enter a chargeable replacement order, credit will be issued after the disposition of damaged product is determined.

COMPLETE PURCHASE ORDER

Purchase orders must include the following information:
Sold To: Name/Address/Telephone/Email/Contact
Ship To: Name/Address/Telephone/Email/Contact
Order Date,Delivery Date, Purchase Order Number, Special Delivery Instructions, Quantity, Full Model Numbers, Total, List/Net, Estimate or Cost Proposal Number

STORAGE

If a customer is unable to accept a scheduled product delivery, Airport Seating Alliance, if notified before the product is placed with a carrier, shall store the product at the customer's expense. Airport Seating Alliance shall invoice the customer for the product and monthly storage fees. If a customer is unable to accept a scheduled product upon delivery, customer shall be responsible for placing the product in storage and bears the risk of loss. However, payment of the balance due is Net 30 from date of shipment.

RETURN AUTHORIZATION FOR UNUSED PRODUCT

All returns are subject to a thirty percent (30%) restocking fee. The customer must request a Return Authorization Number through the Airport Seating Alliance Customer Service Department within 90 days of product receipt to return any unused product. If Airport Seating Alliance agrees to repurchase the product, the customer must return it freight prepaid to Airport Seating Alliance, F.O.B. the original shipping point or as otherwise instructed by Airport Seating Alliance Customer Service. If product is returned without a Return Authorization Number, Airport Seating Alliance will notify the customer of the unauthorized return and the customer must provide instructions for its disposition within one week thereafter. Failure of the customer to respond within one week will result in Airport Seating Alliance right to dispose of the product with no credit.
Return Authorization Numbers expire (60) days after the date of issue. If the returned product is not in resalable condition, the customer will not receive credit for the return. The customer must promptly provide a purchase order or other acceptance of fee/credit reduction as required.

WARRANTY (US, CANADA, MEXICO) Limited Warranty.

THE FOLLOWING WAARANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR APARTICULAR PURPOSE. WARRANTY DOES NOT COVER "CUSTOMER'S OWN MATERIAL" (I.E.FABRIC SPECIFIED BY BUYER)

This WARRANTY is applicable to the initial purchaser only and is non-transferable. Airport Seating Alliance warrants that, at the time of customer's acceptance, the product will be in good working order and will be free from defects in material and workmanship and does not apply to normal wear and tear or damage caused by accident, neglect, misuse or improper installation or operation. Airport Seating Alliance will not be responsible for damage due to service, maintenance, modifications or tampering by anyone other than an Airport Seating Alliance authorized representative. This warranty is based upon a single 8-hour shift usage only and shall be pro-rated for double-shift or triple-shift usage. In the event a product is defective and Airport Seating Alliance receives written notice of the defect within the warranty period. Airport Seating Alliance, at its option, will either repair or replace the defective product. This warranty does not cover damage caused by a carrier or transportation of the product from one location to another, or alterations made by owner.

LIMITATION OF LIABILITY

In no event will Airport Seating Alliance be liable to purchasers for any special, collateral, incidental or consequential damages however caused, whether by Airport Seating Alliance negligence or otherwise.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-09

To: Board of Directors
From: Lori Collins, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: USDA-Forest Service, Alpha Apron Lease Agreement
Date: March 19, 2024

Proposed Motion

To authorize a lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on April 1, 2024, and terminates on March 31, 2029.

Narrative

The USDA-FS Air Tanker Base, which is located at 6335 S. Downwind Circle, Mesa, AZ 85212, requires exclusive use of a large portion of apron for aircraft parking related to their operations. Alpha Apron Phase 3 consists of approximately 276,699 square feet and is located adjacent to the current USDA-FS operations building. This lease is for five (5) years, one (1) year firm term beginning on 4/1/2024 through 3/31/2025; then four (4) years soft term beginning 4/1/25 through 3/31/2029.

Agreement Term and Rate

The term of the lease agreement commences on April 1, 2024, and terminates on March 31, 2029.

The USDA-FS will pay an annual rent of $244,325.22, at a rate of $20,360.44 per month. This rate is levelized at $0.883/SF/year throughout the term of the lease in lieu of annual escalations.

Attachment(s): U.S. Government Lease for Real Property

RESOLUTION NO. 24-09

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on April 1, 2024, and terminates on March 31, 2029;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a lease agreement with the United States Department of Agriculture, Forest Service (USDA-FS) for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on April 1, 2024, and terminates on March 31, 2029. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 19th day of March, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE	LEASE NO.
	127AB24L1205

THIS LEASE, made and entered into this date by and between Phoenix-Mesa Gateway Airport Authority whose address is 5835 South Sossaman Road, Mesa, AZ, 85212 and whose interest in the property hereinafter described is that of owner hereinafter called the Lessor, and the UNITED STATES OF AMERICA, acting by and through the United States Department of Agriculture, Forest Service, as Lessee, hereinafter called the Government. The Lessor and Government are herein collectively referred to as the Parties.

WITNESSETH:

WHEREAS, pursuant to 41 CFR Ch. 102, §102-73.170, the GOVERNMENT wishes to lease certain land herein described, owned by the LESSOR and located as described in Article 1, Leased Premises, of this Lease, to be used for Government purposes;

NOW THEREFORE, in consideration of the premises and of other good and valuable consideration herein mentioned, the Parties hereto covenant and mutually agree as follows:

1. The Lessor hereby leases to the Government the following described premises, to be used for Government purposes: approximately 276,699 Square Feet (6.35 acres) contained within the Phoenix-Mesa Gateway Airport, Alpha Apron, 6335 South Downwind Circle, Mes, AZ 85212. See Exhibit A, attached here to and made a part hereof.

Maricopa County, STATE Parcel No. 304-36-002G

2. TO HAVE AND TO HOLD the said premises with their appurtenances for 5 years, with the term as such,

1-year firm term beginning on 4/1/2024 through 3/31/2025
4-year soft term beginning on 04/01/2025 through 3/31/2029

subject to termination and renewal rights as may be hereinafter set forth and conditional upon the passage of an applicable appropriation or authorization by Congress from which expenditures may be made and shall not obligate the United States of America upon failure of Congress to so act.

3. The GOVERNMENT shall pay to the LESSOR a levelized annual rent of $244,325.22, at a rate of $20,360.44 per month in arrears, See Exhibit B, for calculations. Rent for a lesser period shall be prorated.

4. The Government may terminate this lease at any time by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after date of notification via postal service, email, or fax.

5. This lease does not include renewal options.

6. The Government shall furnish to the Lessor, during Government occupancy of the land, the following:
   None

7. The Lessor shall furnish to the Government the following at no cost to the Government:
   (a) 24 hours a day, seven days a week unrestricted ingress/egress access to the leased premises through the initial and any subsequent terms of this lease.

8. In the event of a holdover past the term of the lease the tenancy shall continue on a month-to-month basis at the same rental rate in effect at the time of the lease's expiration and all terms and conditions of the lease shall continue in full force and effect. Any claims by the LESSOR resulting from the holdover shall be handled through the process established in the Contract Disputes Act of 1978, as amended, and the tenancy shall continue throughout the resolution of the dispute.

9. The Lessor warrants that it has the authority to execute this lease, to allow the Government to use and occupy land, and to provide unrestricted legal access to the land.

10. The following are attached and made a part hereof:
    GSA 3517A General Clauses
    Exhibit A - Parcel Map
    Exhibit B - Levelized Rental Lease Rate Calculations

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
IN PRESENCE OF	
SIGNATURE	SIGNATURE
NAME OF SIGNER	NAME OF SIGNER
UNITED STATES OF AMERICA	
SIGNATURE	NAME OF SIGNER
	OFFICIAL TITLE OF SIGNER USDA, Real Estate Lease Contracting Officer

GENERAL CLAUSES

(Acquisition of Leasehold Interests in Real Property for Leases at or Below the Simplified Lease Acquisition Threshold - SLAT)

CLAUSE NO.	48 CFR REF.	CLAUSE TITLE
1	GSAR 552.270-4	DEFINITIONS (DEVIATION)
~~2~~	GSAR 552.270-6	MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (DEVIATION)
3	GSAR 552.270-7	FIRE AND CASUALTY DAMAGE (DEVIATION)
4	GSAR 552.270-9	INSPECTION – RIGHT OF ENTRY
5	GSAR 552.270-10	DEFAULT BY LESSOR (DEVIATION)
6	GSAR 552.270-20	PAYMENT (DEVIATION)
7	GSAR 552.270-27	INTEGRATED AGREEMENT (DEVIATION)
8	GSAR 552.270-14	CHANGES (DEVIATION)
9	GSAR 552.270-8	COMPLIANCE WITH APPLICABLE LAW (DEVIATION)
10	FAR 52.204-21	BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS
11	FAR 52.204-30	FEDERAL ACQUISITION SUPPLY CHAIN SECURITY ACT ORDERS – PROHIBITION
12	FAR 52.252-2	CLAUSES INCORPORATED BY REFERENCE
13	*Clauses incorporated by reference include:*	
	FAR 52.204-2	SECURITY REQUIREMENTS
	FAR 52.204-9	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL
	FAR 52.204-10	REPORTING EXECUTIVE COMPENSATION AND FIRST TIER SUBCONTRACT AWARDS
	FAR 52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE
	FAR 52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS
	FAR 52.204-23	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES
	FAR 52.204-25	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

FAR 52.204-27	PROHIBITION ON A BYTEDANCE COVERED APPLICATION
FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT
FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA
FAR 52.215-12	SUBCONTRACTOR CERTIFIED COST OR PRICING DATA
FAR 52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS
FAR 52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN
FAR 52.219-16	LIQUIDATED DAMAGES – SUBCONTRACTING PLAN
FAR 52.219-28	POST-AWARD SMALL BUSINESS REREPRESENTATION
FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES
FAR 52.222-26	EQUAL OPPORTUNITY
FAR 52.222-35	EQUAL OPPORTUNITY FOR VETERANS
FAR 52.222-36	EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES
FAR 52.222-37	EMPLOYMENT REPORTS ON VETERANS
FAR 52.223-6	DRUG-FREE WORKPLACE
FAR 52.232-23	ASSIGNMENT OF CLAIMS
FAR 52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER SYSTEM – SYSTEM FOR AWARD MANAGEMENT
FAR 52.233-1	DISPUTES
GSAR 552.204-9	PERSONAL IDENTITY VERIFICATION REQUIREMENTS
GSAR 552.270-12	ALTERATIONS
GSAR 552.270-16	ADJUSTMENT FOR VACANT PREMISES
GSAR 552.270-28	MUTUALITY OF OBLIGATION
GSAR 552.270-31	PROMPT PAYMENT

1. GSAR 552.270-4 DEFINITIONS (AUG 2023) (DEVIATION)

When a solicitation or contract uses a word or term that is defined in the Federal Acquisition Regulation (FAR) or General Services Acquisition Manual (GSAM), the word or term has the same meaning as the definition in FAR 2.101, GSAM 502.101, or GSAM 570.102 in effect at the time the solicitation was issued or lease contract was awarded, unless –

(a) The solicitation, amended solicitation, or lease contract provides a different definition (e.g., R100, L100);

(b) An applicable part, subpart, or section of the FAR or GSAM provides a different meaning.

2. GSAR 552.270-6 MAINTENANCE OF THE PROPERTY, RIGHT TO INSPECT (SEP 2022) (DEVIATION)

The Lessor shall maintain the land, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition so that they are suitable in appearance, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease.

(a) For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge.

(b) Upon request of the Lease Contracting Officer (LCO), the Lessor shall provide written documentation that the land has been properly maintained, tested, and are operational within operating standards.

(c) The Lessor shall maintain the premises in a safe and healthful condition.

(d) The Government shall have the right, at any time after the lease award date and during the term of the lease, to inspect all areas of the property to which access is necessary for the purpose of determining the Lessor's compliance with this clause.

3. GSAR 552.270-7 FIRE AND CASUALTY DAMAGE (SEP 2022) (DEVIATION)

(a) If the land is totally destroyed or damaged by fire or other casualty, the Government may terminate the lease upon fifteen (15) calendar days written notice to the Lessor and no further rental will be due.

(b) If the land is only partially destroyed or damaged, so as to render the premises untenantable, or not usable for their intended purpose:

(1) The Lessor shall have the option to elect to repair and restore the premises or terminate the lease.

(2) Unless otherwise approved by the Lease Contracting Officer, the Lessor shall be permitted a reasonable amount of time, not to exceed 270 days from the event of destruction or damage, to repair or restore the premises, provided that the Lessor submits to the Government a reasonable schedule for repair of the premises within 60 days of the event of destruction or damage.

(i) If the Lessor fails to timely submit a reasonable schedule for completing the work, the Government may elect to terminate the lease effective as of the date of the event of destruction or damage.

(ii) If the Lessor elects to repair or restore the premises, but fails to repair or restore the premises within 270 days from the event of destruction or damage, or fails to diligently pursue such repairs or restoration so as to render timely completion commercially impracticable, the Government may terminate the lease effective as of the date of the destruction or damage.

(3) During the time that the premises are unoccupied, rent shall be abated. Termination of the lease by either party under this clause shall not give rise to liability for either party.

(4) Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

4. GSAR 552.270-9 INSPECTION – RIGHT OF ENTRY (SEP 1999)

a) At any time and from time to time after receipt of an offer (until the same has been duly withdrawn or rejected), after acceptance thereof and during the term, the agents, employees and contractors of the Government may, upon reasonable prior notice to Offeror or Lessor, enter upon the offered premises or the premises, and all other areas of the land access to which is necessary to accomplish the purposes of entry, to determine the potential or actual compliance by the Offeror or Lessor with the requirements of the solicitation or this lease, which purposes shall include, but not be limited to:

(1) ~~Inspecting, sampling and analyzing suspect asbestos containing materials and air monitoring for asbestos fibers;~~ "INTENTIONALLY DELETED"

(2) ~~Inspecting the heating, ventilation and air conditioning system, maintenance records, and mechanical rooms for the offered premises or the premises;~~ "INTENTIONALLY DELETED"

(3) Inspecting for any leaks, spills, or other potentially hazardous conditions which may involve tenant exposure to hazardous or toxic substances; and

(4) Inspecting for any current or past hazardous waste operations, to ensure that appropriate mitigative actions were taken to alleviate any environmentally unsound activities in accordance with Federal, State and local law.

b) Nothing in this clause shall be construed to create a Government duty to inspect for toxic materials or to impose a higher standard of care on the Government than on other lessees. The purpose of this clause is to promote the ease with which the Government may inspect the land. Nothing in this clause shall act to relieve the Lessor of any duty to inspect or liability which might arise as a result of Lessor's failure to inspect for or correct a hazardous condition.

5. GSAR 552.270-10 DEFAULT BY LESSOR (JUL 2023) (DEVIATION)

Occurrence of the following constitutes default by the Lessor and gives rise to the following rights and remedies of the Government:

(a) *Prior to* acceptance of the land. Failure by the Lessor to perform diligently any obligations required for acceptance of the land or other required improvements within the times specified, other than due to an excusable delay, shall constitute a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may, in its sole discretion, terminate the lease on account of the Lessor's default.

(b) After acceptance of the land. Failure by the Lessor to perform any service, to provide any item, or satisfy any requirement of this lease, other than due to an excusable delay, constitutes a default by the Lessor. Subject to provision of notice of default to the Lessor, and provision of a reasonable opportunity for the Lessor to cure its default, the Government may, in its sole discretion, take one or more of the following actions:

(1) Perform the service, provide the item, or obtain satisfaction of the requirement by its own employees or contractors. If the Government elects to take such action, the

Government may deduct from rental payments its costs, including administrative costs, incurred in connection with taking the action;

(2) Reduce the rent by an amount reasonably calculated to approximate the cost or value of the service not performed, item not provided, or requirement not satisfied, such reduction effective as of the date of the commencement of the default condition. If default renders the leased premises untenable, the reduction of rent may be calculated as the prorated portion of the monthly rent represented by all such days the leased premises is untenantable;

(3) Terminate the lease if:

(i) The Lessor's default persists notwithstanding provision of notice and reasonable opportunity to cure by the Government, or

(ii) The Lessor fails to take such actions as are necessary to prevent the recurrence of default conditions, and such conditions substantially impair the safe and healthful occupancy of the premises, or render the premises unusable for its intended purposes.

(c) *Damages*. The Lessor and the Lessor sureties, if any, are jointly and severally liable for any damages to the Government resulting from default or termination, as provided in this clause.

(1) Damages include all costs associated with the replacement lease(s), which include but are not limited to the following: the Government's aggregate rent, estimated real estate taxes, operating costs, administrative costs, or other reprocurement costs.

(2) If the Government procures replacement premises for a term (including all option terms) in excess of this lease term, the Lessor is not liable for excess Government rent or adjustments during such excess lease term.

(3) Damages to which the Government is entitled to under this clause are due and payable thirty (30) days following the date the Lessor receives notice from the Contracting Officer specifying such damages.

(d) *Excusable delays*.

(1) The Government shall not terminate this lease under this clause nor charge the Lessor with damages under this clause, if:

(i) the delay in substantially completing any work or performing any services arises from excusable delays, and

(ii) the Lessor, within ten (10) days from the beginning of any such delay (unless extended in writing by the Contracting Officer) provides notice to the Contracting Officer of the causes of delay.

(2) The Contracting Officer shall ascertain the facts and the extent of delay. If the facts warrant, the Contracting Officer shall extend the delivery date commensurate with the delay at no additional costs to the Government. A time extension is the sole remedy of the Lessor.

(e) No deduction from rent, termination of lease, or any other action pursuant to this clause will constitute a default by the Government under this lease.

(f) The rights and remedies specified in this clause are in addition to any and all remedies to which the Government may be entitled as a matter of law.

6. GSAR 552.270-20 PAYMENT (AUG 2023) (DEVIATION)

(a) When land is offered and accepted, acres or square footage delivered will be confirmed by either:

(1) The Government's measurement of plans submitted by the successful offeror as approved by the Government, and an inspection of the land to verify that the delivered land conforms with such plans; or

(2) A mutual on-site measurement of the land if the Contracting Officer determines it necessary.

(b) The Government will not pay for land in excess of the amount of acres or square footage stated in the lease.

(c) If the amount acres of or square footage delivered is less than the amount agreed to in the lease, the lease will be modified to reflect the amount of land delivered and the annual rental will be adjusted per acre or square foot as appropriate.

7. GSAR 552.270-27 INTEGRATED AGREEMENT (SEP 2022) (DEVIATION)

This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the lease. Except as expressly attached to and made a part of the lease, neither the request for lease proposals nor any pre-award communications by either party shall be incorporated in the lease**.**

8. GSAR 552.270-14 CHANGES (SEP 2022) (DEVIATION)

(a) The Lease Contracting Officer (LCO) may at any time, by written order, direct changes to the tenant improvements within the land security requirements, or the services required under the lease.

(b) If any such change causes an increase or decrease in Lessor's cost or time required for performance of its obligations under this lease, whether or not changed by the order, the Lessor shall be entitled to an amendment to the lease providing for one or more of the following:

(1) An adjustment of the delivery date.

(2) An equitable adjustment in the rental rate.

(3) A lump sum equitable adjustment. or

(4) An adjustment of the operating cost base, if applicable.

(c) The Lessor must assert its right to an amendment under this clause within 30 days from the date of receipt of the change order and must submit a proposal for adjustment. Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, the pendency of an adjustment or existence of a dispute shall not excuse the Lessor from proceeding with the change as directed.

(d) Absent a written change order from the LCO, or from a Government official to whom the LCO has explicitly and in writing delegated the authority to direct changes, the Government is not liable to Lessor under this clause.

9. GSAR 552.270-8 COMPLIANCE WITH APPLICABLE LAW (SEP 2022) (DEVIATION)

Lessor shall comply with all Federal, state, tribal, and local laws applicable to its ownership and leasing of the property, including, without limitation, laws applicable to the construction, ownership,

alteration or operation of the land, and facilities located thereon, and obtain all necessary permits, licenses and similar items at its own expense. The Government will comply with all Federal, state, tribal, and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of the sovereign immunity of the Government. This lease shall be governed by Federal law.

10. FAR 52.204-21 BASIC SAFEGUARDING OF COVERED CONTRACTOR INFORMATION SYSTEMS (NOV 2021)

(a) *Definitions*. As used in this clause—

Covered contractor information system means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

Federal contract information means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

Information means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

Information system means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

Safeguarding means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

(1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (*i.e.*, information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or commercial services, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

11. FAR 52.204-30 FEDERAL ACQUISITION SUPPLY CHAIN SECURITY ACT ORDERS – PROHIBITION (DEC 2023)

(a) *Definitions.* As used in this clause—

Covered article, as defined in 41 U.S.C. 4713(k), means—

(1) Information technology, as defined in 40 U.S.C. 11101, including cloud computing services of all types;

(2) Telecommunications equipment or telecommunications service, as those terms are defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153);

(3) The processing of information on a Federal or non-Federal information system, subject to the requirements of the Controlled Unclassified Information program (see 32 CFR part 2002); or

(4) Hardware, systems, devices, software, or services that include embedded or incidental information technology.

FASCSA order means any of the following orders issued under the Federal Acquisition Supply Chain Security Act (FASCSA) requiring the removal of covered articles from executive agency information systems or the exclusion of one or more named sources or named covered articles from executive agency procurement actions, as described in 41 CFR 201– 1.303(d) and (e):

(1) The Secretary of Homeland Security may issue FASCSA orders applicable to civilian agencies, to the extent not covered by paragraph (2) or (3) of this definition. This type of FASCSA order may be referred to as a Department of Homeland Security (DHS) FASCSA order.

(2) The Secretary of Defense may issue FASCSA orders applicable to the Department of Defense (DoD) and national security systems other than sensitive compartmented information systems. This type of FASCSA order may be referred to as a DoD FASCSA order.

(3) The Director of National Intelligence (DNI) may issue FASCSA orders applicable to the intelligence community and sensitive compartmented information systems, to the extent not covered by paragraph (2) of this definition. This type of FASCSA order may be referred to as a DNI FASCSA order.

Intelligence community, as defined by 50 U.S.C. 3003(4), means the following—

(1) The Office of the Director of National Intelligence;

(2) The Central Intelligence Agency;

(3) The National Security Agency;

(4) The Defense Intelligence Agency;

(5) The National Geospatial-Intelligence Agency;

(6) The National Reconnaissance Office;

(7) Other offices within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs;

(8) The intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Coast Guard, the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Department of Energy;

(9) The Bureau of Intelligence and Research of the Department of State;

(10) The Office of Intelligence and Analysis of the Department of the Treasury;

(11) The Office of Intelligence and Analysis of the Department of Homeland Security; or

(12) Such other elements of any department or agency as may be designated by the President, or designated jointly by the Director of National Intelligence and the head of the department or agency concerned, as an element of the intelligence community.

National security system, as defined in 44 U.S.C. 3552, means any information system (including any telecommunications system) used or operated by an agency or by a contractor of an agency, or other organization on behalf of an agency—

(1) The function, operation, or use of which involves intelligence activities; involves cryptologic activities related to national security; involves command and control of military forces; involves equipment that is an integral part of a weapon or weapons

system; or is critical to the direct fulfillment of military or intelligence missions, but does not include a system that is to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications); or

(2) Is protected at all times by procedures established for information that have been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept classified in the interest of national defense or foreign policy.

Reasonable inquiry means an inquiry designed to uncover any information in the entity's possession about the identity of any covered articles, or any products or services produced or provided by a source. This applies when the covered article or the source is subject to an applicable FASCSA order. A reasonable inquiry excludes the need to include an internal or third-party audit.

Sensitive compartmented information means classified information concerning or derived from intelligence sources, methods, or analytical processes, which is required to be handled within formal access control systems established by the Director of National Intelligence.

Sensitive compartmented information system means a national security system authorized to process or store sensitive compartmented information.

Source means a non-Federal supplier, or potential supplier, of products or services, at any tier.

(b) *Prohibition.*

(1) Unless an applicable waiver has been issued by the issuing official, Contractors shall not provide or use as part of the performance of the contract any covered article, or any products or services produced or provided by a source, if the covered article or the source is prohibited by an applicable FASCSA orders as follows:

(i) For solicitations and contracts awarded by a Department of Defense contracting office, DoD FASCSA orders apply.

(ii) For all other solicitations and contracts DHS FASCSA orders apply.

(2) The Contractor shall search for the phrase "FASCSA order" in the System for Award Management (SAM) at *https://www.sam.gov* to locate applicable FASCSA orders identified in paragraph (b)(1).

(3) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the solicitation and resultant contract.

(4) A FASCSA order issued after the date of solicitation applies to this contract only if added by an amendment to the solicitation or modification to the contract (see FAR 4.2304(c)). However, see paragraph (c) of this clause.

(5)

(i) If the contractor wishes to ask for a waiver of the requirements of a new FASCSA order being applied through modification, then the Contractor shall disclose the following:

(A) Name of the product or service provided to the Government;

(B) Name of the covered article or source subject to a FASCSA order;

(C) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied or supplies the covered article or the product or service to the Offeror;

(D) Brand;

(E) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(F) Item description;

(G) Reason why the applicable covered article or the product or service is being provided or used;

(ii) *Executive agency review of disclosures.* The contracting officer will review disclosures provided in paragraph (b)(5)(i) to determine if any waiver is warranted. A contracting officer may choose not to pursue a waiver for covered articles or sources otherwise covered by a FASCSA order and to instead pursue other appropriate action.

(c) *Notice and reporting requirement.*

(1) During contract performance, the Contractor shall review *SAM.gov* at least once every three months, or as advised by the Contracting Officer, to check for covered articles subject to FASCSA order(s), or for products or services produced by a source subject to FASCSA order(s) not currently identified under paragraph (b) of this clause.

(2) If the Contractor identifies a new FASCSA order(s) that could impact their supply chain, then the Contractor shall conduct a reasonable inquiry to identify whether a covered article or product or service produced or provided by a source subject to the FASCSA order(s) was provided to the Government or used during contract performance.

(3)

(i) The Contractor shall submit a report to the contracting office as identified in paragraph (c)(3)(ii) of this clause, if the Contractor identifies, including through any notification by a subcontractor at any tier, that a covered article or product or service produced or provided by a source was provided to the Government or used during contract performance and is subject to a FASCSA order(s) identified in paragraph (b) of this clause, or a new FASCSA order identified in paragraph (c)(2) of this clause. For indefinite delivery contracts, the Contractor shall report to both the contracting office for the indefinite delivery contract and the contracting office for any affected order.

(ii) If a report is required to be submitted to a contracting office under (c)(3)(i) of this clause, the Contractor shall submit the report as follows:

(A) If a Department of Defense contracting office, the Contractor shall report to the website at *https://dibnet.dod.mil*.

(B) For all other contracting offices, the Contractor shall report to the Contracting Officer.

(4) The Contractor shall report the following information for each covered article or each product or service produced or provided by a source, where the covered article or source is subject to a FASCSA order, pursuant to paragraph (c)(3)(i) of this clause:

(i) Within 3 business days from the date of such identification or notification:

(A) Contract number;

(B) Order number(s), if applicable;

(C) Name of the product or service provided to the Government or used during performance of the contract;

(D) Name of the covered article or source subject to a FASCSA order;

(E) If applicable, name of the vendor, including the Commercial and Government Entity code and unique entity identifier (if known), that supplied the covered article or the product or service to the Contractor;

(F) Brand;

(G) Model number (original equipment manufacturer number, manufacturer part number, or wholesaler number);

(H) Item description; and

(I) Any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (c)(4)(i) of this clause:

(A) Any further available information about mitigation actions undertaken or recommended.

(B) In addition, the Contractor shall describe the efforts it undertook to prevent submission or use of the covered article or the product or service produced or provided by a source subject to an applicable FASCSA order, and any additional efforts that will be incorporated to prevent future submission or use of the covered article or the product or service produced or provided by a source that is subject to an applicable FASCSA order.

(d) *Removal*. For Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency contracts or any other procurement instrument intended for use by multiple agencies, upon notification from the Contracting Officer, during the performance of the contract, the Contractor shall promptly make any necessary changes or modifications to remove any product or service produced or provided by a source that is subject to an applicable FASCSA order.

(e) *Subcontracts*.

(1) The Contractor shall insert the substance of this clause, including this paragraph (e) and excluding paragraph (c)(1) of this clause, in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products and commercial services.

(2) The Government may identify in the solicitation additional FASCSA orders that are not in SAM, which are effective and apply to the contract and any subcontracts and other contractual instruments under the contract. The Contractor or higher-tier

subcontractor shall notify their subcontractors, and suppliers under other contractual instruments, that the FASCSA orders in the solicitation that are not in SAM apply to the contract and all subcontracts.

12. FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

https://www.acquisition.gov/browse/index/far

https://www.acquisition.gov/browse/index/gsam.

13. The following clauses are incorporated by reference:

FAR 52.204-2	SECURITY REQUIREMENTS (MAR 2021) (Applicable when the contract may require access to classified information.)
FAR 52.204-9	PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011)
FAR 52.204-10,	REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (JUN 2020) (Applicable if over $30,000 total contract value.)
FAR 52.204-13	SYSTEM FOR AWARD MANAGEMENT MAINTENANCE (OCT 2018)
FAR 52.204-19	INCORPORATION BY REFERENCE OF REPRESENTATIONS AND CERTIFICATIONS (DEC 2014)
FAR 52.204-23	PROHIBITION ON CONTRACTING FOR HARDWARE, SOFTWARE, AND SERVICES DEVELOPED OR PROVIDED BY KASPERSKY LAB AND OTHER COVERED ENTITIES (DEC 2023)
FAR 52.204-25	PROHIBITION ON CONTRACTING FOR CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (NOV 2021)
FAR 52.204-27	PROHIBITION ON A BYTEDANCE COVERED APPLICATION (JUN 2023)
FAR 52.204-30	FEDERAL ACQUISITION SUPPLY CHAIN SECURITY ACT ORDERS – PROHIBITION (DEC 2023)
FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (NOV 2021) (Applicable to leases over $35,000 total contract value.)
FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA (AUG 2011) (Applicable when cost or pricing data are required for work or services over $2,000,000.)
FAR 52.215-12	SUBCONTRACTOR CERTIFIED COST OR PRICING DATA (JUN 2020) (Applicable when the clause at FAR 52.215-10 is applicable.)
FAR 52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (OCT 2022)
FAR 52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN (SEP 2023) ALTERNATE III (JUN 2020) (Applicable to Leases over $750,000 total contract value.)
FAR 52.219-16	LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (SEP 2021)

(Applicable to leases over $750,000 total contract value.)

FAR 52.219-28	POST-AWARD SMALL BUSINESS REREPRESENTATION (SEP 2023) (Applicable to leases exceeding the micro-purchase threshold)
FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES (APR 2015)
FAR 52.222-26	EQUAL OPPORTUNITY (SEP 2016)
FAR 52.222-35	EQUAL OPPORTUNITY FOR VETERANS (JUN 2020) (Applicable to leases $150,000 or more, total contract value. Full text may be found at http://www.acquisition.gov)
FAR 52.222-36	EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES (JUN 2020) (Applicable to leases over $15,000 total contract value. Full text may be found at http://www.acquisition.gov)
FAR 52.222-37	EMPLOYMENT REPORTS ON VETERANS (JUN 2020) (Applicable to leases $150,000 or more, total contract value.)
FAR 52.223-6	DRUG-FREE WORKPLACE (MAY 2001) (Applicable to Leases over the Simplified Lease Acquisition Threshold as well as to any Leases of any value awarded to an individual)
FAR 52.232–23	ASSIGNMENT OF CLAIMS (MAY 2014) (Applicable to leases over the micro-purchase threshold.)
FAR 52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER - SYSTEM FOR AWARD MANAGEMENT (OCT 2018)
FAR 52.233-1	DISPUTES (MAY 2014)
GSAR 552.204-9	PERSONAL IDENTITY VERIFICATION REQUIREMENTS (APR 2023)
GSAR 552.270-12	ALTERATIONS (SEP 1999)
GSAR 552.270-25	SUBSTITUTION OF TENANT AGENCY (SEP 1999)
GSAR 552.270-28	MUTUALITY OF OBLIGATION (SEP 1999)
GSAR 552.270-31	PROMPT PAYMENT (JUN 2011)

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0086.

Exhibit A

Exhibit B

Levelized Lease Rental Rate Calculations				
Year	**Per SF**	**Annual Lease Cost**	**Escalator Percentage**	**Total Contract Value**
2024-2025	$0.840	$232,427.16	0%	**$1,221,349.39**
2025-2026	$0.861	$238,237.84	2.5%	
2026-2027	$0.882	$244,048.52	2.5%	
2027-2028	$0.904	$250,135.90	2.5%	
2028-2029	$0.927	$256,499.97	2.5%	
5-year Lease Term Levelized Rental Rate	**$0.883**	**$244,325.22**	**Levelized by Average**	**$1,221,626.09**

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-10

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Operating and Capital Budget for Fiscal Year ending June 30, 2025**
Date:	**March 19, 2024**

Proposed Motion
To adopt the proposed Operating Budget, Capital Budget, Debt Service Budget, and Member Government Contributions for the fiscal year ending June 30, 2025.

Narrative
The following is an overview of the proposed budgets.

Key Assumptions for FY25 Budget

1. Member contributions will continue to partially fund capital improvements. The new total amount will be $2,760,000 without the City of Phoenix.
2. Enplaning passenger activity is expected to decrease in FY25's budget by 32,917 or 4% from FY24's budget due to no Canadian airlines.
3. Aero revenue is planned to increase $1,259,474 or 7%; Non-Aero revenue is budgeted to be up $963,712 or 10%.
4. Air-Service Incentive Program carries over from previous fiscal year.
5. Operating Contingency is 10% of total expenses from unrestricted cash reserve.

FY25 Operating Budget Highlights

Operating Revenues:	**FY24 Budget**	**FY25 Budget**	**Difference**	**%**
Aero Op Rev: Aircraft Parking	$ 243,129	$ 297,349	$ 54,220	22%
Aero Op Rev: Fuel Flowage	769,638	668,538	(101,100)	-13%
Aero Op Rev: Landing Fees	1,615,226	1,557,120	(58,106)	-4%
Aero Op Rev: Lease Income	3,682,210	4,125,549	443,339	12%
Aero Op Rev: Svcs Sold	6,080,517	5,549,638	(530,879)	-9%
Aero Op Rev: Fuel Sales	6,571,400	8,023,400	1,452,000	22%
Total Aero Op Revenue	18,962,120	20,221,594	1,259,474	7%
Non-Aero Op Rev: Concess	1,209,836	1,339,200	129,364	11%
Non-Aero Op Rev: Lease Inc	1,165,801	1,518,321	352,520	30%
Non-Aero Op Rev: Parking	4,166,487	4,431,271	264,784	6%
Non-Aero Op Rev: Rental Car	2,665,423	2,889,717	224,294	8%
Non-Aero Op Rev: Svcs Sold	150,520	143,270	(7,250)	-5%
Total Non-Aero Op Revenue	9,358,067	10,321,779	963,712	10%
Total Operating Revenue	$ 28,320,187	$ 30,543,373	$ 2,223,186	8%
Operating Expenditures:				
Communication & Utilities	$ 905,502	$ 1,014,627	$ 109,125	12%
Contractual Services	7,359,351	7,874,410	515,059	7%
Cost of Goods Sold	4,543,710	5,512,871	969,161	21%
Insurance	696,578	803,926	107,348	15%
Other	474,792	527,073	52,282	11%
Compensation & Benefits	11,670,064	12,423,601	753,537	6%
Repair & Maintenance	1,365,650	1,122,100	(243,550)	-18%
Supplies & Materials	1,105,779	1,141,571	35,792	3%
Total Operating Expense	$ 28,121,425	$ 30,420,180	$ 2,298,755	8%
Operating Income	$ 198,762	$ 123,194	$ (75,569)	-38%
Total Operating Expense	$ 28,121,425	$ 30,420,180	2,298,755	8%
Potential Air Incentive	2,000,000	2,000,000	-	0%
10% Contingency	2,812,142	3,042,018	229,875	8%
Total Budgeted Operating Expense Capacity	$ 32,933,567	$ 35,462,198	$ 2,528,630	8%

Capital Improvement Program (CIP) Project Summary

The proposed capital budget for FY25 is $45,341,979. The projects are listed in Attachment 1 with more detailed description of the projects in Attachment 2. The carry over capital projects from FY24 total $35,147,682 and are listed in Attachment 3 with the descriptions in Attachment 4.

FY25 Capital Improvement Program Funding Summary

FAA/TSA	$ 36,179,941
Member Contributions	2,760,000
PMGAA Cash Reserves	4,556,019
ADOT	1,776,019
PFC	70,000
Total for FY25	$ 45,341,979

FY24 Carry Over Capital Funding Sources

FAA/TSA	$ 23,378,834
PMGAA Cash Reserves	9,329,056
ADOT	2,439,792
Total for FY23 Carry Over	$ 35,147,682

Total Operating, Capital and Debt Service Budget Combined

Total Operating Expense	$ 30,420,180
Potential Air Incentive	2,000,000
10% Operating Expense Contingency	3,042,018
FY25 Capital Budget	45,341,979
FY24 Carry Over Capital Projects	35,147,682
Capital Maintenance Reserve	1,000,000
Debt Service Payment	1,291,750
Total Budget Operating and Capital	$118,243,609

Attachment(s)

1. FY25 Proposed Capital Budget
2. FY25 Capital Improvement Project Descriptions
3. FY24 Carry Over Capital Improvement Projects
4. FY24 Carry Over Capital Improvement Project Descriptions
5. FY25 Capital Projects Location Map

RESOLUTION NO. 24-10

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority is required pursuant to Arizona Revised Statutes and Section 9 of the Joint Powers Airport Authority Agreement to recommend to the governing bodies of the Airport Authority's members an operating budget, capital budget, debt service budget, and capital improvement program for each fiscal year; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Phoenix-Mesa Gateway Airport Authority Board of Directors hereby adopts the Phoenix-Mesa Gateway Airport Authority Fiscal year 2025 Operating Budget in the amount of $35,462,198, the Fiscal Year 2025 Phoenix-Mesa Gateway Airport Authority Capital Improvement Program and Debt Service in the amount of $82,781,411, and incorporated as if fully set forth herein, subject to the authority granted to the Executive Director/CEO under Board Policy #15-04, and including the member government contributions and proportions provided as follows: City of Mesa $1,700,000 (61.60 %); Gila River Indian Community $450,000 (16.30%); Town of Gilbert $350,000 (12.68 %); Town of Queen Creek $130,000 (4.71 %); City of Apache Junction $130,000 (4.71 %).**
>
> Passed and adopted by the Authority this 19th day of March, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PMGAA FY25 Capital Budget

ACIP

Project ID - Project Name		Cost Estimate Latest	Funding Source: FAA/TSA	ADOT	PMGAA Match	PMGAA Non-Grant	PFC	Project Total	Begin Project Date	Complete Project Date
1072 RWY 12R/30L Reconstruction Ph 2		$21,400,000	$19,486,840	$956,580	$956,580			$21,400,000	7/1/2024	6/30/2025
1092 Taxiway Golf Realignment Design & Construction		$13,500,000	$12,293,100	$603,450	$603,450			$13,500,000	7/1/2024	6/30/2025
741-Twy H between Twy B Design & Reconstruct BIL		$4,831,979	$4,400,000	$215,989	$215,989			$4,831,979	7/1/2024	6/30/2025
1290-Common Use Passenger Processing Ecosystem		$1,500,000				$1,500,000		$1,500,000	7/1/2024	12/31/2025
952-Badging Office Identity Mgmt Security System		$1,000,000				$1,000,000		$1,000,000	7/1/2024	6/30/2025
1281-Mill & Replace 2" Hourly Parking Lot		$500,000				$500,000		$500,000	7/1/2024	6/30/2025
1254-Replc 2014 Skymark 7k gallon JetA Truck 222		$400,000				$400,000		$400,000	7/1/2024	6/30/2025
1262-Roofs Recoating/Reseal on PMGAA Owned Buildings Ph2		$270,000				$270,000		$270,000	7/1/2024	6/30/2025
1284-Airfield Asphalt Pavement Mx		$265,000				$265,000		$265,000	7/1/2024	6/30/2025
0965-Replc 1994 John Deere Wheel Front End Loader E-300	from FY22	$240,000				$240,000		$240,000	7/1/2024	6/30/2025
1277-Replc Terminal Seats Ph 2		$160,000				$160,000		$160,000	7/1/2024	6/30/2025
1302-TSA Checkpoint AC Replacement Ph 1		$130,000				$130,000		$130,000	7/1/2024	6/30/2025
1283-Landside Asphalt Pavement Mx		$121,500				$121,500		$121,500	7/1/2024	6/30/2025
1288-IT Desktop/laptop Refresh phase 2		$103,500				$103,500		$103,500	7/1/2024	12/31/2024
1303-Replc Fire Tank Valves		$100,000				$100,000		$100,000	7/1/2024	6/30/2025
1304-Website Redesign		$100,000				$100,000		$100,000	7/1/2024	12/31/2024
1289-Business Continuity Plan Development		$80,000				$80,000		$80,000	7/1/2024	6/30/2025
1293-Purchase Towable Wide Body Airstairs		$75,000				$75,000		$75,000	7/1/2024	6/30/2025
1278-Replc 2003 Ford Excursion TRK-370		$60,000				$60,000		$60,000	7/1/2024	6/30/2025
0977-Replc 3 Golf Carts with 2 UTVs		$50,000				$50,000		$50,000	7/1/2024	6/30/2025
1296-Equipment Shade Cover at Hangar 46		$50,000				$50,000		$50,000	7/1/2024	6/30/2025
1297-Replc Crash Phone		$50,000				$50,000		$50,000	7/1/2024	6/30/2025
1298-Replc Carpeting at the Terminal Ph2		$50,000				$50,000		$50,000	7/1/2024	6/30/2025
1021-Replc 2015 Toyota Tacomas TRK- 216		$45,000				$45,000		$45,000	7/1/2024	6/30/2025
1042-Replc 2009 Dodge Durango TRK-113 (237)		$45,000				$45,000		$45,000	7/1/2024	6/30/2025
1299-TSA Checkpoint Queue Stanchions		$40,000				$40,000		$40,000	7/1/2024	6/30/2025
1300-TWY Papa- Taxiway Circuit Rehabilitation		$38,000					$38,000	$38,000	7/1/2024	6/30/2025
1301-TWY Alpha Lighting Circuit Rehabilitation		$32,000					$32,000	$32,000	7/1/2024	6/30/2025
1287-Terminal Permanent Lighting		$30,000				$30,000		$30,000	7/1/2024	6/30/2025
0864-US Customs Technology Refresh		$25,000				$25,000		$25,000	7/1/2024	6/30/2025
1285-Replc 2003 FBO Lavatory Cart		$25,000				$25,000		$25,000	7/1/2024	6/30/2025
1294-Hourly Parking Lot Shades for Entry/Exit Plaza		$25,000				$25,000		$25,000	7/1/2024	6/30/2025
		$45,341,979	$36,179,940	$1,776,019	$1,776,019	$5,540,000	$70,000	$45,341,979		

PMGAA Total	$7,316,019
Member Contributions	$2,760,000
Over/(Under)	$4,556,019

Phoenix - Mesa Gateway Airport Authority
FY25 Capital Budget

Attachment 2

Project # Name	Amount	Description
1072 RWY 12R/30L Reconstruction of Sections Remaining from FY23/FY24	$21,400,000	Reconstruct Runway 12R30L from 1000 feet from north end to 500 feet north of Taxiway Lima. Project encompasses sections 20, 30, and 40 totaling almost 1 million sq ft. Project will include runway PCCP replacement, shoulder, lighting, striping, and signage improvements.
1092 Taxiway Golf Realignment Design & Construction	$13,500,000	Design realignment and reconstruct Taxiway G. Construct approximately 4,200 linear feet of taxiway with shoulders and striping. Demolish existing approximately 3,000 linear feet of current taxiway.
741-Twy H between Twy B & 12R Design & Reconstruct	$4,831,979	Design & Reconstruct Taxiway H between Taxiway B and Runway 12R. 250' x 75' (2,100 SY PCCP), plus 250' x 30' shoulders (1,700 SY AC), including lighting, drainage, signage & marking. According to AP Tech report dated March 2010, the pavement condition index (PCI) is rated at 66.
1290-Common Use Passenger Processing Ecosystem	$1,500,000	Replacement of Common Use Passenger Processing. Flight Information Display System, Gate Management System, Contract and Billing System. Current Contract with Amadeus expires May 31, 2024. There are two 1-yr extensions on the contract, which will allow for the FRP process to evaluate Common Use providers while our existing environment remains under support.
952-Identity Mgmt Security System	$1,000,000	This system automates the security media credentialing application and administrative processes. It enables badge applicants, Company Signatory Media Authorities, and the Airport Authority to manage badge applications electronically, eliminating the need for paper resources. It increases security through electronically logging who has accessed badging records and by strictly enforcing regulatory requirements for badge applications. In addition, the system automatically submits documentation for vetting to the appropriate aviation channeling service such as the Transportation Security Clearinghouse.
1281-Mill & Replace 2" Hourly Parking Lot	$500,000	Mill & replace top 2" of asphalt and stripe according to plans. Sections to be completed are PTERMPRK:15 42,274 sq ft and PTERMPRK:10 13,168 sq ft for a total of 55,442 sq ft
1254-Replc 2014 Skymark 7k gallon JetA Truck 222 from FY24	$400,000	Replc 2014 JetA Fuel Truck. Life cycle replacement
1262-Roofs Recoating/Reseal on PMGAA Owned Buildings	$270,000	In 2018 the ENF team completed an airport replacement and repair project for all PMGAA Building Roofs. It is now time to review the roofs and continue to maintain them by recoating and resealing as necessary. This will be an airport wide roofing program.
1284-Airfield Asphalt Pavement Mx	$265,000	Asphalt pavement Mx for TWYs, V, F, E, W, HH shoulders. (30C/12C Overruns Mill & Pave. Perimeter Rd random crack seals
0965-Replc 1994 John Deere Wheel Loader E-300 from FY22	$240,000	Replc 1994 John Deere 644G wheel loader due to age it will need extensive rehab.
1277-Replc Terminal Seats Ph 2	$160,000	Existing terminal beamline seating varies in age from 8-12 years. Existing seats are maintenance intensive, specifically with upholstery. Proposed replacement seats would match those of the Terminal Modernization Project in FY23.
1302-TSA Checkpoint AC Replacement Ph 1	$130,000	The existing air conditioning units in the TSA checkpoint area are at the end of their useful life and require extensive maintenance to keep running.
1283-Landside Asphalt Pavement Mx	$121,500	Asphalt pavement Mx for landside parking areas Admin, GA, Hangar 46. Terminal drive lanes, Hourly, Economy lot Ph II Hangar 32 Crack Seal Coat, and Stripe
1288-IT Desktop/laptop Refresh phase 2	$103,500	Year 2 of Desktop/Laptop refresh program for PMGAA computer equipment
1303-Replc Fire Tank Valves	$100,000	The existing valves at the fire protection systems are at the end of their useful life and require extensive maintenance to keep operational.
1304-Website Redesign	$100,000	Backend infrastructure is over 15 years old and future iterations of the various websites will no longer be compatible as technology changes and tenured staff depart from the Airport. Website look and design will be over 5 years old t the time of execution.
1289-Business Continuity Plan Development	$80,000	Develop a Business Continuity plan for PMGAA as part of our Cyber Security response planning efforts
1293-Purchase Towable Wide Body Airstairs	$75,000	Purchase Towable Airstairs for Widebody Aircraft
1278-Replc 2003 Ford Excursion TRK-370	$60,000	Replc 2003 Ford Excursion TRK-370
0977-Replc 3 Golf Carts with 2 UTVs	$50,000	Replc 3 Melex golf carts with marginal reliability. Due to the age of the carts and the company having limited support in the US, parts are no longer available or manufactured
1296-Equipment Shade Cover at Hangar 46	$50,000	Erect a shade structure on the north end of hangar 46 that covers a portion of the north ramp area. The shade will be approximately 5,000 sq ft
1298- Replc Carpeting at the Terminal Ph2	$50,000	Carpet is worn and past its serviceable life and in need of replacement
1297-Replc Crash Phone	$50,000	Lumen no longer supports ring down circuits, COM has experienced issues with the circuit, a replacement is necessary before we have a critical issue
1021-Replc 2015 Toyota Tacomas TRK- 216	$45,000	Replc 2015 Toyota Tacoma TRK 216
1042-Replc 2009 Dodge Durango TRK-113 (237)	$45,000	Replc 2009 Dodge Durango TRK 113
1299-TSA Checkpoint Queue Stanchions	$40,000	Procure and place stanchions for TSA Checkpoint Queue
1300-TWY Papa Lighting Circuit Rehabilitation	$38,000	Airfield preventative maintenance, replace cable transformers and lights, life cycle refresh for lights, some are inferior
1301-TWY Alpha Lighting Circuit Rehabilitation	$32,000	Airfield preventative maintenance, life cycle refresh, aged circuit approx 20 yr old needs replaced
1287-Terminal Permanent Lighting	$30,000	Add permanent lights to Terminal façade for holiday lighting
0864-US Customs Technology Refresh	$25,000	Perform technology refresh on US Customs computer network and equipment

Phoenix - Mesa Gateway Airport Authority
FY25 Capital Budget

Attachment 2

1285-Replc 2003 FBO Lavatory Cart	$25,000	Replc 2003 FBO Lavatory Cart due to age of equipment
1294-Hourly Parking Lot Shades for Entry/Exit	$25,000	Procure and construct/install shade structure for the Hourly Parking Lot Entry/Exit Plaza
	$45,341,979	

			Carry Over Projects FY24-FY25 Funding Sources					
	Carry Overs Projects	**FY24-FY25**	**Federal Aviation Admin (FAA)**	**TSA**	**State of Arizona (ADOT)**	**PMGAA Grant Match Funds**	**PMGAA Non-Grant Funds**	**Project Totals**
500AIR1072	Reconstruction of Rwy 12R/30L Phase 1	$23,427,009	$21,332,634		$1,047,187	$1,047,187		$23,427,009
500AIR1243	Center RWY Asphalt Mill & Replc Distance Remaining Signs	$2,000,000	$1,821,200		$89,400	$89,400		$2,000,000
500AIR0741	Design and Recon Twy H Between B and 12R	$1,248,005			$1,123,205	$124,801		$1,248,005
500TRM1265	TSA Bag Make-Up Expansion/In-Line Checked Baggage System Design	$500,000		$225,000		$25,000	$250,000	$500,000
500NON1268	New Airport Entrance Monument Signs	$500,000					$500,000	$500,000
700PLN0975	Safety Management System Implementation	$348,668					$348,668	$348,668
700EQP0964	Replc 2003 Tymco Pavement Sweeper E-302	$342,000					$342,000	$342,000
500AIR0744	Taxiway W Design & Recon	$200,000			$180,000	$20,000		$200,000
700TRM1258	Replc Terminal Seats Ph1 2 Gates	$160,000					$160,000	$160,000
500FUE1224	Increase Jet A Storage Capacity Design & Construct	$100,000					$100,000	$100,000
500SDD1223	DEMO Old ATCT, Old RTR Facility, Old ASR, Other Facilities, H24	$100,000					$100,000	$100,000
600EQP1064	Replc Defuel/Refuel Cart -EQP 277	$70,000					$70,000	$70,000
600EQP1256	Replc 1996 8K lb Forklift	$65,000					$65,000	$65,000
600EQP1250	Replc 2006 Towable Airstair unit -EQP 232	$50,000					$50,000	$50,000
700MAM1271	20v Lenel Gate Controls	$25,000					$25,000	$25,000
500EQP1259	Replc 3 Fire Protection Pumps at So. Central and Pump House	$10,000					$10,000	$10,000
600EQP1061	Replc 2002 Mobile Air Condition Unit - EQP 262	$2,000					$2,000	$2,000
	Capacity Increase to carry over	$6,000,000					$6,000,000	$6,000,000
Total Carry Over from FY24		$35,147,682	$23,153,834	$225,000	$2,439,792	$1,306,388	$8,022,668	$35,147,682

Phoenix - Mesa Gateway Airport Authority
FY24 Carry Over into FY25 Capital Budget

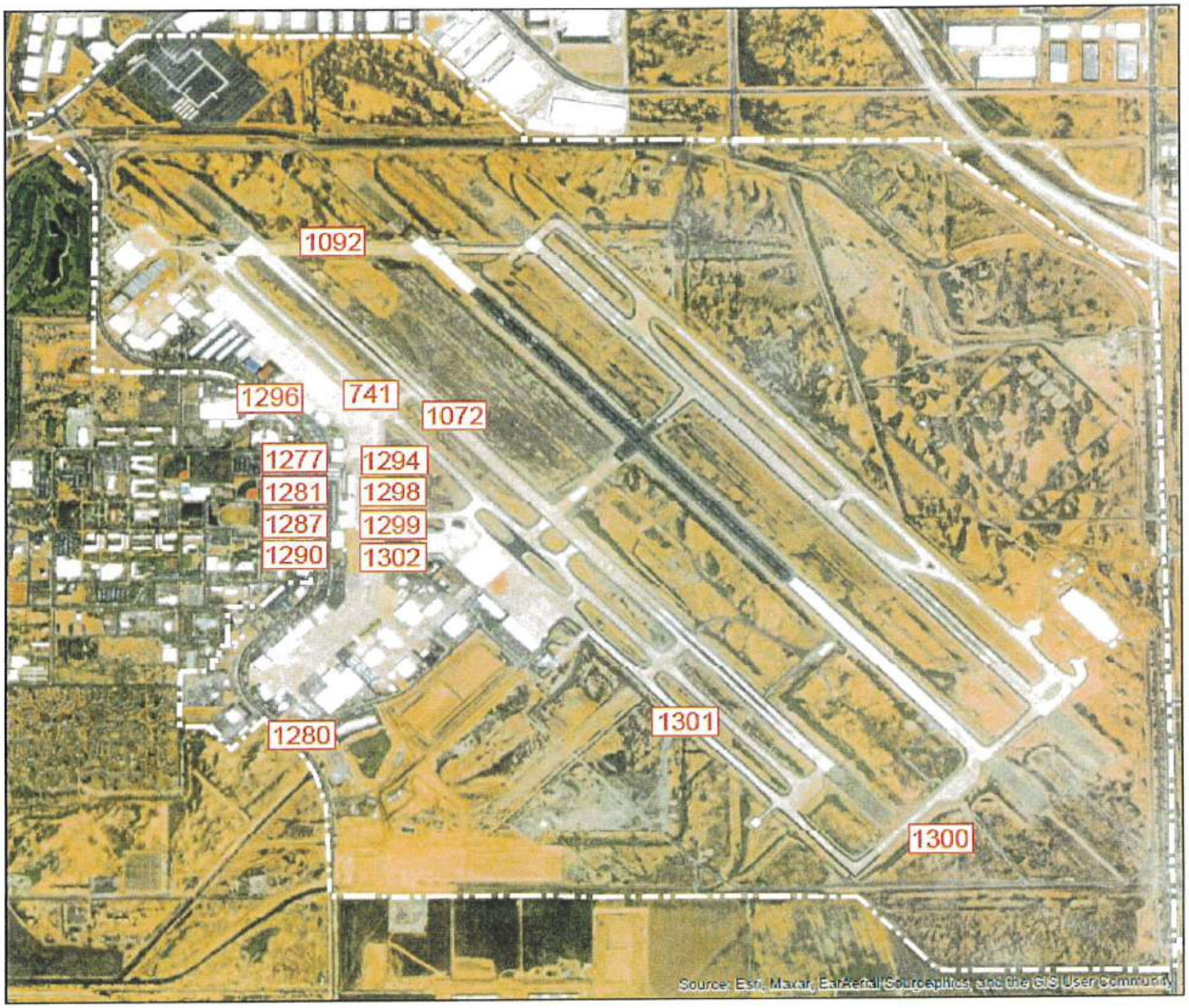
Attachment 4

Project # Name	Amount	Description
1072 - Reconstruction of Rwy 12R/30L Phase 1	$23,427,009	Reconstruction and construction administration of Runway 12R30L from 1000 feet from north end to 500 feet north of Taxiway Lima. Project encompasses pavement sections 20,30,and 40 (See ADOT PCI map) totaling almost one million square feet. Project will include runway PCCP replacement, shoulders, lighting (edge, ERGL, etc.) , striping, and signage (guidance, directional and DR) improvements
1243 - Center RWY Asphalt Mill & Replc Distance Remaining Signs	$2,000,000	Mill 1.5" of asphalt on the full length of asphalt runway section and Twy K runway intersection. Replace with new asphalt and stripe
741 - Design and Recon Twy H Between B and 12R	$1,248,005	Design & Reconstruct Taxiway H between Taxiway B and Runway 12R. 250' x 75' (2,100 SY PCCP), plus 250' x 30' shoulders (1,700 SY AC), including lighting, drainage, signage & marking. According to AP Tech report, the pavement condition index (PCI) is rated at 66.
1265 - TSA Bag Make-Up Expansion/In-Line Checked Baggage System Design	$500,000	It has been determined that the existing baggage handing system will not be able to adequately keep up with the number of bags being checked. The current system will be removed and replaced with a new network of conveyor belts that will transport checked baggage to the new CBIS comprising in-line explosives detection system, followed by transport of cleared bags to a common existing make up unit for loading onto carts and transport to the aircraft.
1268 - New Airport Entrance Monument Signs	$500,000	Construct new monument airport entrance signs on both north and south ends of the airport
0975 - Safety Management System Implementation Plan	$348,668	Engage a consultant to perform a safety system gap analysis, produce an SMS implementation plan, and produce SMS manual.
0964 - Replc 2003 Tymco Pavement Sweeper E-302	$342,000	Replc 2003 Tymco Pavement Sweeper EQP E-302 with new High Speed Runway pavement sweeper
744 - Taxiway W Design & Recon	$200,000	Design and reconstruct a section of Taxiway Whiskey located on the southern portion of the taxiway and north of intersection of W and T. 2013 pavement condition index (PCI) for the worst section is rated at 57, approaching pavement failure if not reconstructed in the intermediate term. The dimensions of the section is 22' x 405' (8,910 SF). Project to address edge lighting, markings, shoulder, drainage as required.
1258 - Replc Terminal Seats Ph1 2 Gates	$160,000	Replc beamline terminal seats at two gates
1224 - Increase Jet A Storage Capacity Design & Construct	$100,000	Expansion to meet expected activity for airfield activity
1223 - DEMO Old ATCT, Old RTR Facility, Old ASR, Other Facilities, H24	$100,000	Demo old ATCT; Demo and relocate Remote Transmitter & Receiver (RTR) Facility to make way for Gateway East Development; Demolish the existing structures on Lots 50A, 50B, 50C and 45 and ready site for commercial development. Demolition activities will likely require some environmental work and/or oversight. Structures include 6,000 SF Building, 34,000 SF Building, 36,000 SF Building, and noise suppression equipment ("hush house"); and Demo hangar 24 for site development
1064 - Replc Defuel/Refuel Cart -EQP 277	$70,000	Equipment beyond useful life and scheduled for replacement per procurement policy
1256 - Replc 1996 8K lb Forklift	$65,000	Life Cycle replacement, meet the needs of our customers upon request, and for FBO use in operations
1250 - Replc 2006 Towable Airstair unit -EQP 232	$50,000	Replc old air stairs used for enplaning and deplaning passengers from narrow body aircraft
1271 - 20v Lenel Gate Controls	$25,000	Hardware and programming for PMGAA control of perimeter gate located at ATP. Resolves security vulnerability.
1259 - Replc 3 Fire Protection Pumps at So. Central and Pump House	$10,000	Purchase 3 Fire protection pumps to replace existing older equipment
1061 - Replc 2002 Mobile Air Condition Unit - EQP 262	$2,000	Equipment beyond useful life and scheduled for replacement per procurement policy
Capacity Increase to carry over	$6,000,000	This budget will cover any new projects that come up or existing projects that are delayed and need to carry over into FY25
	$35,147,682	

Attachment 5

Gateway

FY25 CIP
Project Locations



Projects not on map

864	1283
952	1284
965	1285
977	1288
1021	1289
1042	1293
1254	1297
1262	1303
1278	1304

N

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-11

To: Board of Directors
From: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Primary Legal Counsel Services – Snell & Wilmer, LLP
Date: March 19, 2024

Proposed Motion
To authorize a contract with Snell and Wilmer, LLP for Primary Legal Counsel Services for an initial term of three (3) years, with two (2) optional one-year extensions.

Narrative
Phoenix-Mesa Gateway Airport Authority (PMGAA) requires outside legal counsel to provide legal advice and representation on matters including but not limited to: 1) Governing board policies and procedures, 2) Governing board liability, 3) Intergovernmental agreements, 4) Real estate transactions, 5) Procurement of products and services, 6) Construction contracts, 7) Personnel matters including civil rights issues, 8) Review and interpretation of state and federal laws and regulations including and excluding aviation issues, and 9) Certain financial issues as required.

PMGAA issued a Request for Qualifications for Primary Legal Counsel Services, Solicitation 2024-013-RFQ on December 7, 2024. The notice was advertised in the Arizona Business Gazette on 12/14, 12/21, 12/28/23 and 1/4/24; it was also posted on AzAA, ACC, ACI-NA, SWAAAE, and PMGAA websites. Nine prospective respondents also received copies of the solicitation by direct email. PMGAA received Statements of Qualifications (SOQs) from three law firms.

Dickinson Wright, PLLC
Gust Rosenfeld, PLC
Snell & Wilmer, LLP

Based upon the SOQs received and the established criteria, the Evaluation Panel ranked Snell and Wilmer, LLP number one unanimously. The Evaluation Panel recommends the firm of Snell and Wilmer, LLP to provide Primary Legal Counsel Services to PMGAA.

Fiscal Impact
PMGAA has included $177,000.00 for legal services in its Fiscal Year 2024 budget.

Attachment(s)
Professional Services Agreement

RESOLUTION NO. 24-11

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract with Snell and Wilmer, LLP for Primary Legal Counsel Services for an initial term of three (3) years, with two (2) optional one-year extensions;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes a contract with Snell and Wilmer, LLP for Primary Legal Counsel Services for an initial term of three (3) years, with two (2) optional one-year extensions. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 19th day of March, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

SNELL & WILMER, LLP

FOR

PRIMARY LEGAL COUNSEL SERVICES

CONTRACT NUMBER 20240144

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20240144** ("Contract") and the attached exhibits. Snell & Wilmer, LLP, an Arizona Limited Liability Partnership ("Consultant"), with its principal offices located at 1 East Washington Street, Suite 2700, Phoenix, Arizona, 85004, desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultant is willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultant to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultant agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultant are specified in this Contract. PMGAA will not pay Consultant for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultant under this Contract shall generally include, but not be limited to, the following: Primary Legal Counsel Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Executive Director/CEO, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultant under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultant makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultant, at no cost to Consultant, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultant of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultant.

B. In PMGAA's discretion and upon Consultant's reasonable request, access to staff for consultation with Consultant during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultant's deliverables. PMGAA will advise Consultant concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultant shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be contracted or engaged on or before the expiration date of the Contract.

This Contract is effective as of June 1, 2024 and ends on May 30, 2027 ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

This Contract has two (2) optional one-year extensions that PMGAA may exercise at its sole discretion. Prior to the expiration of the Contract Base Term, PMGAA may elect to extend the Contract. If PMGAA exercises such right, all terms, conditions and provisions of the original Contract shall remain the same and apply during the extended

period with the possible exception of fees. All fees for the optional renewal terms are provided for in **EXHIBIT A**, "Scope of Services & Fee Schedule.". Any extension of this Contract shall require an amendment signed by both parties.

Consultant shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultant itself shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultant to perform any services listed under this contract, Consultant shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

PMGAA may, at its sole discretion, accept or reject any staff Consultant chooses to conduct work on PMGAA's behalf during the course of the Contract. If Consultant's staff is rejected by PMGAA, Consultant shall provide alternative, qualified staff at the same hourly rate for PMGAA's approval.

SECTION V - PAYMENTS TO THE CONSULTANT

Consultant will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultant are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultant, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultant. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultant has been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultant will be allowed by PMGAA, except as provided herein, nor shall Consultant do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultant without advance, written authorization will be at Consultant's own risk, cost, and expense. Without written authorization, Consultant shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultant hereby assigns all right, title and interests to such documents to PMGAA. Consultant shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultant's documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultant. PMGAA may reuse or modify the documents, as it deems necessary, without Consultant's prior written authorization. PMGAA shall indemnify and hold harmless Consultant, its officers, directors, employees and subconsultants (collectively, the "Consultant") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultant under this Contract unless Consultant authorizes the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultant shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultant's signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultant and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultant's work shall in no way relieve Consultant of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultant warrants that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultant's firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultant shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultant shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Consultant shall submit monthly invoices for services actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultant's studies, reports, proposals, and other related documents and render any decisions required by Consultant in a timely manner. Notwithstanding these reviews, Consultant remains solely responsible for all of its deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultant's work or Consultant's responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultant arising out of or relating to this Contract must first be submitted to nonbinding mediation unless the parties mutually agree otherwise in writing. In the event that the dispute(s) are not settled via nonbinding mediation, the parties shall proceed to and employ binding arbitration, as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

For any dispute(s) relating to Fees, any mediation or arbitration conducted by the parties will be held in accordance with the procedures set forth in the "Dispute Resolution" section of Consultant's Policy on Professional Fees attached as **EXHIBIT F**, "Consultant's Policy on Professional Fees."

SECTION XVI - LIABILITY OF CONSULTANT

Consultant agrees to indemnify PMGAA from and against claims, loss, damages, expenses, or liability ("Damages") caused by any negligent or tortious act or omission by Consultant's personnel in the performance of the services

pursuant to this agreement, provided, however, Consultant is not liable for Damages caused by or arising out of actions or omissions of PMGAA's personnel. Nothing in this agreement shall broaden or expand Consultant's liability for negligent or tortious acts or omissions beyond that provided by applicable law (including comparative and contributory negligence principles) or impose liability on Consultant where no negligent or tortious conduct is proven or create independent claims under contract law.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultant's services apply to Consultant's performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

Not Applicable.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than $1,000,000 per occurrence or claim, $2,000,000 aggregate.
   ii. Commercial General Liability: Insurance Services Office Form CG 00 01 covering Bodily Injury and Property Damage on an "occurrence" basis, including personal & advertising injury with limits no less than $1,000,000 per occurrence, $2,000,000 General Aggregate.
   iii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultant maintains higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultant if the Consultant is found liable.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Consultant waives any right to subrogation with respect to the policy required under Section XIX, C, ii. Consultant shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for the line of coverage referenced in Section XIX, C, ii.
   iii. Primary Coverage: For all claims related to this Contract, the determination of which of the Consultant's insurance policies will be primary will be made based on the nature of the claim and the facts presented in connection with the claim.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
   v. Acceptability of Insurers: Insurance is to be placed with insurers with a current Fitch rating of no less than A, unless otherwise acceptable to PMGAA.
   vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

      a) The Retroactive Date must be shown and must be before the date of the contract or the

beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultant shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Executive Director/CEO
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANT: Snell & Wilmer, LLP
Attn: Jill Casson Owen
1 East Washington Street, Suite 2700
Phoenix, AZ 85004

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

SECTION XXI MINIMUM REQUIREMENTS

During the Term of the Contract, or any extension thereof, Consultant and all of Consultant's employees providing legal representation shall be properly licensed and in good standing to practice in the State of Arizona. In addition, Consultant shall maintain a full-service law office in Maricopa County.

Executed as of the Effective Date.

CONSULTANT
SNELL & WILMER, LLP, an Arizona Limited Liability Partnership

By: _____

Name: Jill Casson Owen

Title: Partner

Date: February 29, 2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultant and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

SCOPE OF SERVICES

Timeliness of response and accessibility to assigned counsel is an important aspect of this service. Accessibility includes the ability to be reached promptly by telephone, cell phone, or e-mail and to be available to attend meetings in person on short notice. When PMGAA requests legal services, the firm should be able to provide an estimate of the time to complete the work and keep the requesting party apprised of any delays or special considerations. The firm must be able to work cooperatively with any Specialty Legal Services retained by PMGAA. Primary Legal Counsel will coordinate with PMGAA and the provider of any Specialty Legal Services procured by PMGAA to ensure consistent, coordinated legal services that are in the best interest of PMGAA. Unless otherwise directed by PMGAA, Primary Legal Counsel will be responsible for managing the matters for which Specialty Legal Services are engaged.

PMGAA will select a law firm to provide primary legal counsel services including legal advice and counsel to PMGAA on major issues and projects arising from the operation of Phoenix-Mesa Gateway Airport. It is the responsibility of the Primary Legal Counsel to provide legal services to PMGAA in accordance with the Scope of Services detailed in this RFQ and subsequent executed Professional Services Agreement. The Primary Legal Counsel will regularly work with the Executive Director and staff with respect to various legal needs of PMGAA. The Primary Legal Counsel will communicate directly with the PMGAA Board when, in the professional judgment of the Primary Legal Counsel, such communication is in the best interest of PMGAA, or upon request from the PMGAA Board. The PMGAA Board, as a whole, may consult with or request assistance from the Primary Legal Counsel at any time. Upon the direction of the Board, one or more individual members of the Board may consult with or request assistance from the Primary Legal Counsel on behalf of the Board.

Matters for which Primary Legal Counsel will be responsible for may include, but are not limited to, the following:

a. PMGAA Board of Directors-approved policies and procedures,
b. PMGAA Board of Directors liability,
c. Intergovernmental agreements,
d. Real estate acquisition, lease, and disposal,
e. Purchase and lease contracts,
f. Construction contracts,
g. Consultation and coordination with PMGAA member government legal representatives,
h. Personnel matters, including civil rights issues,
i. Management of Specialty Legal Services retained by PMGAA,
j. Review and interpretation of state and federal laws and regulations, and
k. Certain financial issues as required.

PMGAA requires the selected firm to appear in person or telephonically at PMGAA Board meetings and at monthly Senior Staff meetings of certain key PMGAA staff.

FEE SCHEDULE

For the services provided herein, PMGAA agrees to pay Consultant the following fees.

Consultant's Market Rates (Fees), as of June 1, 2024 are stated below. The Fees, as may be amended annually January 1 of each year, shall be discounted by 5% for the Base Term, and an extension thereof.

Title	Person Name	2024 Market Rate
Partner	Casson Owen, Jill	770
Partner	Ebe, Jason	775
Partner	Johnson, Brett W.	750
Partner	Kroeger, Joseph A.	680
Partner	Naylor, Benjamin	545
Partner	Paul, Patrick	765
Partner	Perrella, Jill H.	600
Partner	Reeves, Benjamin W.	655
Counsel	Regula, Ryan	555
Associate	Hawkins, Benjamin	550
Associate	Misuraca, Nicolas	440
Associate	Thomason, Emily	410

Fees may be revised as stated above provided, Fees shall not increase by more than the following percentage on an annual basis:

Associates: No more than 7% per year

All other Professionals (Partners, Paralegal, Planners, and such): No more than 3% per year

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultant shall be based upon criteria established below. All services must be billed through the Consultant.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultant's compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultant the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultant has submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultant shall submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultant's invoices must specify that Consultant has performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultant Responsibilities for Compensation

Consultant shall prepare monthly invoices and/or progress reports in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/requisitions for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultant's invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultant has not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultant, PMGAA shall promptly notify Consultant and explain the reasons for the decision to withhold payment.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

2. Civil Rights Act of 1964, Title VI – Assurance

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English

proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

Title VI Compliance With Nondiscrimination Requirements:
During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>
Consultant, by accepting this Contract, certifies that neither it nor members of its executive management is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

4. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultant shall be responsible for fulfilling the security requirements described herein.

a. Secured Area Access – All Consultant personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA Consultant and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultant shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

   i. All fees must be paid to PMGAA by cash or check.
   ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
   iii. An authorized representative of Consultant must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
   iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
   v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
   vi. Consultant shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
   vii. Consultant shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
   viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultant employee so certified by Consultant as requiring such before a Security Badge is issued.
   ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
   x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultant to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultant's own employees. Therefore, if Consultant is found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

5. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

6. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultant shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultant and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultant shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultant and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

7. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultant shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

8. Independent Contractor Status

At all relevant times, Consultant is - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultant, the performance of its work or services, or the safety of its employees. Consultant is not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultant certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultant hereby certifies that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. Termination for cause. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultant to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Contract.

      (1) Consultant has provided personnel that do not meet the requirements of the Contract.

      (2) Consultant has failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultant has attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultant has failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultant has failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultant fails to give PMGAA adequate assurance the Consultant will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultant regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. Termination for convenience. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives thirty (30) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with thirty (30) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

   c. Upon termination of the Contract, the Consultant must deliver to PMGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

   d. Termination of Consultant prior to the Term, or any extension thereof, will require PMGAA Board approval.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

   b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

   c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultant nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultant, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultant shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultant shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to contract with other attorneys and legal firms for any specialized contract legal services (Specialty Legal Services) necessary for the successful operation of PMGAA.

8. **Americans with Disabilities Act.** Consultant shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultant shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultant, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultant or any agent or representative of Consultant, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultant the amount of the gratuity.

11. **Applicable Law.** This Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultant under an RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultant. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultant.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultant shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultant damages PMGAA's property in any way, Consultant shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultant fails or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultant under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultant shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultant of its acceptance or rejection within forty-five (45) days or written request by Consultant. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultant referred to herein. Consultant is responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultant's services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultant warrants that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultant or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** Consultant agrees to indemnify PMGAA from and against claims, loss, damages, expenses, or liability ("Damages") caused by any negligent or tortious act or omission by Consultant's personnel in the performance of the services pursuant to this agreement, provided, however, Consultant is not liable for Damages caused by or arising out of actions or omissions of PMGAA's personnel. Nothing in this agreement shall broaden or expand Consultant's liability for negligent or tortious acts or omissions beyond that provided by applicable law (including comparative and contributory negligence principles) or impose liability on Consultant where no negligent or tortious conduct is proven or create independent claims under contract law.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultant shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultant's or any of Consultant's subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** In the event either party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of delay. For purposes of this Contract, the financial inability of Consultant to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultant's risk and may be returned to Consultant. If so returned, all costs are the responsibility of Consultant. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultant or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultant shall provide a formal release of all liens.

30. **Licenses.** Consultant shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultant as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultant shall at all times keep Contract performance areas, including storage areas used by the Consultant, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultant shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Consultant agrees to indemnify PMGAA from and against claims, loss, damages, expenses, or liability ("Damages") caused by any negligent or tortious act or omission by Consultant's personnel in the performance of the services pursuant to this agreement, provided, however, Consultant is not liable for Damages caused by or arising out of actions or omissions of PMGAA's personnel. Nothing in this agreement shall broaden or expand Consultant's liability for negligent or tortious acts or omissions beyond that provided by applicable law (including comparative and contributory negligence principles) or impose liability on Consultant where no negligent or tortious conduct is proven or create independent claims under contract law.

34. **Records and Audit Rights.** Consultant's and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultant and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultant's and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultant and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultant under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultant and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultant or subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultant's and any of Consultant's subcontractor's employee who works on this Contract to ensure the Consultant is complying with this paragraph.

EXHIBIT E – CONSULTANT'S RFQ SUBMITTAL

Consultant's Statement of Qualifications in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2024-013-RFQ dated 01/23/2024 is hereby incorporated herein and made part of this Contract.

EXHIBIT F – CONSULTANT'S POLICY ON PROFESSIONAL FEES

See following pages.

POLICY ON PROFESSIONAL FEES

The attorney-client relationship works best when there is a mutual understanding about fees and payment terms. Accordingly, our Policy on Professional Fees is intended to explain briefly our current billing policies and procedures. These policies and procedures are subject to change.

How Fees Are Determined. To help us determine the value of our services, we ask each of our attorneys, paralegals, legal assistants and certain clerical personnel providing specialized support to maintain time records for each client and matter. These individuals are assigned hourly rates, which are reflected on the billing statement sent to clients. These hourly rates are adjusted from time to time (generally once a year) and can change during the course of our engagement. Our rates are a benchmark, and not the sole determinant of the value of our services for billing purposes. The billing attorney assigned to your account reviews the time records before a billing statement is rendered. Pursuant to the applicable Rules of Professional Conduct, a reasonable fee takes into consideration, among other factors, the time and labor required, the novelty of the issues involved and the skill required to perform the legal services properly, the amount involved and the results obtained, any time limitations imposed by the client or by the circumstances, the nature and length of the professional relationship with the client, the experience, reputation and ability of the attorneys performing the services, and the degree of risk assumed by the attorney. In accounting for the hours attributable to an assignment, the billing attorney may take into consideration efficiencies and value resulting from the firm's technology and other resources that provide benefit to the client that is greater than would be reflected in the hourly rate of the individual lawyer involved.

Retainer Policy. Retainer and other funds held in trust will be kept in a separate account maintained at a bank with offices in the state of Arizona.

Billing for Disbursements and Expenses. Snell & Wilmer L.L.P. obtains reimbursement for disbursements made on behalf of clients, such as filing fees, transcript and deposition fees, reasonable travel expenses and expert witness fees. We also charge for certain expenses incurred on behalf of clients, such as copies, scans, facsimiles, postage, messengers, long-distance telephone calls and computerized research. The charge for copies is $.20 per page, scans is $.10 per page, outgoing facsimiles is $1.50 per page and computerized research is $5.00 per minute. There is no charge for incoming facsimiles, normal deliveries to local courts, secretarial overtime or similar activity. Ordinarily, we will forward to you large disbursement billings for direct payment to the vendor.

We also offer in-house eDiscovery services. For client matters that utilize this service, fees associated with this service are charged to the client at a flat rate of no more than $12 per Gigabyte, subject to a $100 minimum monthly fee. This is a recurring monthly fee that includes user licensing, data processing, hosting, analytics and production of documents. Paraprofessional time associated with in-house eDiscovery services will be billed at a standard rate of $225 per hour.

We make every effort to include disbursements and expenses in the statement for the month in which they are incurred. Some disbursements and expenses are not available to us until the following months. A subsequent statement will be rendered for these additional charges.

Billing Statements. Our billing statements are due and payable upon receipt. We ask for and expect payment of our statements on a current basis, as delayed payment adds to our overall

costs of providing services. Interest at the rate of 12% per annum will be assessed on all amounts over 30 days past due. While the firm offers a variety of methods for paying invoices, payments made through a credit card will be assessed an additional 2.95% of the payment amount to defray the cost incurred by the firm.

Dispute Resolution. Although we look forward to a mutually rewarding relationship, in the unlikely event of a dispute, including a dispute regarding the amount or payment of fees and expenses, the following dispute resolution terms will apply.

In the event of a dispute concerning the amount or payment of fees and expenses, we mutually agree that any such dispute will be submitted to mandatory binding arbitration to be held in Maricopa County, Arizona and conducted in accordance with procedures established by the State Bar of Arizona. The decision of the arbitrator(s) will be final and binding on the parties. Judgment on any arbitration award may be entered in accordance with the provisions of the Revised Uniform Arbitration Act, as adopted in Arizona, A.R.S. §§ 12-3001, *et seq.*, and of the Arizona Rules of Civil Procedure. In the event that dispute resolution proceedings are instituted between us for any reason, the prevailing party shall be entitled to an allowance of reasonable attorneys' fees and other costs incurred as a result of the action or proceeding.

As to any claim or dispute arising out of or connected with our services, other than a fee dispute covered by the preceding paragraph, we mutually agree to attempt in good faith to settle the dispute by non-binding mediation in Tucson, Arizona before commencing any legal action or other dispute resolution procedure. Unless we otherwise agree, the mediation will be conducted pursuant to the then current American Arbitration Association ("AAA") Commercial Arbitration Rules and Mediation Procedures. Either of us may commence mediation by letter requesting mediation delivered to the other party and to the AAA. In the event we fail to agree upon a neutral mediator within ten (10) working days after the mediation request is delivered, either of us can apply to AAA to appoint a neutral mediator who has experience in the subject matter of the claim or dispute.

Lex Mundi. Snell & Wilmer is a member of Lex Mundi, a global association of independent law firms that can be called upon to provide clients worldwide access to legal services. Although a member of Lex Mundi, Snell & Wilmer is completely independent and does not have common operations, share fees, or collaborate on a pre-arranged basis with other member firms. If collaboration with other independent members of Lex Mundi is appropriate to serve client needs, Snell & Wilmer will discuss the specific engagement with the client to assure understanding and agreement of the roles and duties assumed by each involved law firm.

Errors and Omissions Coverage. Some states require that a law firm disclose the existence of errors and omissions insurance coverage applicable to the services to be rendered. Snell & Wilmer hereby confirms the existence of such insurance coverage.

Finally, in closing, let us assure you that our goal has always been and will continue to be to provide legal services to you on the most cost-efficient basis possible. If at any time you wish to discuss either our billing policies or procedures generally or a specific billing statement, we encourage you to contact us.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: January 2024 Financials
Date: March 19, 2024

Attached is the monthly Financials Report for January 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
January, 2024

	Month of January 2024				Y-T-D as of January 2024			
	January FY23 Actual	January FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	30,309	33,708	3,399	11%	177,945	212,785	34,840	20%
Fuel Flowage Fees	57,316	51,059	(6,257)	-11%	387,380	363,887	(23,493)	-6%
Landing Fees	127,165	137,608	10,443	8%	783,621	916,003	132,382	17%
Lease Income Aero	329,166	432,547	103,381	31%	1,892,884	2,479,810	586,926	31%
Fuel Sales	706,847	619,058	(87,789)	-12%	4,784,577	4,092,487	(692,090)	-14%
Services Sold - Aero	473,631	497,588	23,957	5%	2,893,375	3,370,333	476,958	16%
Sub-total Aero Operating Revenues	1,724,434	1,771,568	47,134	3%	10,919,782	11,435,305	515,523	5%
Non-Aeronautical Operating Revenues								
Concessions	123,939	116,358	(7,581)	-6%	799,978	759,808	(40,170)	-5%
Lease Income Non-Aero	116,463	108,297	(8,166)	-7%	768,003	769,506	1,503	0%
Parking	427,219	434,768	7,549	2%	2,878,931	3,186,537	307,606	11%
Rental Car Fees	286,932	271,250	(15,682)	-5%	1,362,429	1,321,948	(40,481)	-3%
Svcs Sold - Non Aero	2,258	5,898	3,640	161%	34,083	37,452	3,369	10%
Sub-total Non-Aero Operating Revenues	956,811	936,571	(20,240)	-2%	5,843,424	6,075,251	231,827	4%
Total Operating Revenues	**2,681,245**	**2,708,139**	**26,894**	**1%**	**16,763,206**	**17,510,556**	**747,350**	**4%**
Operating Expenses								
Cost of Goods Sold	418,549	398,579	19,970	5%	3,273,245	3,000,317	272,928	8%
Personnel	837,663	903,693	(66,030)	-8%	5,765,793	5,953,602	(187,809)	-3%
Comm & Utilities	61,388	96,798	(35,410)	-58%	577,730	660,223	(82,493)	-14%
Contractual Services	518,118	629,118	(111,000)	-21%	3,507,380	3,965,705	(458,325)	-13%
Insurance	56,835	52,217	4,618	8%	400,583	357,549	43,034	11%
Other	39,453	20,773	18,680	47%	166,210	192,387	(26,177)	-16%
Repair & Maintenance	112,793	13,073	99,720	88%	484,337	478,506	5,831	1%
Supplies & Materials	81,301	83,731	(2,430)	-3%	530,485	485,042	45,443	9%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,126,100**	**2,197,982**	**(71,882)**	-3%	**14,705,763**	**15,093,331**	**(387,568)**	-3%
Operating Income (Loss) Before Depreciation	**555,145**	**510,157**	**(44,988)**	-8.1%	**2,057,443**	**2,417,225**	**359,782**	17%
	20.7%	18.8%			12.3%	13.8%		
Depreciation		1,248,067				8,644,050		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
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Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **March 19, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-011-IFB	Refuel / Defuel Bowser	March 2024
Request for Qualifications	2024-013-RFQ	Primary Legal Counsel Services	March 2024
Request for Qualifications	2024-016-RFQ	CMAR for Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2024-015-RFP	Airport Common Use System	March 2024	August 2024
Invitation for Bid	2024-014-IFB	12C-30C Mill & Overlay	April 2024	May 2024
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Phase 1 Rehabilitation	April 2024	June 2024

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $35,066.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
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Management Information Report

To: **Board of Directors**
From: **Margi EvanSon, Director of Operations, Security & Maintenance**
Through: **Chuck Odom, Chief Financial Officer**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **MIR – Vehicle Purchase**
Date: **March 19, 2024**

On September 19, 2023 the Board approved the purchase of two vehicles from San Tan Ford dealership for a total not to exceed amount of $52,827.69, Resolution No. 23-47. The Airport has taken delivery of one of the vehicles. San Tan Ford, working through Ford Motor Company, has had difficulty fulfilling one of the vehicles with the specifications the Airport ordered. Both vehicles were ordered with the XL trim level, however, Ford Motor Company has closed production for this trim level for 2024.

In order to receive the second vehicle this fiscal year and not incur even higher costs with ordering a 2025 model year, PMGAA staff issued a change order with San Tan Ford to purchase the same 2024 model year vehicle in an XLT trim level. The additional cost for the XLT trim level is $2,695.00.

The new total for the second vehicle is $29,108.84 and the remaining budget unencumbered for the project after the above change order is $65.27.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a telephonic meeting open to the public on **Tuesday, April 16, 2024 beginning at 10:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Chip Wilson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Chip Wilson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Gateway Tomorrow Planning Presentation** – Tony Bianchi, Planning Project Manager

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **March 19, 2024**.

   b) **Resolution No. 24-12 –** Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2024, and June 30, 2025, by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

   c) **Resolution No. 24-13 –** Authorizing the procurement of Desktop Computers and Laptops from **Dell Marketing, L.P. (Dell)** in an amount not to exceed $86,396.86.

   d) **Resolution No. 24-14 –** Authorizing an **Amendment of the FY24 Capital Budget** to add $442,282.66 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil

encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies.

e) **Resolution No. 24-15 –** Authorizing a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with **Willmeng Construction, Inc**. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $442,282.66 under CIP 1242.

f) **Resolution No. 24-16 –** Approving a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with **Pulice Construction, Inc. (Pulice)**, for the Runway 12R-30L Reconstruction Project in an amount not to exceed $110,645 under CIP 1072, subject to receipt of FAA and ADOT grants.

g) **Resolution No. 24-17 –** Approving the 2024 updates to the **Airport Minimum Standards**.

Consideration and Possible Approval of:

8. **Resolution No. 24-18 –** Authorizing a Construction Manager at Risk (CMAR) Construction Services Contract with **BCS Enterprises, Inc**. for Demolition Services of Airport Facilities, in an amount not to exceed $1,425,750 under CIP1223.

9. **Board Member Comments/Announcements**

10. **Next Meeting: Tuesday, May 21, 2024 at 9:00 a.m.**

11. **Adjournment**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- NAU Breaks Ground on New Mesa Workforce Development Center
- PMGAA Selects Design Concept for New Airport Entrance Monument Sign
- U.S. Forest Service – Mesa Base Training for 2024 Wildfire Season
- Gateway Tomorrow Eastside Terminal Planning Study to Present Final Report
- PMGAA Employees Participate in Customer Service Training Program

Executive Director's Report
April 2024

Ultimate Build-Out Future Terminal Design Rendering

Financial Snapshot

OPERATING INCOME	February		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY23	FY24	
Revenues	$2,460,262	$2,665,882	**$205,620**	$19,223,776	$20,176,438	**$952,662**
Less Expenses	$2,141,405	$2,589,234	**$447,829**	$16,847,166	$17,682,565	**$835,399**
Operating Income *(Before Depreciation)*	**$318,857**	**$76,648**	**($242,209)**	**$2,376,610**	**$2,493,873**	**$117,263**

Investment Fund Balances: As of February, the Local Governmental Investment Pool (LGIP) 700 = $6,370,229; Wells Fargo; Collateralized Money Market = $16,854,806 and Commercial/Paper Brokered CD's = $43,555,284; Total $66,780,319. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $76,648 for February 2024. This is a significant decrease from the February 2023 results of $318,857. However, in 2024, PMGAA had three payroll periods instead of two during the previous February, concealing the fact that operating revenues exceeded last February's operating revenues by more than 8%. Also, February 2023 included a one-time spike in revenues due to Phoenix hosting a week of Super Bowl activities. Overall, February 2024 was a strong financial performance, despite an 8% decrease in enplaned passengers due to the absence of three Canadian airlines this year. Fiscal year-to-date 2024 (FYTD24) operating results are $2,493,873 an improvement of 5% over the previous FYTD.

Operating expenditures for February increased by 21% and totaled $2,589,234. As previously mentioned, the increase is due to three payroll periods in February 2024, an added $442,374 in expenses. FYTD24 operating expenditures are 5% above FYTD23, but total operating expenditures are 4% under the FY24 Budget.

PMGAA has developed a strong financial plan that provides revenue diversification and fiscal constraints.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2024-011-IFB	Defuel/Refuel Cart	April 2024
Request for Qualifications	2024-016-RFQ	Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	August 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2024-014-IFB	Runway 12C-30C Mill & Overlay	April 2024
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Rehabilitation	April 2024

Airport Operations

Gateway Tomorrow Eastside Terminal Planning Study to Present Final Report

As this year's Chairman of the Phoenix-Mesa Gateway Airport Authority Board of Directors, I am proud to represent the six member communities – Apache Junction, Mesa, Gilbert, Gila River Indian Community, Queen Creek, and Phoenix - that own and operate Phoenix-Mesa Gateway Airport. I've always been impressed by the shared vision, united voice, and regional spirit of cooperation that continues to guide the development and improvement of the Airport.

PMGAA is excited to present the conclusions of the **Gateway Tomorrow – *Eastside Terminal Planning Study***. This inclusive, long-range planning exercise considered, refocused, and built upon past efforts using the most recent aviation industry and Airport data, regional demographic information, and current global economic conditions. The Study Advisory Committee included delegates from each member community, as well as representatives from Airport staff, the airlines, Federal Aviation Administration, and other key stakeholder groups. The purpose of the Study was to identify the important elements that must be included in a future, demand-driven commercial passenger terminal campus located on the eastside of the Airport.

Long-range facility and infrastructure planning has been a cornerstone of Gateway Airport's success. Developing sophisticated passenger activity forecasts for the next five-, ten-, and twenty-year planning horizons ensured that the Study's results will remain scalable and flexible to changing development timetables and market conditions. As the Airport continues to grow in the future, the goal is to stay at least one step ahead of the Airport's growing popularity and continue to provide our customers with a ***Just Plane Easy*** travel experience.

PMGAA would like to thank the members of the Gateway Tomorrow – Eastside Terminal Planning Study Advisory Committee for their participation, leadership, contributions, and vision.

Thank you.

Hon. Chip Wilson, Mayor of Apache Junction and 2024 PMGAA Board Chairman

Exterior Rendering of Future Terminal Concept

Interior Rendering of Future Terminal Concept

PASSENGER COUNTS		February		% Change	FYTD		% Change
		2023	2024		FY23	FY24	
Passengers	TOTAL	178,753	164,902	-8%	1,247,456	1,173,928	-6%
	Deplaned	91,013	84,208	-7%	636,292	598,126	-6%
	Enplaned	87,740	80,694	-8%	611,164	575,802	-6%
Allegiant	Scheduled	156,398	159,120	2%	1,167,743	1,149,609	-2%
Swoop	Scheduled	8,088	0	-100%	27,057	0	-100%
Sun Country	Scheduled	5,493	5,782	5%	24,117	24,319	1%
WestJet	Scheduled	1,972	0	-100%	7,651	0	-100%
Flair	Scheduled	6,802	0	-100%	20,494	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	February		% Change	FYTD		% Change
	2023	2024		FY23	FY24	
Air Carrier	1,054	1,087	3%	7,937	8,117	2%
Military	234	276	18%	2,503	1,916	-23%
General Aviation	16,637	24,437	47%	152,896	177,534	16%
TOTAL	**17,925**	**25,800**	**44%**	**163,336**	**187,567**	**15%**

Engineering and Planning

PMGAA Selects Design Concept for New Airport Entrance Monument Sign

As Gateway Airport continues its dramatic transformation, existing design elements around the Airport are being updated to better reflect the current environment that's been created by the many ongoing changes. One such improvement underway is the development of a new Airport entrance monument sign at the intersection of Ray and Sossaman Roads. PMGAA is replacing the existing rock walls, steel birds, and fighter jets with a more modern design concept that is better reflective of the thriving regional airport that Gateway Airport has become.

Design Concept Rendering of New Airport Entrance Monument Sign

Representatives from the Airport's six member communities, the PMGAA Board of Directors, and PMGAA staff have selected the above design concept that creates directional movement with the use of flight symbolic angles, organic materials, and strategic lighting. The project now moves into the final design phase and construction is expected to be completed this fall.

Community Noise Report

CALLERS	February		FYTD	
	2023	2024	FY23	FY24
Total	22	37	107	129

AIRCRAFT TYPE	February		FYTD	
	2023	2024	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	9	13	59	54
GA Total	6	13	24	37
Helicopter	0	1	0	25
Military	7	10	24	13
Total	22	37	107	129

PMGAA received communications from 37 total individuals regarding aircraft noise issues during the month of February 2024, compared to 22 received last February.

LOCATION	February		FYTD	
	2023	2024	FY23	FY24
Mesa	6	14	46	34
Gilbert	8	8	41	46
Gold Canyon	0	1	2	1
Queen Creek	7	10	13	33
Queen Valley	0	2	1	6
Apache Junction	1	0	4	0
San Tan Valley	0	0	0	1
Chandler	0	1	0	1
Goodyear	0	1	0	2
Phoenix	0	0	0	2
Tempe	0	0	0	3
TOTAL	22	37	107	129

Gateway Aviation Services

PMGAA pumped approximately 1.48MM gallons of aviation fuel during the month of February 2024, a 5% decrease compared to the approximately 1.55MM gallons dispensed last February.

FUEL (Gallons)	February			FYTD		
	2023	2024	% Change	FY23	FY24	% Change
AvGas	35,018	40,072	-14%	323,673	282,765	-13%
Retail Jet A	79,525	71,654	-10%	545,993	478,292	-12%
Contract	272,210	264,649	-3%	2,363,927	2,388,686	1%
Commercial	989,166	1,061,131	7%	7,688,047	8,064,641	5%
Cargo	174,218	37,781	-78%	749,937	189,922	-75%
TOTAL	1,550,127	1,475,287	-5%	11,670,577	11,424,306	-2%

Business Development

NAU Breaks Ground on New Mesa Workforce Development Center

Northern Arizona University's (NAU) School of Hotel and Restaurant Management (SHRM), in partnership with Kind Hospitality, is opening the Mesa Workforce Development Center (MWDC) within SkyBridge Arizona at Gateway Airport in the Fall 2024. The MWDC will offer high-quality and convenient education and training programs to rebuild and expand the hospitality workforce in Mesa and the surrounding communities.

NAU Students Receive Hands-On Hospitality Experience

Rendering of MWDC Facilities within SkyBridge Arizona

The MWDC will provide hotel restaurant management and hospitality degree programs, as well as shorter, more affordable offerings to address the strong demand for workforce solutions in the hospitality industry. The center will provide cost-effective education and training solutions that best fit the needs of employees and employers.

MWDC programs will be housed in a state-of-the-art, two-story building within Skybridge Arizona, a 360-acre commercial development project at Gateway Airport. The facility will include a training restaurant on the first floor and high-tech classrooms, flexible space, food and beverage training labs, and office space on the second.

The MWDC is expected to create a pipeline of job and career-ready professionals to support the growth and development of the hospitality industry in Mesa and throughout the greater Phoenix area.

An event was held on March 19th to celebrate the official groundbreaking of the new MWDC facility. Officials from SkyBridge Arizona, PMGAA, City of Mesa, and Arizona Board of Regents were on-hand to help launch this highly anticipated construction project.

PMGAA Team Member Spotlight

Employee Name: **Marian Whilden**
Employee Title: **Procurement Officer**
PMGAA Department: **Finance Department**
Years with PMGAA: **7+**

What are your job responsibilities for PMGAA?

- ✓ Manage and coordinate formal solicitations (purchases over $50,000).
- ✓ Review requisitions and check requests to ensure PMGAA's Procurement Policy, as well as local, state, and federal requirements are followed.
- ✓ Source co-operative purchasing options to facilitate timeliness and ensure least cost for goods/services.
- ✓ Prepare and/or review contracts.
- ✓ Prepare MIRs and BAIs as needed.
- ✓ Disposal of surplus equipment.

What is your most memorable Gateway Airport moment? When I got to go out on the catwalk of the old ATCT and I almost fell off.

What is something people may not know about you? I am number 7 out of 9 children in my family and I am my parent's favorite.

Community and Government Relations

U.S. Forest Service – Mesa Base Training for 2024 Wildfire Season

U.S. Forest Service Ramp Full of Firefighting Aircraft

A wet winter/spring in Arizona turns the mountains surrounding the greater Phoenix valley a deep shade of green, as an abundance of vegetation grows in the rainy conditions. Although a beautiful sight to see, it's also an early warning sign for what could be a very active wildfire season.

The brave and talented men and women of the U.S. Forest Service – Mesa Base do a great job protecting life and property as the lush mountainsides dry out and turn into fuel for careless acts and violent lightning strikes leading into the hot summer months.

Firefighters are currently hard at work at Gateway Airport preparing themselves and their firefighting aircraft and equipment for what could be a challenging season ahead. PMGAA would like to thank the crews from the U.S. Forest Service for their expertise and dedication and wish them all the very best of luck during the upcoming fire season. As aircraft fuelers, we are honored to play a small part in your heroic efforts. Thank you!

PMGAA Employees Participate in Customer Service Training Program

PMGAA Team Participating in Customer Service Training

Air travel can sometimes be hectic for even the most-seasoned traveler. There are a lot of opportunities for confusion navigating roadway to runway. Vehicle parking, airline check-in, security screening, available concessions, aircraft boarding, and baggage delivery are just some of the stress points that airline passengers often experience.

PMGAA understands these travel challenges and works hard to create a ***Just Plane Easy*** environment for its customers. The Authority has initiated a new program called Customer Communication: Creating Positive Outcomes to equip frontline PMGAA employees with the tools and training they need to provide our customers with a positive experience by improving communication skills and helping employees be proactive with an "I Can" attitude.

Next time you're traveling through Gateway Airport and have a question, please look for one of our trained terminal agents in the blue vests to help you find the answer.

Phoenix-Mesa Gateway Airport

Gateway Tomorrow

Eastside Terminal Planning Study
Final Report Presentation

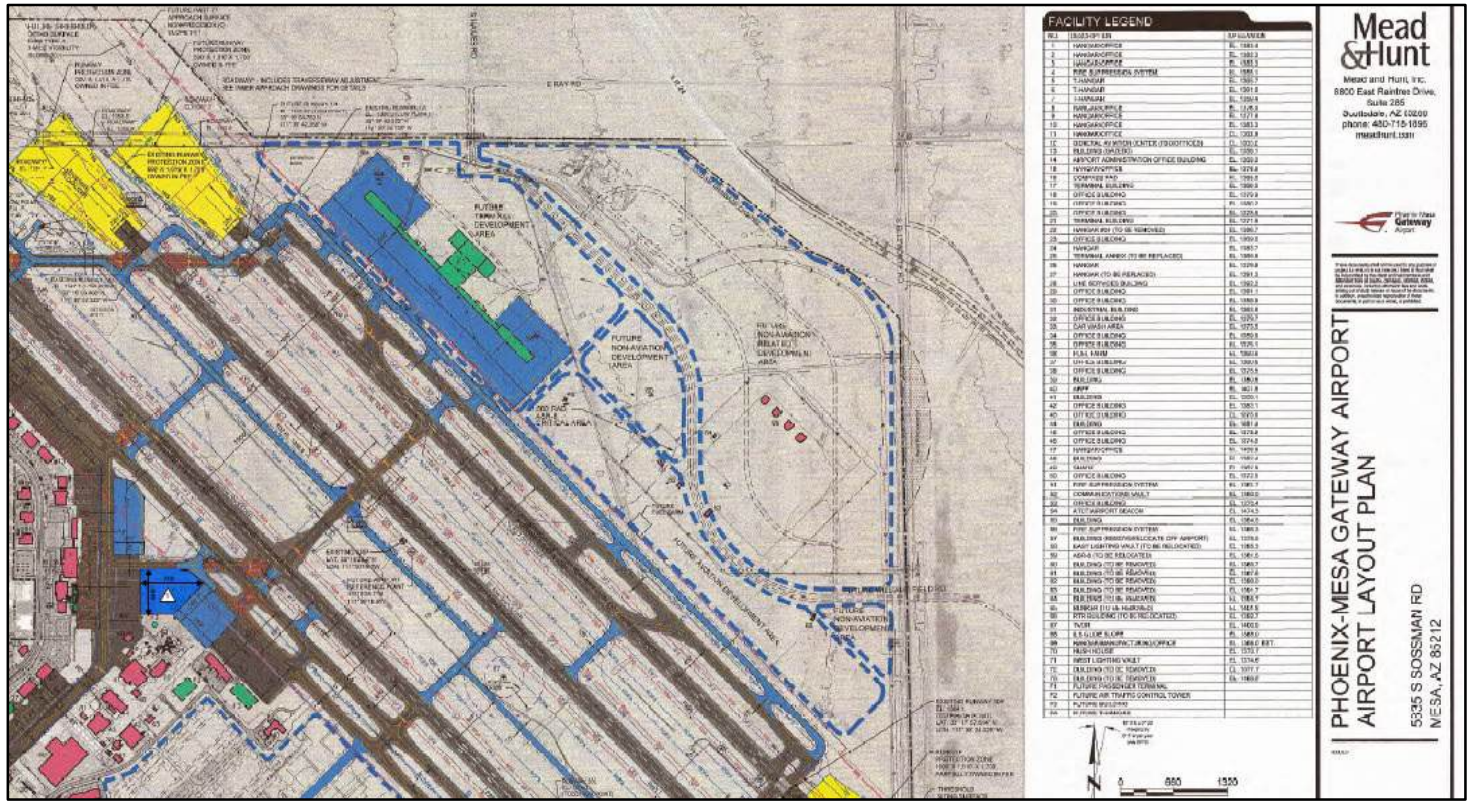
Gateway Tomorrow

Phoenix-Mesa Gateway Airport

Proposed eastside commercial passenger terminal complex will replace all westside commercial passenger operations. Westside facilities and infrastructure will be repurposed for air cargo, general aviation, corporate, and other users.

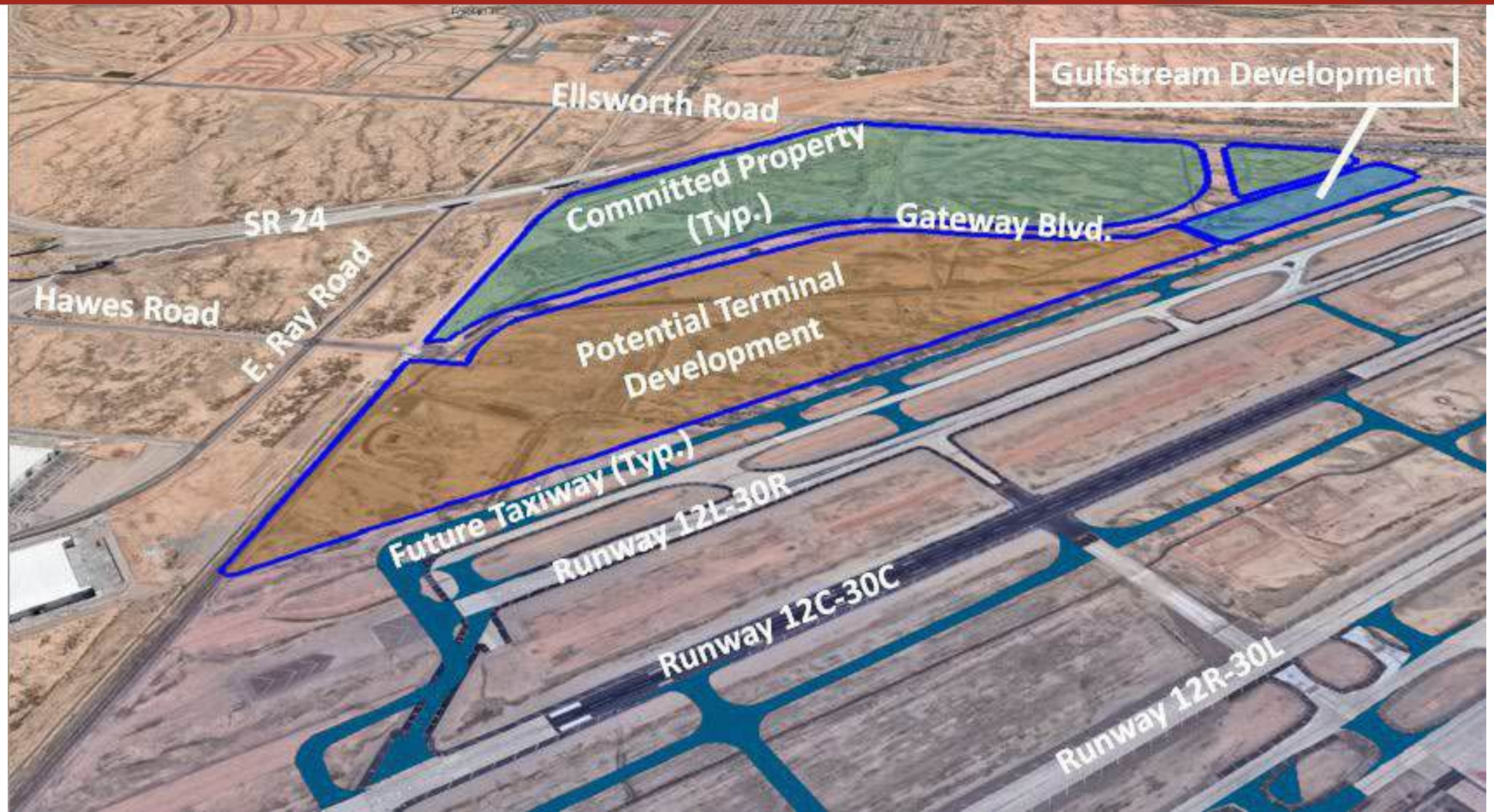
Previous Planning Initiatives:

- Gateway 2030 Plan
- Northeast Area Development Plan & Environmental Assessment
- Airport Radar (ASR) Siting Study
- Air Traffic Control Tower Siting Study
- 2020 Master Plan & Airport Layout Plan



Gateway Tomorrow Site

Phoenix-Mesa Gateway Airport



Gateway Tomorrow

Phoenix-Mesa Gateway Airport

ALTERNATIVE 1: TWO-LEVEL TERMINAL

- Phase 1
  - 14 gates
  - Two-Level headhouse and curb
  - All surface parking
  - Consolidated rental car facility (CONRAC) and quick-turnaround area (QTA) at grade
  - Commercial vehicles can utilize curb
- Ultimate Phase
  - 25 Gates
  - Multi-level structures for CONRAC and Parking
  - Ground-Transportation Center (GTC) is on bottom level of CONRAC

ALTERNATIVE 2: SINGLE-LEVEL ELEVATED TERMINAL

- Phase 1
  - 14 gates
  - Single-level elevated headhouse and curb
  - All surface parking
  - CONRAC and QTA at grade
  - Commercial vehicles can utilize curb
- Ultimate Phase
  - 25 Gates
  - Multi-level structures for CONRAC and Parking
  - GTC is on bottom level of CONRAC

ALTERNATIVE 3: HYBRID CONCEPT

- Phase 1- 14 gate ground loading concourse
- Ultimate Phase- Additional 2-level concourse

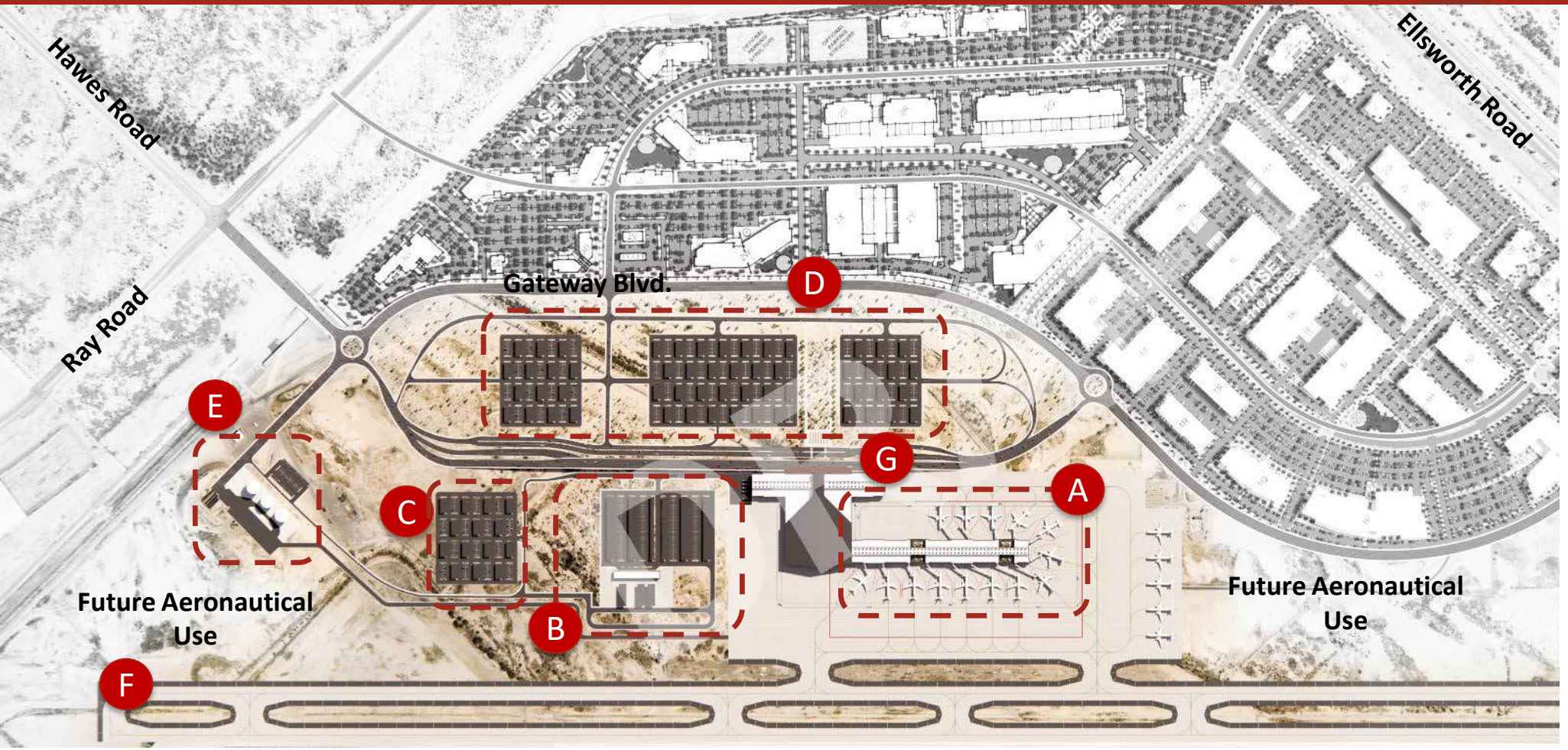
Phoenix-Mesa Gateway Airport

TERMINAL CONCEPT EVALUATION MATRIX

Evaluation Criteria		Alternatives		
		Single-Level	Two-Level	Elevated Single-Level Terminal with Hybrid Concourse
Passenger Experience	Passenger Experience (PBBs, walking distance, safety)			
	Satisfying Today's Carriers Without Restricting Development for Future Carriers			
	Separating Landside Traffic			
	Vertical Circulation Requirements (Level Changes)			
Operational Capabilities/ Constructability	Size of Footprint			
	Flexibility to Expand			
	Best use of Airside			
	Maximizes Use of Terminal/ Concourse Space			
	Provides More Space for Landside Development			
	Operational Efficiency			
	Ability to Phase			
Economic	Costs to Build			

Phase 1 Overall Site Plan

Phoenix-Mesa Gateway Airport



- A 14-Gate Concourse
- B At-Grade Rental Car Facility
- C Employee Lot
- D Surface Parking Lots
- E 500K Gallon Fuel Farm and Cell Phone Lot
- F Future Taxiway D (may not be needed in Phase 1)
- G Two-Level Curb

Phase 1 Bird's Eye from Southeast

Phoenix-Mesa Gateway Airport

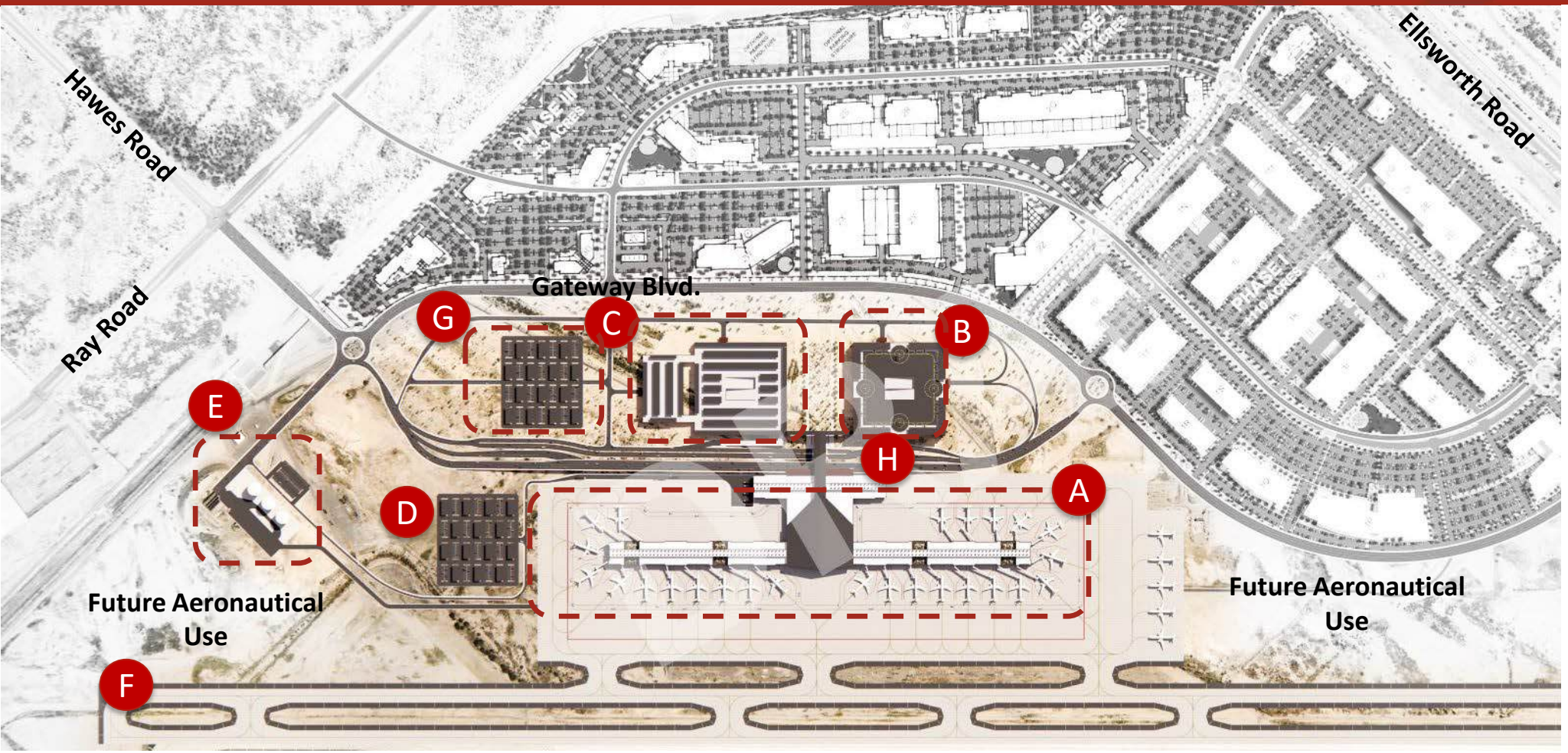
Source: DWL Architects

Phase 1 Terminal and Concourse

Phoenix-Mesa Gateway Airport

Source: DWL Architects

Ultimate Overall Site Plan



- A 25-Gate Concourse
- B 6-Level Parking Garage with Vertiport on Top-Level
- C Consolidated Rental Car Facility (CONRAC)
- D Employee Lot
- E 1MM Gallon Fuel Farm and Cell Phone Lot
- F Future Taxiway D
- G Surface Parking Lot
- H Two-Level Curb

Ultimate Bird's Eye from Southeast

Phoenix-Mesa Gateway Airport

Source: DWL Architects

Ultimate Terminal and Concourse

Phoenix-Mesa Gateway Airport

Source: DWL Architects

Interior Rendering

Phoenix-Mesa Gateway Airport

Source: DWL Architects

Phase 1 Cost Estimates

Phoenix-Mesa Gateway Airport

Assumptions

- All project costs are a rough-order-of magnitude (ROM) and represent construction costs only
- All costs are represented in current dollars

Gateway Tomorrow - Eastside Terminal Area Phase 1 Rough-Order-of-Magnitude Cost Estimate		
	Project Description	**Total Cost**
Airside		
	Terminal Apron	$69,420,775
	Future Taxiway D	$47,541,560
	500,000 Gallon Fuel Farm Expansion and Service Road	$10,852,000
CONRAC		
	At-grade CONRAC Facility	$20,290,000
Landside		
	Terminal Curb	$49,700,000
	Parking Lot A	$3,380,000
	Parking Lot B	$5,500,000
	Parking Lot C	$3,380,000
	Cell Phone Lot	$500,000
	Circulating Roads (including Ground Transportation Staging Areas)	$8,000,000
	Employee Lot and Access Road	$11,840,000
Terminal		
	Terminal/Two-Level Concourse	$602,540,000
	PROGRAM TOTAL	**$832,950,000**

Project Funding Eligibility Matrix

Phoenix-Mesa Gateway Airport

Project	Funding Sources								
	AIP Entitlements	AIP Discretionary	PFC	CFC	ADOT Grants	Member Govt.	Hotel Tax	Airport Funds	GARBs
Airside Terminal Apron	🟢	🟢	🟢	🔴	🟢	🟡	🟡	🟡	🟡
Future Taxiway D	🟢	🟢	🟢	🔴	🟢	🟡	🟡	🟢	🟡
500,000 Gallon Fuel Farm Expansion and Service Road	🔴	🔴	🔴	🔴	🔴	🟡	🟡	🟢	🟡
At-Grade CONRAC Facility	🔴	🔴	🔴	🟢	🔴	🟡	🟡	🟡	🟡
Landside Terminal Curb	🟢	🟢	🟢	🟡	🟢	🟡	🟡	🟢	🟢
Parking Lot A	🔴	🔴	🔴	🔴	🔴	🟢	🟢	🟢	🟢
Parking Lot B	🔴	🔴	🔴	🔴	🔴	🟢	🟢	🟢	🟢
Parking Lot C	🔴	🔴	🔴	🔴	🔴	🟢	🟢	🟢	🟢
Cell Phone Lot	🔴	🔴	🔴	🔴	🔴	🟢	🟢	🟢	🟢
Circulating Roads (including Ground Transportation Staging Areas)	🟢	🟢	🟢	🟡	🟢	🟡	🟡	🟢	🟢
Employee Lot and Access Road	🔴	🔴	🔴	🔴	🔴	🟢	🟢	🟢	🟢
Terminal/Two-Level Concourse	🟢	🟡	🟢	🔴	🟢	🟢	🟢	🟢	🟢

AIP: Airport Improvement Program
PFC: Passenger Facility Charge ($4.50 fee/passenger)
CFC: Customer Facility Charge (restricted to rental car facilities)
ADOT: Arizona Department of Transportation
GARB: General Airport Revenue Bond

🟢 Eligible and suggested use of funds.

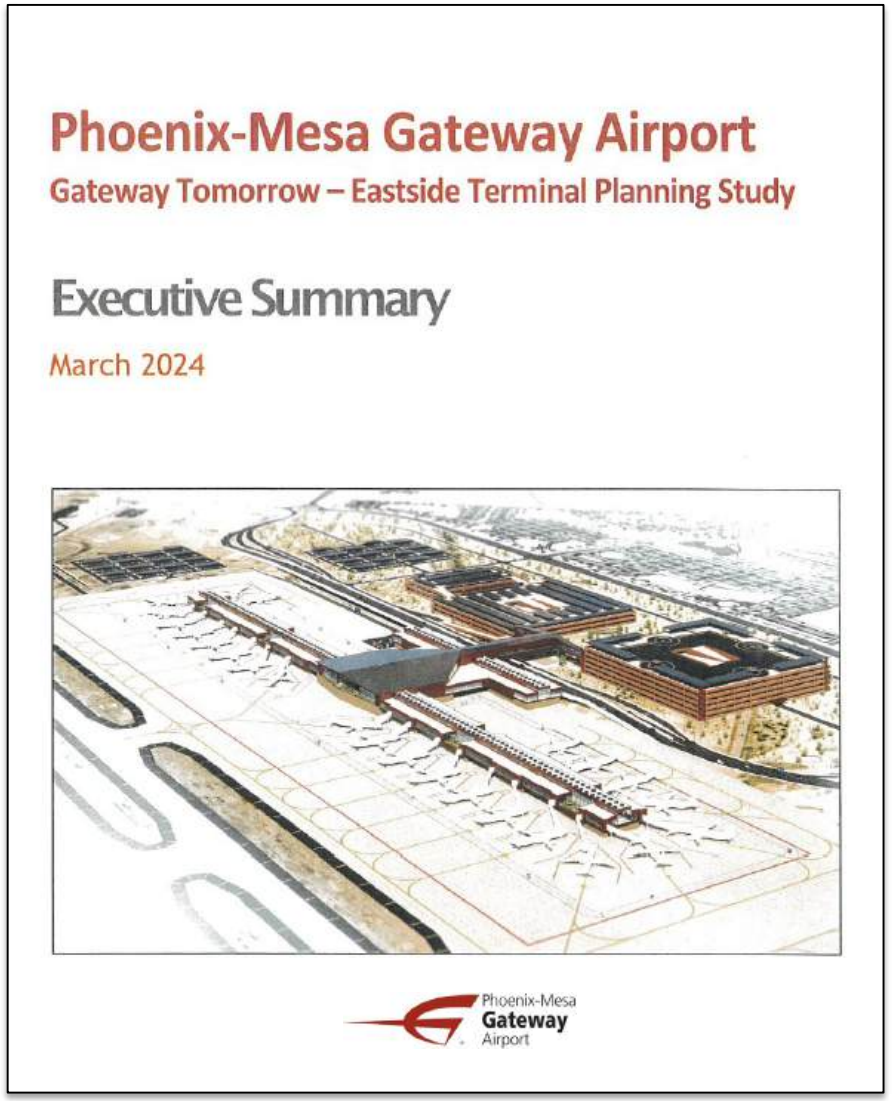
🟡 Eligible, but low on priority list. Not the suggested use of funds.

🔴 Not eligible.

Gateway Tomorrow

Current Initiatives and Next Steps:

- Share Gateway Tomorrow Study Findings -
  - Member Communities
  - Federal, State, and Local Officials
  - Key Stakeholder Groups
  - Economic Development Organizations
  - Regional Business Community
- Work with Gateway East Master Developer on Roadway and Utility Projects of Common Interest
- Remove Remaining U.S. Air Force Buildings to Prepare Site
- Extinguish Easement on Airport Surveillance Radar Site


Phoenix-Mesa Gateway Airport

Gateway Tomorrow – Eastside Terminal Planning Study

Executive Summary

March 2024

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | March 19, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, March 19, 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 Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian Community *(via audioconference)*
Mayor Julia Wheatley, Queen Creek
Councilmember Julie Spilsbury, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix *

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
** Neither present nor represented*

1. **Call to Order** at 9:00 a.m. (Mayor Wilson, 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's financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2024 (FYTD) Net Operating Income is $2,417,225.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 158,391 commercial passengers in January 2024. This is down from the 176,267 passengers during January of last year due to the three Canadian airlines no longer serving the Airport.
   - On February 20th, PMGAA held a Ribbon-Cutting Ceremony for its new five-gate, 30,000 sq. ft. terminal addition. Several hundred federal, state, and local elected officials; community representatives, business leaders; and project team members were in attendance to celebrate the official opening of the new South Concourse.
   - In the latter half of February, the U.S. Forest Service began training out of Gateway Airport for the upcoming fire season.
   - A Phoenix East Valley Community Information Update Survey is being distributed to Economic Development Departments within communities in the Phoenix East Valley. The survey gathers information on the current population; average household income; top ten private employers and the number of local employees; recent corporate relocations, expansions, or announcements of growth plans; and other "Local Information" that airlines may find of interest when choosing to fly in and out of Gateway Airport.
   - Virgin Galactic is leasing two of the three hangars in the Gateway Executive Airpark located at the north end of the airfield. Construction continues for the 40,000 sq. ft. hangar and a 125,000

DRAFT

sq. ft. manufacturing facility adjacent to Cessna, Embraer, and Boeing. The two-building complex is scheduled to be operational in the Summer of 2024.

- Gulfstream Aerospace is constructing 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 scheduled to be operational in the Summer of 2024. While the West Coast Service Center is being constructed, Gulfstream has established a base at the Airport and is leasing over 100,000 sq. ft. of hangar space. The industry-leading company has already hired over 250 local employees.
- SkyBridge Arizona is constructing two 250,000 sq. ft. flex industrial buildings designed to accommodate both single and multi-tenant users. The two buildings are scheduled to be completed in Q2 2024. Northern Arizona University's (NAU) Mesa Workforce Development Center, in partnership with Kind Hospitality and SkyBridge, is building two two-story facilities. The first floor of one building will be a sit-down, high-quality restaurant, and the second floor and second building will house a satellite of NAU's hospitality program. The ground-breaking ceremony for the project was held on March 19th.
- Gateway East is a nearly 300-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The Boyer Company has cleared and prepped a 17-acre site within the Gateway East Master Development for a 275,000 sq. ft. manufacturing facility for XNRGY Climate Systems, a leader in the design and manufacturing of advanced energy-efficient commercial climate control systems. This will be XNRGY's U.S. headquarters.
- Gateway Commerce Center III will be developed along the southeast corner of Sossaman Road and Velocity Way. This project is two small industrial buildings totaling just less than 100,000 sq. ft. The appearance will be of an office complex with no loading dock visibility from Sossaman Road.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. Two new entrance monument design concepts were presented to the Board for their consideration and preference.
- The timeframe for the Center Runway 12C-30C mill and overlay project is the Summer of 2024. The runway will be closed while the mill and overlay take place. The Airport has two other 10,000-foot runways and will maintain normal operations during the project. The $4MM+ in funding for this project comes from a Bipartisan Infrastructure Law (BIL) grant.
- Reconstruction of inside runway 12R-30L has been consolidated from a three-year project to being completed within two years beginning with Phase 1 at the south end of the runway in Fall 2024. This is a $45MM project. The FAA has committed to an Airport Improvement Program (AIP) grant for $20MM in FY24 for Phase I and $25MM in FY25 for Phase for the north end of the runway.
- Repairs to Taxiway Whiskey will take place in Fall 2024. Funding for the $2MM project comes from ADOT. This taxiway is directly across from the terminal. Phasing of this project is critically important for maintaining access to the South Ramp.

6. **SkyBridge Arizona Presentation** – Will Mosely, SkyBridge Arizona General Manager
   Mr. Mosely provided a brief update on SkyBridge Arizona's construction and marketing activities.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **February 20, 2024**.

b) **Resolution No. 24-08 –** Authorizing the purchase of replacement terminal seats from **Airport Seating Alliance** in an amount not to exceed $160,000.00.

c) **Resolution No. 24-09 –** Authorizing a lease agreement with the **United States Department of Agriculture, Forest Service (USDA-FS)** for the exclusive use of 276,699 square feet of Airport-owned apron (Alpha Apron Phase 3). The lease term commences on April 1, 2024, and terminates on March 31, 2029.

Mayor Julia Wheatley moved to approve the Consent Agenda.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. **Resolution No. 24-10** Adopting the proposed **Operating Budget, Capital Budget, Debt Service Budget**, and **Member Government Contributions** for the fiscal year ending June 30, 2025. .

Mayor Brigette Peterson moved to approve Resolution No. 24-10.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

9. **Resolution No. 24-11** Authorizing a contract with **Snell and Wilmer L.L.P**. for Primary Legal Counsel Services for an initial term of three (3) years, with two (2) optional one-year extensions.

Mayor Brigette Peterson moved to approve Resolution No. 24-11.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

10. **Board Member Comments/Announcements.**
Mayor Peterson will deliver the Gilbert State of the Town address on April 23, 2024, at 6:00 p.m. in Municipal Building I – Council Chambers, 50 East Civic Center Drive, Gilbert, 85296.

11. **Next Meeting: Tuesday, April 16, 2024** at 10:00 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.

12. **Adjournment.**
The meeting adjourned at 9:31 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-12

To:	**Board of Directors**
From:	**Brian Lehrich, MAcc, CPA, Finance Director**
Through:	**Chuck Odom, Chief Financial Officer**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Authorizing Applications and Acceptance of Grants**
Date:	**April 16, 2024**

Proposed Motion

To authorize the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2024, and June 30, 2025 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

Narrative

The FAA and Arizona Department of Transportation received the Phoenix-Mesa Gateway Airport Authority (PMGAA) Airport Capital Improvement Program (fiscal years 2022-2026 and preceding years) in accordance with the Airport Master Plan. The Federal Government, State of Arizona, Arizona Counties or Arizona Local Municipalities may offer PMGAA a grant or multiple grants for capital improvements or other projects at any time during the year that will support the priorities of the PMGAA.

Staff requests authority to prepare grant applications and submit for capital planning, design, construction or other projects that will support the priorities of PMGAA. PMGAA further requests authority to accept offer(s) received, agree to accomplish the described development or scope, and comply with the terms and conditions of the grant agreement(s), including maintaining compliance with the assurances made as part of the project application(s).

Fiscal Impact

Grants from the agencies make the Capital Improvement Program at the Airport financially feasible and leverage funding.

Attachment(s)

N/A

RESOLUTION NO. 24-12

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2024, and June 30, 2025 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the filing of grant applications including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2024, and June 30, 2025 by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-13

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Technology Refresh – Desktop Computers and Laptops**
Date:	**April 16, 2024**

Proposed Motion
To authorize the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $86,396.86.

Narrative

The Phoenix-Mesa Gateway Airport Authority's (PMGAA's) Information Technology Service (ITS) Department ensures the Airport's operation, compliance, and disaster recovery functionality relative to information technology industry standards. FY24 is slated to continue with prior fiscal years practice of desktop computer and laptop refresh replacement program per a pre-established schedule. Desktop computers and laptops are necessary components and play a vital role in business technology. As part of the strategic direction of the Airport, increased attention and commitment is being placed on providing essential technology systems and services to ensure cost effective support operations.

The purchase of the desktop computers and laptops includes software licenses, and equipment and accessories required for the installations.

As a qualified member of the Arizona Department of Administration State Procurement Office (ADSPO), PMGAA is able to procure goods and services under state contracts that have been competitively bid. The State has currently contracted with Dell for computer hardware and support under contract CTR068890. It is under this contract that PMGAA will procure the desktops and laptops as well as the installation equipment. This contract is available upon request.

Fiscal Impact
This purchase was included in the FY24 ITS budget.

Attachment(s)
Quotes

RESOLUTION NO. 24-13

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $86,396.86;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $86,396.86. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

From:	Art Montoya
To:	Tanya Linton
Subject:	FW: Your Dell Quote 3000174258118.1
Date:	Tuesday, April 2, 2024 7:13:40 AM

Quote 1 of 2 for desktop/latptop tech refresh project.

From: Robert.Johnson8@Dell.com <Robert.Johnson8@Dell.com>
Sent: Monday, April 1, 2024 6:19 PM
To: Art Montoya <amontoya@gatewayairport.com>
Subject: Your Dell Quote 3000174258118.1

CAUTION: External mail. Be careful with links and attachments

Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **May. 01, 2024**.

You can download a copy of this quote during checkout.

Place your order

Quote No.	**3000174258118.1**	Sales Rep	Robert Johnson
Total	**$82,755.60**	Phone	(800) 456-3355, 80000
Customer #	22980627	Email	Robert.Johnson8@Dell.com
Quoted On	Apr. 01, 2024	**Billing To**	PAYABLE ACCOUNTS PHOENIX-MESA GATEWAY AIRPORT 5835 S SOSSAMAN RD MESA, AZ 85212-6014
Expires by	May. 01, 2024		
Contract Name	Dell NASPO Computer Equipment PA - Arizona		
Contract Code	C000001124007		
Customer Agreement #	23026 / CTR068890		
Deal ID	27309049		

Message from your Sales Rep
Please use the Order button to securely place the order with your preferred payment

method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Robert Johnson

Product	Unit Price	Quantity	Subtotal
Precision 3460 Small Form Factor	**$1,296.00**	**60**	**$77,760.00**

Subtotal:	**$77,760.00**
Shipping:	**$0.00**
Environmental Fee:	**$0.00**
Non-Taxable Amount:	**$17,571.00**
Taxable Amount:	**$60,189.00**
Estimated Tax:	**$4,995.60**
Total:	**$82,755.60**

Shipping Group Details

Shipping To
BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method
Standard Delivery

	Unit Price	Quantity	Subtotal
Precision 3460 Small Form Factor Estimated delivery if purchased today: Apr. 17, 2024 Contract # C000001124007 Customer Agreement # 23026 / CTR068890	**$1,296.00**	**60**	**$77,760.00**

Description	SKU	Unit Price	Quantity	Subtotal
Intel Corei5 14th Gen 14600 (24 MB cache, 14 cores, 20 threads, 2.7 GHz to 5.2 GHz, 65W)	338-CPNX	-	60	-
HEATSINK for 65W CPU	412-AAZQ	-	60	-
Windows 11 Pro, English, French, Spanish	619-AQLP	-	60	-
Precision 3460 SFF with 300W (80 Plus Platinum) PSU, RPL-R compatible	321-BKYG	-	60	-
32 GB: 2 x 16 GB, DDR5, 5600MT/s, SO-DIMM, ECC	370-BBXZ	-	60	-
Intel Integrated Graphics only	490-BBBS	-	60	-
C1 SSD Boot + SSD	449-BBYR	-	60	-
No SATA RAID	780-BBCJ	-	60	-
M.2 256GB PCIe NVMe Class 35 Solid State Drive	400-BNBY	-	60	-
Thermal Pad for 3460 SFF SSD	412-AAZZ	-	60	-
No Hard Drive	400-AKZR	-	60	-
No Hard Drive	400-AKZR	-	60	-
No Hard Drive	400-AKZR	-	60	-
No Additional Network Card Selected (Integrated NIC included)	555-BBJO	-	60	-
Internal Wi-Fi Antenna	555-BHHG	-	60	-
Intel Wi-Fi 6/6E (6GHz) AX211 2x2 Bluetooth 5.3 Wireless Card	555-BHHI	-	60	-
8x DVD+/-RW 9.5mm Slimline Optical Disk Drive	429-ABFH	-	60	-
Bezel ODD	429-ABKH	-	60	-
CMS Essentials DVD no Media	658-BBTV	-	60	-
Intel Management Engine with vPro	631-ADHJ	-	60	-
Dell Pro Wireless Keyboard and Mouse - KM5221W - English - Black	580-AJJG	-	60	-
Mouse included with Keyboard	570-AADI	-	60	-
ENERGY STAR Qualified	387-BBLW	-	60	-
EPEAT 2018 Registered (Gold)	379-BDZB	-	60	-
Dell Precision TPM	340-ACBY	-	60	-
WLAN Intel AX211 wireless card driver	555-BHPO	-	60	-
System Power Cord C13 (US 125V, 15A)	450-AHDU	-	60	-
Quick Setup Guide, Precision 3460	340-CYUT	-	60	-
Shipping Material (DAO)	340-CBUU	-	60	-
Shipping Material	340-CQYR	-	60	-
Precision 3460 Plat Reg Label DAO	389-ECXZ	-	60	-

Intel Core i5 vPro Enterprise Processor Label	389-EDDQ	-	60	-
Internal Speaker	520-AARD	-	60	-
Additional Software	658-BFRV	-	60	-
Intel Rapid Storage Technology Driver, Precision 3460	409-BCWM	-	60	-
Integrated Intel SATA Controller	403-BBCE	-	60	-
No Media Card Reader	385-BBBL	-	60	-
No Hard Drive	400-AKZR	-	60	-
Custom Configuration	817-BBBB	-	60	-
Precision 3460 SFF CTO BASE	210-BCTU	-	60	-
Dell Limited Hardware Warranty Plus Service	997-2808	-	60	-
ProSupport Plus: 7x24 Technical Support, 4 Years	997-2860	-	60	-
ProSupport Plus: Keep Your Hard Drive, 4 Years	997-2869	-	60	-
ProSupport Plus: Accidental Damage Service, 4 Years	997-2878	-	60	-
ProSupport Plus: Next Business Day Onsite, 4 Years	997-6821	-	60	-
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	-	60	-
No Microsoft Office License Included - 30 day Trial Offer Only	658-BCSB	-	60	-

Subtotal:	**$77,760.00**
Shipping:	**$0.00**
Environmental Fee:	**$0.00**
Estimated Tax:	**$4,995.60**
Total:	**$82,755.60**

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Servers & Storage	2-in-1's	Electronics &

		Accessories
Financing Options	Dell Services	Dell Support
Subscription Center	Events	Dell Premier

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier´s affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

^DELL BUSINESS CREDIT (DBC): Offered to business customers by WebBank, who determines qualifications for and terms of credit. Taxes, shipping and other charges are extra and vary. The Total Minimum Payment Due is the greater of either $20 or 3% of the New Balance shown on the statement rounded up to the next dollar, plus all past due amounts. Dell and the Dell logo are trademarks of Dell Inc.

From:	Art Montoya
To:	Tanya Linton
Subject:	FW: Your Dell Quote 3000174258120.1
Date:	Tuesday, April 2, 2024 7:14:05 AM

Quote 2 of 2 for desktop/laptop tech refresh project

From: Robert.Johnson8@Dell.com <Robert.Johnson8@Dell.com>
Sent: Monday, April 1, 2024 6:20 PM
To: Art Montoya <amontoya@gatewayairport.com>
Subject: Your Dell Quote 3000174258120.1

CAUTION: External mail. Be careful with links and attachments

Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **May. 01, 2024**.

You can download a copy of this quote during checkout.

Place your order

Quote Name:	**1/2**	Sales Rep	Robert Johnson
Quote No.	**3000174258120.1**	Phone	(800) 456-3355, 80000
Total	**$3,641.26**	Email	Robert.Johnson8@Dell.com
Customer #	22980627	**Billing To**	PAYABLE ACCOUNTS PHOENIX-MESA GATEWAY AIRPORT 5835 S SOSSAMAN RD MESA, AZ 85212-6014
Quoted On	Apr. 01, 2024		
Expires by	May. 01, 2024		
Contract Name	Dell NASPO Computer Equipment PA - Arizona		
Contract Code	C000001124007		
Customer Agreement #	23026 / CTR068890		
Deal ID	27309049		

Message from your Sales Rep
Please use the Order button to securely place the order with your preferred payment

method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Robert Johnson

Product	Unit Price	Quantity	Subtotal
Mobile Precision 3490	**$1,499.92**	**2**	**$2,999.84**
Dell Thunderbolt 4 Dock- WD22TB4	**$208.12**	**2**	**$416.24**

Subtotal:	**$3,416.08**
Shipping:	**$0.00**
Environmental Fee:	**$0.00**
Non-Taxable Amount:	**$702.94**
Taxable Amount:	**$2,713.14**
Estimated Tax:	**$225.18**
Total:	**$3,641.26**

Shipping Group Details

Shipping To
BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method
Standard Delivery

	Unit Price	Quantity	Subtotal
Mobile Precision 3490 Estimated delivery if purchased today: May. 01, 2024 Contract # C000001124007 Customer Agreement # 23026 / CTR068890	**$1,499.92**	**2**	**$2,999.84**

Description	SKU	Unit Price	Quantity	Subtotal
Dell Mobile Precision Workstation 3490	210-BLNF	-	2	-
Intel Core Ultra 5 125H vPro Essentials (18 MB cache, 14 cores, 18 threads, up to 4.50 GHz, 28W)	379-BFPP	-	2	-
Windows 11 Pro, English, Brazilian Portuguese PT-BR, French, Spanish	619-ARSB	-	2	-
No Microsoft Office License Included - 30 day Trial Offer Only	658-BCSB	-	2	-
Intel® Core™ Ultra 5 125H Processor and Intel Integrated Graphics	329-BKCZ	-	2	-
Intel Integrated Graphics	490-BKBZ	-	2	-
14" FHD 1920x1080, 60Hz, 250 nits, Non-Touch, FHD HDR RGB Camera, Mic, WLAN	391-BJBQ	-	2	-
FHD HDR RGB Camera, TNR, Camera Shutter, Microphone	319-BBKK	-	2	-
32 GB: 1 x 32 GB, DDR5, 5600 MT/s, non-ECC	370-BBYG	-	2	-
256GB, M.2 2230, Gen4 TLC PCIe NVMe, SSD, Class 35	400-BRHM	-	2	-
English US non-backlit AI hotkey keyboard, 79-key	583-BLNP	-	2	-
Single Pointing, No Security	346-BKVC	-	2	-
Intel AX211, 2x2 MIMO, 2400 Mbps, 2.4/5/6 GHz, Wi-Fi 6/6E (WiFi 802.11ax), Bluetooth	555-BKND	-	2	-
3 Cell, 42WHr, Long Lifecycle Battery, 3-year warranty	451-BDBM	-	2	-
65W AC adapter, USB Type-C, EcoDesign	492-BDMN	-	2	-
Intel vPro Technology Disabled	631-BBXJ	-	2	-
ENERGY STAR Qualified	387-BBLW	-	2	-
EPEAT 2018 Registered (Gold)	379-BDZB	-	2	-
E4 Power Cord 1M for US	537-BBDO	-	2	-
Intel AX211 WLAN Driver	555-BKTK	-	2	-
Packaging for Integrated Graphics + 65W Adapter	340-DQLZ	-	2	-
Custom Configuration	817-BBBB	-	2	-
Intel® Core™ Ultra 5 non-vPro Processor Label	340-DMPY	-	2	-
Dell Additional Software	658-BFPP	-	2	-
Quick setup guide for world wide	340-DMSB	-	2	-
Bottom Cover for Intel H 28W CPUs	354-BBJY	-	2	-
ProSupport Plus: Accidental Damage Service, 4 Years	997-1069	-	2	-

ProSupport Plus: Keep Your Hard Drive, 4 Years	997-1091	-	2	-
Dell Limited Hardware Warranty Plus Service	997-1129	-	2	-
ProSupport Plus: 7x24 Technical Support, 4 Years	997-1137	-	2	-
ProSupport Plus: Next Business Day Onsite, 4 Years	997-6067	-	2	-
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	-	2	-
Intel(R) Rapid Storage Technology Driver	409-BCYB	-	2	-

	Unit Price	Quantity	Subtotal
Dell Thunderbolt 4 Dock- WD22TB4 Estimated delivery if purchased today: Apr. 04, 2024 Contract # C000001124007 Customer Agreement # 23026 / CTR068890	**$208.12**	**2**	**$416.24**

Description	SKU	Unit Price	Quantity	Subtotal
BASE,DS,WD22TB4 US 180W	210-BDQH	-	2	-
Advanced Exchange Service, 3 Years	872-8550	-	2	-
Dell Limited Hardware Warranty	872-8557	-	2	-

Subtotal:	**$3,416.08**
Shipping:	**$0.00**
Environmental Fee:	**$0.00**
Estimated Tax:	**$225.18**
Total:	**$3,641.26**

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Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier´s affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

^DELL BUSINESS CREDIT (DBC): Offered to business customers by WebBank, who determines qualifications for and terms of credit. Taxes, shipping and other charges are extra and vary. The Total Minimum Payment Due is the greater of either $20 or 3% of the New Balance shown on the statement rounded up to the next dollar, plus all past due amounts. Dell and the Dell logo are trademarks of Dell Inc.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-14

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY24 Capital Budget Amendment - Rental Car Care Facility Improvements - CIP 1242**
Date:	**April 16, 2024**

Proposed Motion

To authorize an Amendment of the FY24 Capital Budget to add $442,282.66 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies.

Narrative

The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFC's are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for costs associated with the design and construction of facilities or improvements used for the car rental companies located at the Airport.

Our current Car Care Facility is outdated, inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This facility needs to be upgraded and expanded to accommodate the increased number of rental cars currently in service. Willmeng Construction, Inc. is providing CMAR Construction Services. This contract modification includes an additional rental car ticket counter totaling approximately $197,000—and electrical facilities for future fuel systems totaling approximately $66,000. Provide costs for unforeseen saturated subgrade and asphalt replacement totaling approximately $146,000. Additional minor Owner-approved changes are requested as well to meet the desired operational needs of the car rental companies totaling approximately $33,000. This increase in the contract value also increases the taxes, insurance, bonds, and allowable markup, which are included in the costs. Additionally, 45 calendar days are added to the contract duration. The costs have been reviewed by Airport staff and deemed reasonable and acceptable.

Fiscal Impact

Requesting to have these additional project funds, for the Rental Car Care Facility Improvements Construction Services Project, added and included in the FY24 Capital Budget utilizing CFC funds under CIP 1242.

Attachment(s)

N/A

RESOLUTION NO. 24-14

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Amendment of the FY24 Capital Budget to add $442,282.66 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an Amendment of the FY24 Capital Budget to add $442,282.66 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-15

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Rental Car Care Facility Improvements Contract Modification – Willmeng Construction, Inc. - CIP 1242**
Date:	**April 16, 2024**

Proposed Motion

To authorize a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $442,282.66 under CIP 1242.

Narrative

The growth of commercial service at the Airport benefits the car rental companies and generates revenue for the Airport through Customer Facility Charges (CFC). CFC's are daily transaction fees imposed upon a customer renting a vehicle from an on-airport car rental company. CFC revenues are used to pay for costs associated with the design and construction of facilities or improvements used for the car rental companies located at the Airport.

Our current Car Care Facility is outdated, inadequate, and lacks the capacity and efficiency needed to service our customers effectively. This facility needs to be upgraded and expanded in order to accommodate the increased number of rental cars currently in service. Willmeng Construction, Inc. is providing CMAR Construction Services. This contract modification includes an additional rental car ticket counter totaling approximately $197,000. Electrical facilities for future fuel systems totaling approximately $66,000. Provide costs for unforeseen saturated subgrade and asphalt replacement totaling approximately $146,000. Additional minor Owner-approved changes are requested as well to meet the desired operational needs of the car rental companies totaling approximately $33,000. This increase in the contract value also increases the taxes, insurance, bonds, and allowable markup and are included in the costs. Additionally, 45 calendar days are added to the contract duration. The costs have been reviewed by Airport staff and deemed reasonable and acceptable.

Fiscal Impact

Requesting to have this contract modification, for the Rental Car Care Facility Improvements Construction Services Project authorized in the FY23 Carryover Capital Budget utilizing PMGAA Customer Facility Charge (CFC) funds under CIP 1242.

Attachment(s): CMAR Construction Services Contract Modification

RESOLUTION NO. 24-15

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $442,282.66 under CIP 1242;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $442,282.66 under CIP 1242. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Engineering & Facilities
5835 South Sossaman Road
Mesa, Arizona 85212
Telephone 480-988-7628
FAX 480-988-2315

CHANGE ORDER

Change Order No.:	4	Project Number/Name:	1242-Car Care Facility
Change Order Date:	3/19/2024	Notice to Proceed Date:	October 4, 2022
Is This Change Order Grant Eligible?		FAA Grant No.:	0
Are Additional Grant Funds Requested?		ADOT Grant No.:	0
Contract/Completion Implications - # of days:	45	Contract Date:	September 20, 2022
Contractor:	Willmeng	Exhibit A Date:	
Contract No.:	20230068	Purchase Order No.:	0

This Contract is changed as follows:

This Contract has been modified to include the additional scope added for the office and counter space in the Terminal Building as well as modifications at the fueling area requested by the tenants. The contractor also encountered unsuitable subgrade under the original building site which required remediation for the planned work. This change will increase the contract value by $442,282.66 and extends the contract time by 45 calendar days.

This Change Order shall constitute a final settlement of all matters relating to the change in the Work which is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

	Cost excl. taxes	Taxes	Cost incl. Taxes
The original ***Contract Sum*** was:	$ 6,946,325.35	$ 374,754.25	**$ 7,321,079.60**
Net change by previously authorized Change Orders:	$ 2,360,283.91	$ (256,146.10)	**$ 2,104,137.81**
The ***Contract Sum*** prior to this Change Order was:	**$ 9,306,609.26**	**$ 118,608.15**	**$ 9,425,217.41**
The Sum of this Change Order	**$ 436,902.67**	**$ 5,379.99**	**$ 442,282.66**
The new ***Contract Sum***, including this Change Order is:	**$ 9,743,511.93**	**$ 123,988.14**	**$ 9,867,500.07**

Approvals

*error discovered in pretax and taxes (see CO#2), adjustment made

Contractor:

Sign: Eli Newton — Digitally signed by Eli Newton DN: C=US, E=enewton@willmeng.com, O=Willmeng Construction, CN=Eli Newton Date: 2024.03.20 11:22:03-07'00'

Print: Eli Newton

Title: Project Manager

Date: 03/20/2024

If Applicable:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

An Arizona Joint Powers Airport Authority

Sign: Rich Adams — Digitally signed by Rich Adams Date: 2024.03.20 12:06:01-07'00' **Date:** 3/20/2024

Print: Rich Adams

Title: **Project Manager**

Sign: Bob Draper, PE — Digitally signed by Bob Draper, PE DN: C=US, E=bdraper@gatewayairport.com, OU=PMGAA, CN="Bob Draper, PE" Date: 2024.03.20 13:05:27-07'00' **Date:**

Print: **Bob Draper**

Title: **Engineering & Facilities Director**

Sign: **Date:**

Print: **J Brian O'Neill**

Title: **Executive Director/CEO**

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-16

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Runway 12R-30L Reconstruction, Construction Manager at Risk Pre-Construction Services – Pulice Construction, Inc. – CIP 1072**
Date:	**April 16, 2024**

Proposed Motion

To approve a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with Pulice Construction, Inc. (Pulice), for the Runway 12R-30L Reconstruction Project in an amount not to exceed $110,645 under CIP 1072, subject to receipt of FAA and ADOT grants.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, Runway 12R-30L has deteriorated to a pavement condition requiring extensive repairs and it has been recommended that a full reconstruction must be done to improve the pavement and subgrade strength. Runway 12R-30L is PMGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

Pulice will provide Construction Manager at Risk (CMAR) services for the Runway 12R-30L Construction Project that will include the demolition of existing pavement, earthwork, new Portland Cement Concrete Pavement, taxiway, and shoulder pavement, crushed Aggregate Base, Cement-Treated Base, Lime-Treated Subgrade, new pavement markings, crack seal, seal coat and airfield electrical.

The Notice of Request for Qualifications (RFQ), Solicitation 2024-016-RFQ for Runway 12R-30L Reconstruction was issued on January 18, 2024, and advertised in the Arizona Business Gazette on 1/18, 1/25, 2/01 and 2/08/24; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE and FAA Matchmaker Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 111 prospective firms and included ACDBE/DBE outreach. PMGAA Staff received six (6) Statements of Qualifications on February 13, 2024.

Archer Western
Coffman Specialties, Inc.
Granite Construction Company
Kiewit Infrastructure West Co.
Pulice Construction, Inc.
Sundt Construction, Inc.

The Evaluation Panel conducted interviews on March 12, 2024, with the following shortlisted four (4) firms:

Granite Construction Company
Kiewit Infrastructure West Co.
Pulice Construction, Inc.
Sundt Construction, Inc.

Upon conclusion of the interviews, the Evaluation Panel selected Pulice as the CMAR firm that best satisfied the requirements, based on the qualifications of the firm, project team experience, project understanding, approach to performing the required services, and DBE Participation Plan.

Fiscal Impact
This project is included in the FY24 Capital Budget utilizing FAA, ADOT and PMGAA matching non-grant funds under CIP 1072.

Attachment(s): CMAR Pre-Construction Services Contract

RESOLUTION NO. 24-16

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with Pulice Construction, Inc. (Pulice), for the Runway 12R-30L Reconstruction Project in an amount not to exceed $110,645 under CIP 1072, subject to receipt of FAA and ADOT grants;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with Pulice Construction, Inc. (Pulice), for the Runway 12R-30L Reconstruction Project in an amount not to exceed $110,645 under CIP 1072, subject to receipt of FAA and ADOT grants. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DIVISION I

Runway 12R – 30L Reconstruction

CONSTRUCTION MANAGER AT RISK (CMAR) PRE-CONSTRUCTION SERVICES CONTRACT

Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ
FAA AIP No. 3-04-0078-060-2024
ADOT Project No. TBD

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Phoenix-Mesa Gateway Airport

Construction Manager at Risk
Pre-Construction Services
Project No. 1072

THIS CONTRACT is made and entered into by and between the Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority, authorized by the state of Arizona, hereinafter called ("PMGAA") and the "Construction Manager at Risk" or "CMAR" designated below. Individually, each is a "Party" and collectively, the "Parties" and shall be effective as of the date signed by Owner.

PMGAA and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

PMGAA:	Phoenix-Mesa Gateway Airport Authority Project Manager: Rich Adams Telephone: 480-988-7617 Fax: 480-988-2315 E-mail: radams@gatewayairport.com
CMAR:	Pulice Construction, Inc. Project Manager: Jeff Gergal Telephone: 858.525.3901 Email: jgergal@pulice.com
PROJECT DESCRIPTION:	Runway 12R – 30L Reconstruction
PROJECT LOCATION:	Phoenix Mesa Gateway Airport Mesa, Az 85212

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between PMGAA and CMAR shall consist of the following Contract Documents:

1. This Contract and all of its Exhibits herein;
2. The General Conditions to the CMAR Construction Contract;
3. Federal Contract Provisions;
4. The Statement of Qualifications (SOQ) requirements (2024-016-RFQ), documents and attachments, and CMAR's submittal dated February 6, 2024.

2.2 DEFINITIONS

Whenever the following terms are used in this Contract, the intent and meaning shall be interpreted

as follows:

Allowance – A specific amount for a specific item of Work, if any, that PMGAA agrees has not been sufficiently designed, detailed, or selected (including design changes from Pre-Final to Final Construction Documents as authorized by and at the discretion of PMGAA) at the time the Contract Price is agreed to for CMAR to provide a definitive price. Allowances shall be treated in accordance with Article 14 of this Contract.

Baseline Cost Model –A breakdown and estimate of the scope of the Project developed by CMAR pursuant to Article 3.4.1 of this contract.

CMAR or Construction Manager at Risk – The person or firm selected by PMGAA to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with PMGAA. The term "CMAR" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or CMAR's Fee – An agreed to percentage in an accepted GMP that represents the CMAR's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by PMGAA, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by PMGAA, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents, these would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by CMAR in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Exhibit A of this Contract.

Deliverables – The work products prepared by CMAR in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by CMAR during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate PMGAA's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between PMGAA and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

Pre-Construction Services – The services to be provided under the Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Project Manager in accordance with Article 3.2 of this contract, if applicable.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum Price Proposal is based.

GMP Proposal – The proposal of CMAR submitted pursuant to Article 3.6 of this contract for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract, Change Order, or Job Order if applicable.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

3.1 GENERAL REQUIREMENTS

3.1.1 CMAR shall perform the Services under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated February 6, 2024 as otherwise approved by PMGAA. No other entities or individuals may be used without the prior written approval of PMGAA.

3.1.2 CMAR will comply with all terms and conditions of the General Conditions to the CMAR Construction Contract.

3.1.3 In the event of a conflict between this Contract and the General Conditions or any exhibit hereto or appendix thereto, the terms of this Contract shall control.

3.1.4 CMAR shall prepare and present to PMGAA a Detailed Project Schedule that is acceptable to PMGAA and in accordance with Article 3.2 of this Contract.

3.1.5 CMAR shall conduct the evaluations, perform the design document reviews, make the recommendations and provide the other Services referenced and in accordance with Article 3.3 of this Contract.

3.1.6 CMAR shall prepare and submit the Baseline Cost Model, Detailed Cost Estimates and Schedule of Values in accordance with Article 3.4 of this Contract.

3.1.7 The submitted Baseline Cost Model, Detailed Cost Estimates and Schedule of Values shall not exceed PMGAA's Construction Budget, which is $18,000,000. If CMAR submits a Baseline Cost Model, Detailed Cost Estimates, and Schedule of Values that exceeds the Construction Budget, negotiations could lead to termination or suspension of the Contract.

3.1.8 CMAR shall perform the Services required by, and in accordance with the Contract Documents and as outlined in Exhibit A of the Contract to the satisfaction of the Project Manager, exercising the degree of care, skill, diligence and judgment a professional construction manager experienced in the performance of such services for construction and/or facilities of similar scope, function, size, quality, complexity and detail to the Project in urban areas throughout the United States, would exercise at such time, under similar conditions. CMAR shall, at all times, perform the required services consistent with sound and generally accepted engineering principles and construction management and construction contracting practices

3.1.9 As a participating member of the Project Team, CMAR shall provide to PMGAA and Design Professional a written evaluation of PMGAA's Project Program and budget, each in terms of the other, with recommendations as to the appropriateness of each. CMAR shall prepare a

Baseline Cost Model that validates PMGAA's budget. The Baseline Cost Model shall include all assumptions and basis of estimates in enough detail so that the Project Team can compare future detail estimates to the Baseline Cost model for variances. PMGAA and Design Professional will provide all the reasonably required data that is available in order to reach agreement between the team members that the Baseline Cost Model is an accurate projection of the costs of the Project.

3.1.10 CMAR shall attend Project Team meetings, which may include, but are not limited to, bi-weekly Project management meetings, Project workshops, special Project meetings, construction document rolling reviews, public meetings and partnering sessions. CMAR attendance at design or other meetings in which CMAR is provided the opportunity but does not actively participate and/or is not properly prepared is not acceptable. Repeated instances of non-participation and/or lack of preparedness shall be grounds for termination of CMAR Contract for default.

3.1.11 CMAR when requested by PMGAA, shall attend, make presentations and participate as may be appropriate in public agency and or community meetings, relevant to the Project. CMAR shall provide drawings, schedule diagrams, budget charges and other materials describing the Project when their use is required or appropriate in any such public agency meetings.

3.1.12 PMGAA ownership of Work Product. All Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of PMGAA. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or material, in whatever form created (e.g., electronic or printed) and in all media now know or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. §101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to PMGAA. The rights in this Section are exclusive to PMGAA in perpetuity.

3.1.13 CMAR represents to PMGAA in completing Pre-Construction Services and providing the reports and analysis required thereunder, that Work can be properly and timely constructed within the GMP Proposal, if accepted. CMAR does not assume any design responsibilities unless specifically called for in the scope of work, but CMAR shall be responsible for their errors, omissions or inconsistencies included in the Work.

3.1.14 CMAR and PMGAA agree and understand that PMGAA is at all times subordinate to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.)

3.2 DETAILED PROJECT SCHEDULE

3.2.1 The fundamental purpose of the Detailed Project Schedule is to identify, coordinate and record the tasks and activities to be performed by all of the Project Team members and then for the Project Team to utilize that Deliverable as a basis for managing and monitoring all member's compliance with the schedule requirements of the Project. Each Project Team member is responsible for its compliance with the Detailed Project Schedule requirements. CMAR shall, however, develop and maintain the Detailed Project Schedule on behalf of and to be used by the Project Team based on input from the other Project Team members. The Baseline Project Schedule shall be developed as part of the Baseline Cost Model. The Detailed Project Schedule shall use the Critical Path method ("CPM") technique, unless required otherwise, in writing by PMGAA. CMAR shall use scheduling software acceptable to PMGAA to develop the Detailed Project Schedule. The Detailed Project Schedule shall be presented in graphical and tabular reports as agreed upon by the Project Team. If Project phasing as

described below is required, the Detailed Project Schedule shall indicate milestone dates for the phases once determined. As part of construction phase, PMGAA may require CMAR to prepare a "resource loaded" schedule for all work, including work performed by Subcontractors, detailing each of the project tasks and the required/anticipated number of personnel per day for each task. CMAR shall also indicate on the schedule its ability to meet said required/anticipated personnel requirements.

3.2.2 CMAR shall include and integrate in the Detailed Project Schedule the services and activities required of PMGAA, Design Professional and CMAR including all construction phase activities based on the input received from PMGAA and the Design Professional. The Detailed Project Schedule shall define activities as determined by PMGAA to the extent required to show: (a) the coordination between preliminary design and various pre-construction documents, (b) any separate long-lead procurements, (c) any permitting issues, (d) any land, right-of-way, or easement acquisition, (e) bid packaging strategy and awards to Subcontractors and Suppliers, (f) major stages of construction, (g) start-up and commissioning, and (h) occupancy of the completed Work by PMGAA. The Detailed Project Schedule shall include by example and not limitation, proposed activity sequences and durations for design, procurement, construction and testing activities, milestone dates for actions and decisions by the Project Team, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead time procurement (if any), milestone dates for various construction phases, Total Float for all activities to the extent authorized by PMGAA, relationships between the activities, PMGAA's occupancy requirements showing portions of the Project having occupancy priority, and proposed dates for Final Completion.

3.2.3 A Baseline Project Schedule shall be initiated with the project Baseline Cost Model and agreed to by the project team at the same time. CMAR shall update and maintain a detailed Project Schedule throughout pre-construction such that it shall not require major changes at the start of the construction phase to incorporate CMAR's plan for the performance of the construction phase Work. CMAR shall provide updates and/or revisions to the Detailed Project Schedule for use by the Project Team, whenever required, but no less often than at the Project Team meetings. CMAR shall include with such submittals a narrative describing its analysis of the progress achieved to-date vs. the Baseline Project Schedule, including any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions.

3.2.4 If phased construction is deemed appropriate at the time of developing the Baseline Cost Model or during the development of the Detailed Project Schedule, and PMGAA and Design Professional approve, CMAR shall review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work, with the objective of reducing the Project Schedule and/or Cost of the Work. CMAR shall take into consideration such factors as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, and any other factors pertinent to saving time and cost.

3.2.5 Long Lead Time Items. As part of developing the Detailed Project Schedule, CMAR shall identify all long lead time materials, fabrications, equipment, or other items which may impact the Project Schedule and may require early action on the part of the Project Team. Dates for selecting and ordering long lead time items will be included and highlighted in the Detailed Project Schedule.

3.2.6 Equipment Plan. CMAR shall develop an Equipment Plan that addresses all rental and owned equipment, regardless of whether such equipment will be provided by CMAR or subcontractor(s), that will be necessary to construct the Project and the cost of which will be

included as a Cost of the Work in the GMP Proposal. The Equipment Plan will seek to minimize the cost of the equipment to PMGAA and maximize the efficient and coordinated use of the equipment for completion of the Project. The Equipment Plan will not only include the costs and allowable lease rates for the equipment but will also include an equipment schedule that will be incorporated into the Detailed Project Schedule and the Schedule of Values submitted with the GMP Proposal.

3.3 DESIGN DOCUMENT REVIEWS

3.3.1 CMAR shall evaluate periodically the availability of labor, materials/equipment, cost-sensitive aspects of the design; and other factors that may create an unacceptable variance to the Baseline Cost Model and/or Baseline Project Schedule.

3.3. 2 CMAR shall recommend, in conjunction with the Project Team, those additional surface and subsurface investigations that, in its professional opinion, are required to provide the necessary information for CMAR to construct the Project. These additional investigations, if agreed to be necessary by the Project Manager and the Design Professional, shall be acquired by PMGAA and copies of the reports will be provided to CMAR.

3.3.3 CMAR shall meet with the Project Team as required to review designs during their development. CMAR shall familiarize itself with the evolving documents through pre-construction. CMAR shall proactively advise the Project Team and make recommendations on factors related to construction costs, and concerns pertaining to the feasibility and practicality of any proposed means and methods, selected materials, equipment and building systems, and, labor and material availability. CMAR shall furthermore advise the Project Team on proposed site improvements, excavation and foundation considerations, as well as, concerns that exist with respect to coordination of the Drawings and Specifications. CMAR shall use established value analysis principles in recommending cost-effective alternatives.

3.3.4 CMAR shall routinely conduct constructability and bid-ability reviews of the Drawings and Specifications as necessary to satisfy the needs of the Project Team. The reviews shall attempt to identify all discrepancies and inconsistencies in the Construction Documents especially those related to clarity, consistency, completeness and coordination of Work of Subcontractors and Suppliers.

3.3.5 CMAR shall evaluate whether: (a) the Drawings and Specifications are configured to enable efficient construction; (b) design elements are standardized; (c) construction efficiency is properly considered in the Drawings and Specifications; (d) module/preassembly design is prepared to facilitate fabrication, transport and installation; (e) sequences of Work required by or inferable from the Drawings and Specifications are practicable; (f) the design has taken into consideration efficiency issues concerning access and entrance to the site, laydown and storage of materials, staging of site facilities, construction parking, and other similar pertinent issues; and (g) the design maintains continued operation of the existing PMGAA operations, security and systems and maintains traffic on adjacent roadways. CMAR shall also review the Drawings and Specifications to ensure that what is depicted therein can be constructed as designed and shall promptly inform the Project Team of any issues.

3.3.6 CMAR shall check cross-reference and complementary Drawings and sections within the Specifications and in general evaluate whether: (a) the Drawings and Specifications are Sufficiently clear and detailed to minimize ambiguity and to reduce scope interpretation discrepancies; (b) named materials and equipment are commercially available and are performing well, or otherwise, in similar installations; (c) Specifications include alternatives in the event a requirement cannot be met in the field; and (d) in its professional opinion, the Project is likely to be subject to Differing Site Conditions.

3.3.7 The results of the reviews shall be provided to Project Team in formal, written reports clearly identifying all reviewed documents and the discovered discrepancies and inconsistencies in the Drawings and Specifications with notations and recommendations made on the Drawings, Specifications and other documents. CMAR shall meet with Project Team to discuss any findings and review reports.

3.3.8 CMAR's reviews shall be from a CMAR's perspective, and though it shall serve to eliminate/reduce the number of RFI's and changes during the construction phase, responsibility for the Drawings and Specifications shall remain with the Design Professional and not CMAR.

3.3.9 It is CMAR's responsibility to assist the Design Professional in ascertaining that, in CMAR's professional opinion, the Construction Documents are in accordance with Applicable Laws, Regulations, or Legal Requirements, building codes, sound engineering principle's rules and regulations. If CMAR recognizes that portions of the Construction Documents are at variance with applicable laws, statutes, ordinances, building codes, sound engineering principle's rules and regulations, it shall promptly notify the Project Team in writing, describing the apparent variance of deficiency. However, the Design Professional is ultimately responsible for the compliance of the Drawings and Specifications with those laws, statutes, ordinances, building codes, rules and regulations.

3.3.10 The Project Team shall routinely identify and evaluate using value analysis principles and alternate systems, approaches, design changes that have the potential to reduce Project costs while still delivering a high quality and fully functional Project consistent with the Project Program. If the Project Team agrees, CMAR in cooperation with the Design Professional, will perform a cost/benefit analysis of the alternatives and submit such in writing to the Project Team. PMGAA, through the Project Manager, will direct which alternatives will be incorporated into the Project. The Design Professional will have full design responsibility for the review and incorporation of CMAR suggested alternatives into the Drawings and Specifications. CMAR shall analyze the costs and schedule impacts of the alternatives against the Baseline Cost Model and Schedule and provide a recommendation for the Project Team's consideration and PMGAA's approval prior to the establishment of the GMP.

3.4 BASELINE COSTS MODEL, DETAILED COST ESTIMATES, AND SCHEDULE OF VALUES

3.4.1 N/A

3.4.2 After receipt of the Design Professional's most current documents from certain specified pre-construction milestones, CMAR shall provide a draft Detailed Cost Estimate including a detailed written report detailing any variances to the Baseline Cost Model and Baseline Project Schedule. The Design Professional and CMAR will reconcile any disagreements on the estimate to arrive at an agreed upon Detailed Cost Estimate for the construction costs based on the scope of the Project through that specified pre-construction milestone. Pre-Construction milestones applicable to this paragraph are: Pre-Final Construction Drawings and Final Construction Drawing, if no consensus is reached, PMGAA will make the final determination. If the Project Team requires additional updates of the Detailed Cost Estimate beyond that specified in this paragraph, CMAR shall provide the requested information in a timely manner.

3.4.3 If at any point the Detailed Cost Estimate submitted to PMGAA exceeds the previously accepted Baseline Cost Model or previously approved Detailed Cost Estimate agreed to as set forth in Article 3.4.2 above, CMAR shall make appropriate recommendations to project Team

on means/methods, materials, and or other design elements that it believes will reduce the estimated construction costs, such that it is equal to or less than the established Project Team's Baseline Cost Model.

3.4.4 Unless other levels of completion are agreed to in writing in the Construction Documents, at Pre-Final Construction Drawings and included with the associated report, CMAR shall also submit to the Project Team for review and approval a Schedule of Values that complies with the following requirements. The Schedule of Values shall be directly related to the breakdowns reflected in the Detailed Project Schedule and CMAR's Detailed Cost Estimate. In addition, the Schedule of Values shall: (a) detail unit prices and quantity take-offs, (b) detail all other contingencies and unit price Work shown and specified in the detailed design documents.

3.4.5 CMAR is to track, estimate, price and address the Project Team's overall project cost issues that arise outside of the Baseline Cost Model and the latest approved Detailed Cost Estimate such as: PMGAA generated changes, Project Team proposed changes, alternate system analysis, constructability items and value engineering analysis. The system used to implement this process will be referred to as the Design Evolution Log. This is to be addressed between the Baseline Cost Model, Pre-Final Construction Documents, Final Construction Documents, and the bid packages for all Phases, if applicable.

3.4.6 Upon request by PMGAA, CMAR shall submit to PMGAA a cash flow projection for the Project based on the current updated/revised Detailed Project Schedule and the anticipated level of payments for CMAR during the design and construction phases. In addition, if requested by PMGAA and based on information provided by PMGAA, CMAR shall prepare a cash flow projection for the entire Project based on historical records for similar types of projects to assist PMGAA in the financing process.

3.5 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTIONS

3.5.1 Except as noted below, the selection of Subcontractors/Suppliers is the sole responsibility of CMAR. In any case, CMAR is solely responsible for the performance of the selected Subcontractors/Suppliers, and for compliance with the requirements of Title 34 of the Arizona Revised Statutes in the selection of a Subcontractors/Suppliers, to the extent applicable. CMAR shall comply with its Subcontractor Selection Plan submitted with its Statement of Qualifications.

3.5.2 PMGAA may approve the selection of a Subcontractor(s) or Suppliers(s) based only on their qualifications when CMAR can demonstrate it is in the best interest of the Project. All Work that is performed, after such a qualifications-based selection, for a price that is negotiated by CMAR will be billed in accordance with the GMP for actual costs and may be subject to audit by PMGAA.

3.5.2.1 Qualifications based selection of a Subcontractor(s)/Supplier(s) should only occur prior to the submittal of the GMP Proposal and such a way as to not delay the start date of the Construction phase as defined in the Baseline Project Schedule.

3.5.2.2 If a Subcontractor/Supplier selection plan was submitted and agreed to by PMGAA, CMAR Shall apply the plan in the evaluation of the qualifications of a Subcontractor(s) or Supplier(s) and provide PMGAA with its review and recommendations.

3.5.2.3 CMAR must receive written PMGAA approval for each selected Subcontractor(s) and Supplier(s).

3.5.2.4 CMAR shall negotiate costs for services/supplies from each Subcontractor/Supplier selected under this method.

3.5.3 All Work shall be competitively bid, unless a Subcontractor or Supplier was selected pursuant to paragraph 3.5.2 above, <u>and in accordance with all DBE requirements as provided for in the Owners RFQ, the General Conditions, and the Federal Contract Provisions.</u>

3.5.3.1 CMAR shall develop Subcontractor and Supplier interest, submit the names of a minimum of three qualified Subcontractors or Suppliers for each trade in the Project for approval by PMGAA and solicit bids for the various Work categories. If there are not three qualified Subcontractors/Suppliers available for a specific trade or there are extenuating circumstances warranting such, CMAR may request approval by PMGAA to submit less than three names.
Without prior written notice to PMGAA, no change in the recommended Subcontractors/Supplies shall be allowed.

3.5.3.2 If PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work for good reason, CMAR shall nominate a substitute Subcontractor/Supplier that is acceptable to PMGAA.

3.5.3.3 CMAR shall distribute Drawings and Specifications, and when appropriate, conduct a Pre-Bid Conference with prospective Subcontractors and Suppliers.

3.5.3.4 If CMAR desires to self-perform certain portions of the Work, it shall request to be one of the approved Subcontractor bidders for those specific bid packages. CMAR's bid will be evaluated in accordance with the process identified below. If events warrant and PMGAA concurs that it is necessary in order to ensure compliance with the Project Schedule and/or the most recent Detailed Cost Estimate, CMAR may be authorized to self-perform Work without bidding or rebidding the Work. When CMAR self-performs work without bidding, only the actual costs associated with performing the Work in accordance with the approved GMP will be billed and may be subject to audit by PMGAA.

3.5.3.5 CMAR shall receive, open, record and evaluate the bids; provided, however, that if CMAR or one of its affiliates is bidding to self-perform the Work that is the subject of the bid, then the bids shall be received, opened, recorded and evaluated by Project Manager instead of CMAR. Bids for each category of Work shall be opened and recorded at a pre-determined time. The apparent low bidders shall be interviewed to determine the responsiveness of their proposals. In evaluating the responsiveness of bid proposals CMAR, in addition to bid price,
may consider the following factors: past performance on similar projects, qualifications and experience of personnel assigned, quality management plan, approach or understanding of the Work to be performed, and performance schedule to complete the Work. The final evaluation of Subcontractor/Supplier bids shall be done with Project Manager in attendance to observe and witness the process. CMAR shall resolve any Subcontractor/Supplier bid withdrawal, protest or disqualification in connection with the award at no increase in the Cost of Work.

3.5.4 CMAR shall be required to prepare two different reports on the subcontracting process.

3.5.4.1 Within fifteen days after each major Subcontractor/Supplier bid opening process; CMAR shall prepare a report for PMGAA's review and approval identifying the recommended Subcontractors/Supplier for each category of Work. The report shall detail: (a) the name of the recommended Subcontractor/Supplier and the amount of

the Subcontractor/Supplier bid for each sub-agreement; (b) the sum of all recommended Subcontractor/Supplier bids received; (c) and trade work and its cost that CMAR intends to self-perform, if any.

3.5.4.2 Upon completion of the Subcontractor/Supplier bidding process, CMAR shall submit a summary report to PMGAA of the entire Subcontractor/Supplier selection process. The report shall indicate, by bid process, all Subcontractors/Suppliers contacted to determine interest, the Subcontractors/Suppliers solicited, the bids received and costs negotiated, and the recommended Subcontractors/Suppliers for each category of Work.

3.5.5 The approved Subcontractors/Suppliers shall provide a Schedule of Values with their bid proposals, which shall be used to create the overall Project Schedule of Values.

3.5.6 If after receipt of sub-bids or after award to Subcontractors and Suppliers, PMGAA objects to any nominated Subcontractor/Supplier or to any self-performed Work based upon any reasonable basis, CMAR shall nominate a substitute Subcontractor or Supplier, preferably if such option is still available, from those who submitted Subcontractor bids for the Work affected. Once such substitute Subcontractors and Suppliers are consented to by PMGAA, CMAR's proposed GMP for the Work or portion thereof shall be correspondingly adjusted to reflect any higher or lower costs form any such substitution.

3.6 GMP PROPOSAL

3.6.1 CMAR shall submit a GMP Proposal for the entire Work, and for each phase (if required) of the Work, at the times set forth in the Pre-Construction Schedule included in attached Exhibit A. The GMP Proposal shall be presented in a format acceptable to PMGAA based upon the attached Exhibit B. PMGAA may change the schedule, format, and/or requirements for the GMP Proposal as it deems necessary during Pre-Construction and may request resubmittal of the GMP Proposal to reflect such changes.

3.6.2 For the purpose of the GMP Proposal, the parties agree that:

1. The CMAR Fee shall be equal to a percent of the Direct Costs as agreed upon;
2. General Conditions costs shall be a fixed amount or percentage agreed to as part of the Baseline Cost Model.

3.6.3 The GMP Proposal shall not exceed PMGAA's budget for the construction of the Project, which is approximately $18,000,000 ("Construction Budget").

3.6.4 When a GMP Proposal is submitted for a phase of the Work, the GMP will have a Detailed Cost Estimate of the Costs of the Work in each phase of the Work that is being proposed plus the current estimate for all other Work. PMGAA will not approve the GMP for the phase of work without a total estimate for the complete Project. PMGAA may request a GMP Proposal for all or any portion of the Project and at any time during pre-construction. Any GMP Proposals submitted by CMAR shall be based on and consistent with Baseline Cost Model and the current update/revised Detailed Cost Estimate at the time of the request and include any clarifications or assumptions upon which the GMP Proposal(s) are based.

3.6.5 A GMP Proposal for the entire Project shall be the sum of the Cost of the Work, CMAR Fee, and General Conditions Cost. CMAR guarantees to complete the Project at or less that the final GMP Proposal amount plus approved Change Orders. CMAR shall be responsible for any costs for expenses that would cause the Cost of the Work actually incurred, including the Construction Fee and General Conditions Costs, to exceed the GMP.

3.6.6 CMAR shall prepare its GMP Proposal in accordance with PMGAA's request for GMP Proposal requirements based on the most current completed Drawings and Specifications at that time, which unless otherwise directed by PMGAA in writing, shall be at 100% Construction Drawings. CMAR shall mark the face of each document of each set upon which its GMP Proposal is based. These documents shall be identified as the GMP Plans and Specifications. CMAR shall send one set of those documents to the Project Manager, keep one set and return the third set to the Design Professional.

3.6.7 An updated/revised Detailed Project Schedule, Equipment Plan, and Schedule of Values shall be included in any GMP Proposal(s), all of which shall reflect the GMP Plans and Specifications the Detailed Project Schedule shall be shown in relationship to the Project Schedule and identify any variance to the Baseline Project Schedule. Any such Detailed Project Schedule updates/revisions shall continue to comply with the requirements of Article 3.1.2 through 3.2.5 of this contract.

3.6.8 GMP Proposals(s) Review and Approval

3.6.8.1 CMAR shall meet with the Project Team to review the GMP Proposal(s) and the written statement of its basis. In the event the Project Team discovers inconsistencies or inaccuracies in the information presented, CMAR shall make adjustments as necessary to the GMP Proposal.

3.6.8.2 If during the review and negotiation of GMP Proposals design changes are required, PMGAA may authorize and cause the Design Professional to revise the GMP Plans and Specifications to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved GMP Proposal. Such revised GMP Plans and Specification will be furnished to CMAR. CMAR shall promptly notify the Project Team in writing if any such revised GMP Plans and Specifications are inconsistent with the agreed upon assumptions and clarifications.

3.6.9 All portions of or items comprising the GMP Proposal are subject to audit by PMGAA, as deemed appropriate by PMGAA, including, without limitation, any based upon unit prices or Work to be self-performed by CMAR, or its affiliates.

3.7 PAYMENT PROCEDURE FOR PRE-CONSTRUCTION SERVICES

3.7.1 Requests for monthly payments by CMAR for Pre-Construction Services shall be submitted monthly and shall be accompanied by a progress report, detailed invoices and receipts, if applicable. Any requests for payment shall include, as a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and copies of any Subconsultants' requests for payment, plus similar narrative and listings of Deliverables associated with their Work. Payment for services negotiated as a lump sum shall be made in accordance with the percentage of work completed during the preceding month.

3.7.2 In no event will PMGAA pay more that seventy-five (75%) of the Contract Price until final acceptance of ALL Pre-Construction Services, and award of the final approved Construction Services Contract for the entire Project by PMGAA Council. If CMAR does not prepare a GMP Proposal that is acceptable to PMGAA, or the GMP Proposal exceeds PMGAA's Construction Budget, then CMAR understands and acknowledges that it will forfeit any right to receive the 25% of the Contract Price being retained by PMGAA.

3.7.3 CMAR agrees that no charges or claims for costs or damages of any type shall be made by it for any delays or hindrances beyond the reasonable control of PMGAA during the progress of any portion of Pre-Construction Services specified in this Contract. Such delays or hindrances, if any, shall be solely compensated for by an extension of time for such reasonable period and may be mutually agreed between the parties. It is understood and agreed, however, that permitting CMAR to proceed to complete any such Services, in whole or in part after the date to which the time of completion may have been extended, shall in no way act as a waiver on the part of PMGAA of any of their respective legal rights herein.

3.7.4 No compensation to CMAR shall be allowed contrary to Article I, Chapter I, Title 34 of the Arizona Revised Statutes.

3.7.5 If any service(s) executed by CMAR is abandoned or suspended in whole or in part, for a period of more than 180 days through no fault of CMAR, CMAR is to be paid for the services performed prior to the abandonment or suspension.

3.8 ADDITIONAL PRE-CONSTRUCTION SERVICES

3.8.1 Additional services which are outside the scope of the services required under the Contract Documents shall not be performed by CMAR without prior written Authorization from PMGAA. Additional services, when authorized by an executed written Change Order by PMGAA, shall be compensated for by a fee mutually agreed upon in such Written Change Order between PMGAA and CMAR.

3.8.2 No claim for additional services, extra work done, or materials furnished by CMAR shall Be allowed by PMGAA except as provided herein, nor shall CMAR provide any additional services, do any work, or furnish any material(s)not covered by this Contract unless such work or material is first authorized in writing by the Project Manager. Work or material(s) furnished by CMAR without such prior written authorization shall be CMAR's sole jeopardy, cost, and expense, and CMAR hereby agrees that without prior written authorization no claim for compensation for such services, work or materials furnished shall be made, and PMGAA shall not be responsible for such costs.

3.8.3 No Work may be performed under this Pre-construction Services Contract, without prior written approval by PMGAA. As an example, all procurement of long lead time items that must be procured to support the construction schedule or site investigative Work necessary to complete Pre-Construction Services, if done by the CMAR, will be performed only after the long lead time items or investigative Work has been approved and accepted in writing by PMGAA and all such Work shall be done only under an executed Contract for Construction Services, or pursuant to a prior written direction from PMGAA to engage in such procurement..

3.9 SURVIVAL OF THE DESIGN SERVICES CONTRACT, DUTIES, OBLIGATIONS AND WARRANTIES

3.9.1 If the GMP Proposal is accepted by PMGAA and a Construction Contract is entered into between PMGAA and CMAR, the duties, obligations and warranties of CMAR under the

Pre-Construction Services Contract survive and are incorporated into the resulting Construction Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 If PMGAA accepts CMAR's GMP Proposal, CMAR and PMGAA may enter into a Construction Services Contact for Construction of the Project based upon CMAR's Pre-Construction Services performed and GMP Proposal and detailed Project Schedule submitted pursuant to this Contract. The terms of the Construction Services Contract are being negotiated contemporaneously with this Contract and CMAR agrees to execute the Construction Services Contract, without further modification, upon acceptance by PMGAA of the GMP Proposal. All of CMAR's obligations, duties and warranties in relation to Pre-Construction Services and Deliverables (including specifically the GMP Proposal) survive the completion of this Contract and will be incorporated into the Construction Services Contract.

ARTICLE 5 – PMGAA FURNISHED INFORMATION

5.1 PMGAA, AT NO COST TO CMAR, WILL FURNISH THE FOLLOWING TO CMAR:

5.1.1 One copy of data in PMGAA's possession or control which PMGAA determines in its discretion to be pertinent to the Work. However, CMAR shall be responsible for searching the records and requesting information it deems reasonably required for the Project.

5.1.2 Electronic copies of programs, reports, drawings, and specifications reasonably required by CMAR, to the extent in the possession of PMGAA.

5.1.3 Additional information to be provided by PMGAA, if any, is listed below:

ARTICLE 6 – CONTRACT TIME

6.1 Contract Duration is 120 Calendar Days.

6.1.1 The Pre-Construction Services described in this Contract shall be performed by CMAR in accordance with the Pre-Construction Schedule set forth in attached Exhibit A. Failure on the part of CMAR to adhere to the Pre-Construction Schedule requirements for activities for which it is responsible and in control will be deemed a material breach and sufficient grounds for termination for cause of this Contract by PMGAA.

ARTICLE 7 – CONTRACT PRICE

7.1 In exchange for CMAR's full, timely and acceptable performance of the Services under this Contract, and subject to all of the terms of this Contract, PMGAA will pay CMAR a not to exceed price of $110,645 (the "Contract Price"). The method of payment for this contract is Hourly, Not-to-Exceed. The amount paid shall not exceed the amount listed in Article 7.1 for actual costs incurred, based on the negotiated hourly rates and reimbursement schedule as defined in Exhibit A.

7.2 The Contract Price is all-inclusive, and PMGAA shall not pay any additional amounts, costs expense, except for only those specifically designated reimbursable costs, without markup, as set forth in Exhibit A.

ARTICLE 8 – PAYMENTS

8.1 The Contract Price shall be paid based upon the completion of tasks comprising the Pre-Construction Scope of Work as shown in Exhibit A.

ARTICLE 9 – CHANGES

9.1 PMGAA reserves the right to make such changes in the plans and specifications for the Work, as it may deem appropriate and any such change as set forth in a written Change Order shall be deemed a part of this Contract as if originally incorporated herein.

9.2 If design changes are required, PMGAA's and CMAR's responsibilities shall be in accordance with Article 3.6.8.2 of this Contract.

ARTICLE 10 – SUSPENSION AND TERMINATION

10.1 TERMINATION BY PMGAA FOR CAUSE

10.1.1 Criteria for Termination for Cause. The Contractor shall be considered in default of his or her contract and such default will be considered as cause for the Owner to terminate the contract for any of the following reasons if the Contractor:

1. Fails to begin the work under the contract within the time specified in the Notice to Proceed, or
2. Fails to perform the work or fails to provide sufficient workers, equipment and/or materials to assure completion of work in accordance with the terms of the contract, or
3. Performs the work unsuitably or neglects or refuses to remove materials or to perform anew such work as may be rejected as unacceptable and unsuitable, or
4. Discontinues the execution of the work, or
5. Fails to resume work which has been discontinued within a reasonable time after notice to do so, or
6. Becomes insolvent or is declared bankrupt, or commits any act of bankruptcy or insolvency, or
7. Allows any final judgment to stand against the Contractor unsatisfied for a period of 10 days, or
8. Makes an assignment for the benefit of creditors, or
9. Disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction, or
10. Breaches any provision of the contract, or
11. Violates any provision of the PMGAA Rules and Regulations or Minimum Standards, as amended from time to time, and as incorporated into the Contract by reference (Exhibit C) or
12. For any other cause whatsoever, fails to carry on the work in an acceptable manner.

Should the Engineer consider the Contractor in default of the contract for any reason above, the Engineer shall immediately give written notice to the Contractor and the Contractor's surety as to the reasons for considering the Contractor in default and the Owner's intentions to terminate the contract.

10.1.2 Effect of Termination for Cause. When any of the above conditions exist, PMGAA, may without prejudice to any other rights or remedies of PMGAA and after giving the CMAR ten (10) days' written notice, terminate the Contract and may:

1. take possession of the Site and all materials, equipment, tools, and construction equipment machinery thereon owned by the CMAR;
2. accept assignment of subcontracts, and
3. finish the work by whatever reasonable method PMGAA may deem expedient.

10.1.3 CMAR Right to Receive Payment. When PMGAA terminates the Contract for one of the reasons stated in Article 10.1.1, the CMAR shall not be entitled to receive further payment until the work is finished.

10.1.4 Costs for Finishing Work. If the unpaid balance of the Contract Sum exceeds costs of finishing the work, including compensation for the Design Professional services and expenses made necessary thereby, such excess shall be paid to the CMAR. If such costs exceed the unpaid balance, the CMAR shall pay the difference to PMGAA.

10.2 Not Used.

10.3 PMGAA'S TERMINATION FOR CONVENIENCE.

10.3.1 Effect of Termination for Convenience. PMGAA reserves the right to terminate the Contract for convenience and without cause even if CMAR has not failed to perform any part of the Contract. Termination of the work hereunder shall be effected by written notice to the CMAR. Upon receipt of such notice, CMAR shall, unless the notice otherwise directs:

1. Immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract;
2. Immediately cancel all of the existing orders and subcontracts made hereunder;
3. Immediately transfer to PMGAA all materials, supplies, work in progress, appliances, facilities, machinery and tools acquired by the CMAR in connection with the performance of the Contract, and take such action as may be necessary or as PMGAA may direct for protection and preservation of the work relating to this Contract;
4. Deliver all plans, Drawings, Specifications and other necessary information to PMGAA; and
5. Complete performance of the work not terminated by the notice.

10.3.2 CMAR's Exclusive Remedy. If PMGAA terminates the Contract for convenience, the following shall be the CMAR's exclusive remedy:

1. Reimbursement of all actual expenditures and costs approved by PMGAA as having been made or incurred in performing the work;
2. Reimbursement of expenditures made and costs incurred with PMGAA's prior written approval in settling or discharging outstanding commitments entered into by the CMAR in performing the Contract; and
3. Reasonable and substantiated claims, costs, and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
4. Reasonable and substantiated expenses to the Contractor directly attributable to Owner's termination action.

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

10.3.3 Warranties, Guarantees and Indemnified Parties to Remain in Effect**.** All obligations of the CMAR under the Contract with respect to completion of the work, including but not limited to all warranties, guarantees and indemnities, shall apply to all work completed or substantially completed by the CMAR prior to a convenience termination by PMGAA. Notwithstanding the above, any convenience termination by PMGAA or payments to the CMAR shall be without prejudice to any claims or legal remedies that PMGAA may have

against the CMAR for any cause, including liquidated damages assessed for CMAR's delays to any work Milestone Dates.

10.3.4 Conversion of Termination for Cause to Termination for Convenience. Upon a determination that a termination of this Contract other than a termination for convenience under this Article was wrongful or improper for any reason, such termination shall automatically be deemed converted to a convenience termination under this Article 10, and the CMAR's remedy for such wrongful termination shall be limited to the recoveries specified under Article 10.3.2.

10.3.5 Remedy Limited to Damages. In the event that CMAR is terminated, whether for cause or convenience, the CMAR's sole remedy shall be for damages. In no event shall the CMAR be entitled to reinstatement or other equitable relief from a court or through alternative dispute resolution.

10.3.6 Notice that Contract is Subject to Termination Provisions of A.R.S. § 38-511.The parties acknowledge, and as required by law, notice is hereby given that this Contract is subject to A.R.S. § 38-511.

ARTICLE 11 – INSURANCE

11.1 For pre-construction services covered under this Contract, CMAR shall provide insurance in accordance with this Article 11.

11.2 CMAR shall provide proof of such insurance and all required endorsements in forms Acceptable to PMGAA prior to commencing any Work or providing any Services under this Contract.

11.3 Failure to provide proof of insurance and the required endorsements acceptable to PMGAA will be a material breach and grounds for termination for cause of this Contract by PMGAA.

11.4 The CMAR and Subcontractors shall purchase from and maintain in a company or companies authorized to do business in Arizona the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CMAR, his agents, representatives, employees, or subcontractors. Such insurance shall be effective for the duration of the contract and for three (3) years thereafter.

11.5 Workers' Compensation. Workers' Compensation insurance with statutory limits as required by the State of Arizona and Employer's Liability insurance with limits of no less than $1,000,000 per occurrence for bodily injury, $1,000,000 per employee for bodily injury by disease and a $1,000,000 policy limit for bodily injury by disease. Such Workers' Compensation insurance will cover obligations imposed by federal and state statutes having jurisdiction of CMAR's or Subcontractors' employees while performing work at locations other than the Site and shall cover CMAR's employees after Substantial Completion of the work and Subcontractor's employees after Subcontractor has substantially performed its Subcontract.

11.6 Commercial General Liability. Commercial General Liability insurance, with a combined single limit of $2,000,000 per occurrence and in the annual aggregate. Such insurance shall include coverage for Bodily Injury, Property Damage, Personal Injury, Broad Form Property Damage (including Completed Operations), Contractual, CMARs' Protective, Products and Completed Operations, and the hazards commonly referred to as "XCU." This insurance shall also be required for work performed at locations other than the Site, shall cover CMAR after Substantial Completion of the work, and shall cover Subcontractor after Subcontractor has substantially performed its Subcontract. Further, this insurance shall contain a severability of interest provision.

11.7 Business Automobile Liability. Business Automobile Liability insurance, with a combined single limit no less than $5,000,000 combined single limit per accident for Bodily Injury and Property Damage with respect to all vehicles used in performance of the work on or off the Site, whether owned, non-owned, leased, hired, assigned, or borrowed.

11.8 Additional Insured. The policies required by Articles 11.6, and 11.7 herein shall be endorsed to include Phoenix-Mesa Gateway Airport Authority, their Design Professional, their officer's employees, successors and assigns as additional insured, shall provide that the insurance shall be primary, and shall stipulate that any insurance carried by the additional insured and their officers or employees, shall not be contributory insurance.

11.9 Waiver. CMAR and Subcontractors waive all rights of recovery against Phoenix-Mesa Gateway Airport Authority and the Design Professional, their directors, officers, employees, successors and assigns, and shall require its insurers to waive all rights of subrogation against Phoenix-Mesa Gateway Airport Authority and the Design Professional, and all of their respective directors, officers, employees, successors and assigns.

11.10 CMAR to Provide Certificates of Insurance. Before commencing any work under this Contract, CMAR shall furnish PMGAA with Certificates of Insurance issued by CMAR's and Subcontractors' insurer(s), as necessary, in a form acceptable to PMGAA, as evidence that the insurance policies, including all applicable endorsements, providing the coverage, conditions, and limits required by this Article 11, are in full force and effect. PMGAA has the right to request and receive promptly from the CMAR certified copies of any or all of such insurance policies and/or endorsements. PMGAA will not be obligated, however, to review such certificates, policies, and endorsements, or to advise CMAR of any deficiencies in such documents, and such receipts shall not relieve CMAR from, or be deemed a waiver of, PMGAA's right to insist on strict fulfillment of CMAR's obligations hereunder.

11.11 Cancellation Notice. CMAR's and Subcontractors' Certificates of Insurance shall identify the Contract number and shall provide for not less than thirty (30) days' advance notice of any cancellation, termination, or alteration. All such certificates, endorsements, and notices shall be sent to the following:

PMGAA:	Phoenix-Mesa Gateway Airport Authority
Address:	5835 South Sossaman Road
	Mesa, Arizona 85212-6014
Attn:	Engineering and Facilities Director

11.12 Costs of Insurance. Costs of all insurance coverage required by Article 11 are the sole responsibility of the CMAR.

11.13 Cancellation of Insurance. In the event any insurance coverage for the work is cancelled or terminated, CMAR agrees to replace the insurance without any lapse of protection to PMGAA.

11.14 Contractual Obligations. The stipulation of insurance coverage in this Article 11 shall not be construed to limit, qualify, or waive any liabilities or obligations of CMAR, assumed or otherwise, under this Contract.

11.15 Notice of Loss. All physical loss or damage to the work or to PMGAA property must be reported immediately to PMGAA.

11.16 Higher Limits. If the CMAR maintains higher limits than the minimums stated in this Article 11, PMGAA requires, and shall be entitled to, coverage for the higher limits maintained by the contractor.

Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

11.17 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to, and approved by, PMGAA. At the option of PMGAA, either: the CMAR shall reduce or eliminate such deductibles; or the CMAR shall provide a financial guarantee satisfactory to PMGAA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

11.18 Claims Made Policy. No Claims Made policies will be accepted.

11.19 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than "A-"unless otherwise acceptable to PMGAA.

11.20 Subcontractors. CMAR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CMAR shall ensure that PMGAA is an additional insured on insurance from subcontractors.

11.21 Special Risks or Circumstances. PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances

ARTICLE 12 – INDEMNIFICATION

12.1 To the fullest extent permitted by law, Design Professional or CMAR, its successors, assigns, and guarantors, shall indemnify and hold harmless PMGAA, and its officers and employees, from liabilities, damages, losses and costs, including reasonable attorney fees and court costs, to the extent caused by the negligence, recklessness or intentional wrongful conduct of Design Professional, CMAR, or other persons employed or used by Design Professional or CMAR in the performance of this Contract

12.2 If a court of law determines that this section is void under A.R.S. § 34-226 because a word, words, or phrase in this section makes this section void under A.R.S. § 34-226, then such word, words, or phrase (as applicable) shall be deemed to be stricken to the extent necessary so that this section is not void under A.R.S. § 34-226 and the remaining obligations shall remain in full force and effect; and the language of this section shall be retroactively reformed to the extent reasonably possible in such a manner so that the reformed language provides essentially the same rights and benefits to the fullest extent permitted by A.R.S. § 34-226(B).

ARTICLE 13 – DISPUTE RESOLUTION

13.1 All disputes arising out of or relating to the Contract, the Work or the Project shall be resolved pursuant to the Dispute Resolution process set forth in the General Conditions, Division II of the Contract Documents.

13.2 CMAR agrees that during any dispute between the parties, CMAR will continue to perform its obligations under the Contract until such dispute is resolved.

13.3 Notwithstanding any other provision in this Contract, PMGAA has the right to immediately file in court and pursue an action for a temporary restraining order and/or injunctive relief against CMAR if PMGAA determines that such action is necessary to protect its interests under the Contract, to obtain specific performance of any provision of the Contract, to advance the completion of the Project, or to protect health, welfare and/or safety, including without limitation, an action of an order directing CMAR to continue or return to construction the Work under the Contract.

13.4 PMGAA and CMAR may adjudicate any dispute between them arising out of or relating to this Contract through alternative dispute resolution if they mutually agree. PMGAA and CMAR shall include a similar alternative dispute resolution provision in all agreements with all other contractors, subcontractors, suppliers, and consultants retained for the Project, and they shall require these contractors, subcontractors, and suppliers to include similar alternative dispute resolution provisions in all contracts relating to the Project.

ARTICLE 14 – ALLOWANCES

14.1 UNLESS OTHERWISE PROVIDED IN THE CONTRACT DOCUMENTS:

14.1.1 The CMAR shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by PMGAA.

14.1.2 Whenever the costs is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order.

ARTICLE 15 – DISADVANTAGED BUSINESS ENTERPRISE (DBE)

For pre-construction services covered under this Contract, CMAR is bound by the DBE requirements of the Contract Documents.

ARTICLE 16 – TITLE VI

16.1 CIVIL RIGHTS ACT OF 1964, TITLE VI - GENERAL

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

16.2 The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

16.3 TITLE VI COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials

and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the nondiscrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

   a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

   b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

16.4 CIVIL RIGHTS –TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

END OF CMAR PRE-CONSTRUCTION SERVICES CONTRACT

WITNESS WHERE OF, the parties here to executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

CMAR
Pulice Construction, Inc., an Arizona Corporation

By: _____

Name: Victor M. Jimenez

Title: President

Date: 04/01/2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

EXHIBIT A – PRE-CONSTRUCTION SERVICES SCOPE OF WORK AND SCHEDULE

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's/Design Professional's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

See attached

EXHIBIT B – SUBMITTAL REQUIREMENTS FOR GMP PROPOSAL

1. Unless otherwise instructed, CMAR shall submit three (3) bound copies of any GMP Proposal(s) that includes the following documents, complies with the requirements specified in this Contract and the following instructions. The GMP Proposal(s) shall be organized as follows:

   A. Table of Contents
   B. Project Description
   C. GMP Proposal and the following attachments:
      1) Detailed Cost Estimate upon which the GMP is based, and if for phased work, a total project Detailed Cost Estimate as of the time of the phased GMP Proposal.
      2) List of Subcontractors
      3) Schedule of Manufacturers and suppliers
   D. Schedule of Values("SOV")
   E. Project Schedule and a variance report to the Baseline Project Schedule
   F. Construction phasing/traffic control (if applicable)
   G. List of GMP Plans and Specifications

2. A summary breakdown of the GMP Proposal is shown on page 2 of this Exhibit, along with instructions regarding certain line items. The definitions included in Article 2.2 apply to the line items, as appropriate, and set-forth the criteria to be used by CMAR in providing the requested breakdown.

3. The most current version of CMAR's SOV shall be submitted with the GMP Proposal. Supporting documents for the SOV, including the request for bids, copies of bids received and clarification assumptions used for the particular bid item listed must be provided in an organized manner that correlates with the SOV.

4. The final accepted GMP shall not include any clarifications/assumptions made by CMAR in the preparation of the GMP Proposal, unless any such clarification or assumption is agreed to in writing by PMGAA.

5. The most current version of CMAR's Detailed Project Schedule shall be submitted with the GMP Proposal with a variance report from the project's Baseline Schedule. The Detailed Project Schedule shall be prepared as specified in this Contract.

6. A table listing all drawing sheets included in the GMP Plans and Specification shall be included with the GMP package. The table shall include the following information: Sheet Number, Sheet Name, Sheet Version, and Date of Issuance. The GMP Proposal and Specifications, as defined, shall be transmitted as specified in this Contract.

NOTE: The submittal package must be kept as simple as possible all on 8½x11 sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

EXHIBIT C – COMPLIANCE WITH PMGAA PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS

CMAR agrees to comply with Phoenix-Mesa Gateway Airport Authority's published Rules and Regulations and Minimum Standards as amended from time to time.

1. Rules & Regulations (link)
   https://www.gatewayairport.com/policiesdocumentsandforms

2. Minimum Standards (link)
   https://www.gatewayairport.com/policiesdocumentsandforms

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Resolution No. 24-17

To: Board of Directors
From: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Airport Minimum Standards Updates
Date: April 16, 2024

Proposed Motion
To approve the 2024 updates to the Airport Minimum Standards.

Narrative

The Federal Aviation Administration suggests that airports establish reasonable minimum standards that are relevant to the proposed aeronautical activity at the Airport. Airports should apply these standards objectively and uniformly to all similarly situated on-airport aeronautical service providers. The purpose for imposing minimum standards is to ensure safe, efficient, equitable, and adequate level of operation and services are offered to the public.

Phoenix-Mesas Gateway Airport Authority currently has established minimum standards that were adopted in 2016. Staff proposes an update to these minimum standards to include more specific details for certain sections.

Fiscal Impact
There is no fiscal impact related to the proposed minimum standards update.

Attachment(s): Airport Minimum Standards Updates -DRAFT

RESOLUTION NO. 24-17

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve the 2024 updates to the Airport Minimum Standards;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby approves the 2024 updates to the Airport Minimum Standards. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

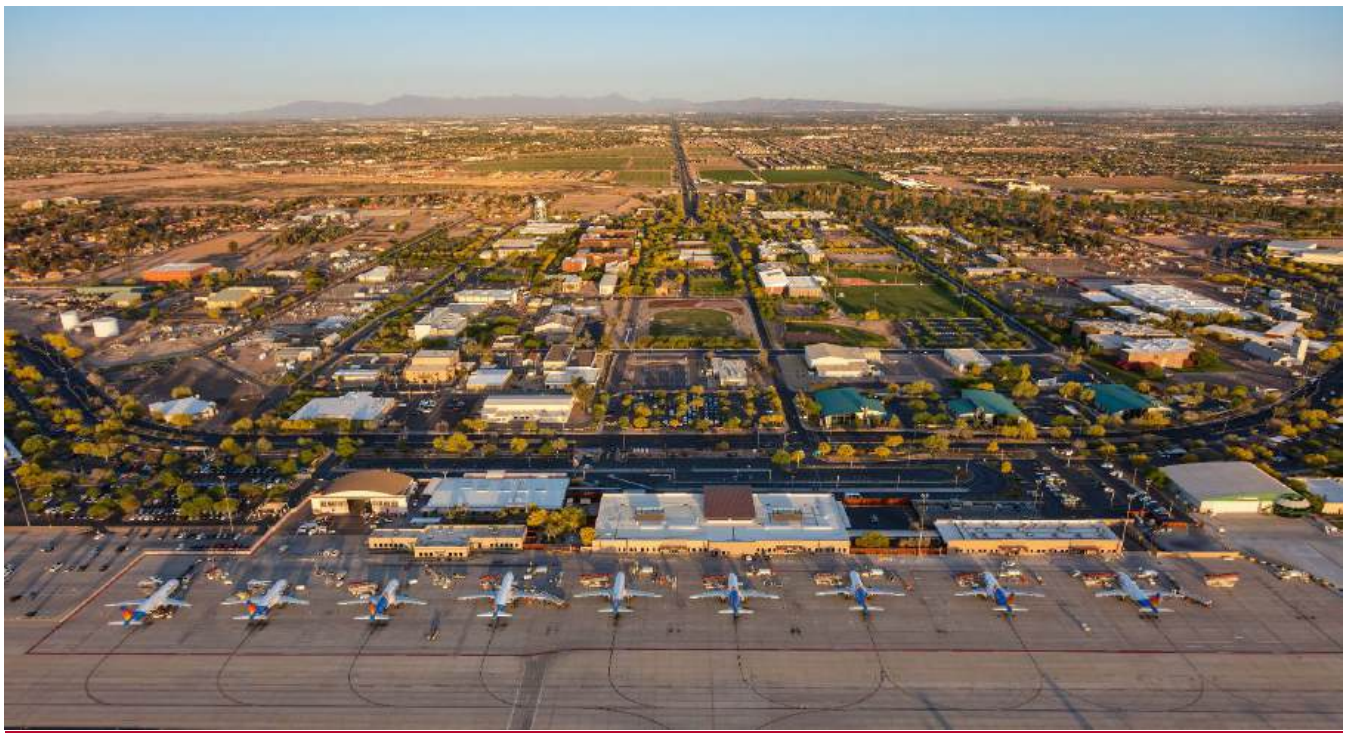
APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

Mesa, Arizona

Airport Minimum Standards



April ~~2016~~2024

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CHAPTER I INTRODUCTION

1.1 Policy.

1.1.1 The Phoenix-Mesa Gateway Airport Authority (PMGAA), a joint powers airport authority authorized by the Arizona Revised Statutes, being the owner, operator and sponsor of the Phoenix-Mesa Gateway Airport ("Airport"), an FAA-designated commercial service airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona, does hereby establish these AIRPORT MINIMUM STANDARDS ("STANDARDS") to encourage, promote, and ensure:

- The delivery of high-quality products and services to Airport users;
- The design, development, and operation of quality improvements and facilities at the Airport;
- Safety and security for Airport tenants, users, and the general public;
- The economic health of Airport businesses; and
- The orderly, long-term development of Airport property.

1.1.2 These STANDARDS supersede and replace the ~~Williams~~ Phoenix-Mesa Gateway Airport Minimum Standards dated ~~September~~ April 1~~5~~9, ~~1998~~2016.

1.2 Applicability.

1.2.1 These STANDARDS define the threshold entry requirements for any and all persons and business entities desiring to provide commercial aeronautical services to the public and/or participate in commercial aeronautical activities at and on the Airport. Their uniform application relates primarily to the public interest, discouraging substandard entrepreneurs, protecting established aeronautical activity at the Airport and safeguarding the interests of Airport users and patrons.

1.2.2 Except as otherwise provided herein, all commercial aeronautical services permitted by and conducted in accordance with these STANDARDS shall not convey an exclusive right to any operator to provide such service(s).

1.2.3 These STANDARDS do not apply to PMGAA or certified air carriers operating from the Airport in accordance with 14 CFR Part 121, or foreign air carriers under 14 CFR Part 129. In addition, these STANDARDS do not apply to: (i) operators acting only as off-Airport suppliers of wholesale goods to Airport-based operators or tenants; (ii) persons or other entities providing individual initial and/or recurrent flight training to aircraft owners using said owner's own aircraft; or (iii) operators providing commodities and services within the Airport commercial passenger terminal area under written agreement ("Agreement") with PMGAA. However, all such suppliers and flight training operators are subject to the *Airport Rules and Regulations* at all times while on Airport property, and flight training operators shall, in addition, comply fully with the applicable provisions of 14 CFR Part 61, 141 and/or 142, and all other applicable laws and regulations.

1.2.4 Any activities for which there are no specific minimum standards set forth herein shall be subject to such standards, requirements, and provisions as are developed and/or negotiated by PMGAA on a case-by-case basis, and are set forth in such operator's written Agreement with PMGAA or other applicable policies adopted by PMGAA.

1.2.5 In the event of conflict between these STANDARDS and the *Airport Rules and Regulations*, the applicable provisions of the *Airport Rules and Regulations* shall apply.

1.3 Grounds for Denial.

Any application for an Agreement with PMGAA to engage in commercial aeronautical activity at the Airport that does not meet the intent of all qualifications, standards and requirements established by PMGAA in these STANDARDS is subject to denial, as provided herein.

1.4 Waiver of Standards.

The PMGAA Executive Director may, at his or her sole and absolute discretion, waive any or all provisions of these STANDARDS for the benefit of any government or governmental agency performing non-profit public services to the aviation industry, or performing fire prevention, firefighting or rescue operations. The Executive Director may further temporarily waive any of these STANDARDS for other applicants when such waiver is deemed to be in the best interests of safety and security of Airport operations, offer significant community benefit, promote the economic viability of the Airport and not be in violation of any Federal, state or other law, statute, ordinance, rule, regulation or PMGAA grant assurance to the FAA.

1.5 Prohibited Activities.

In the interest of aviation safety relating to dissimilar (in size, speed and capability) aircraft traffic operations at the Airport, individuals or businesses operating ultra-light aircraft, hot air balloons, or unmanned aircraft (UAS)/drones shall not be permitted to use the Airport as a base of operations without prior written approval from Executive Director or his/her designee. Further, and to avoid potential encumbrances upon Airport property and limitations on its ability to satisfy its Federal obligations, PMGAA prohibits through-the-fence operations from adjacent Airport property.

1.6 Amendments.

Amendments to these STANDARDS shall be proposed by the Executive Director for consideration by the PMGAA Board of Directors for adoption. Such amendments shall become effective upon Board approval or as indicated in the resolution or motion of approval.

1.7 STANDARDS Review and Update Policy.

These STANDARDS may be reviewed by the Executive Director periodically and updated or amended (the latter as provided in SECTION 1.6 herein), as necessary, to ensure the original objectives upon which the STANDARDS are based remain consistent with Airport practices. Further, such reviews and any resulting updates or amendments shall ensure these STANDARDS promote equal opportunity and fair competition at the Airport.

1.8 Existing Operators.

Operators existing and providing services at or on the Airport as of the date of these STANDARDS who do not meet all standards and requirements specified herein shall be considered non-conforming. All such non-conforming operators shall correct any and all deficiencies and return to conformance upon the occurrence of any of the following: (i) a change to an existing Agreement, including amendment, assignment, renewal or expiration; or (ii) a change in majority ownership (51 percent or more) of the operator's business.

CHAPTER II DEFINITIONS

The terms used herein, whether or not capitalized, shall be given the meaning specified below and are considered supplemental to other definitions and terms contained in the *Airport Rules and Regulations*.

Aeronautical Activity – any activity or service conducted at the Airport that directly or indirectly involves, makes possible, is required for or is related to the operation of aircraft, or which contributes to or is required for the safety of such operations.

Agreement – a written contract, lease, permit, license, or other similar document executed by and between PMGAA and an operator specifying the terms and conditions under which the operator may conduct business activities at the Airport, and which recites or specifies the terms and conditions under which such activities may be conducted, including but not limited to, the agreement term, rents, fees, and other charges to be paid, and the rights and obligations of the respective parties.

Aircraft Charter or Air Taxi – the commercial air transport of persons or property under the provisions of 14 CFR Parts 91 or 135, either on an exclusive contract basis, or as a non-exclusive air taxi operator.

Aircraft Owner – a person or other such entity holding legal title to an aircraft, or having rights to exclusive possession of an aircraft via lease or other instrument.

Aircraft Painting and Interior Refurbishment – all commercial activities required for and related to the painting of aircraft exteriors, and to the functional and/or cosmetic replacement or reconditioning of aircraft cabin interiors, fixtures, etc. Such activities do not include those other activities more commonly associated with airframe and power plant maintenance, as defined in 14 CFR Part 43 and elsewhere in these STANDARDS.

Aircraft Rental – the commercial rental or lease of aircraft (fixed and rotary wing) to the public for compensation, for a defined period of time.

Aircraft Sales – the commercial sale of new or used fixed and/or rotary wing aircraft through brokerage, ownership, franchise, distributorship or licensed dealership.

Aircraft Storage – refers to the commercial rental or lease of aircraft storage facilities within an operator's owned or leased hangars, or at outdoor ~~tie-down~~tie-down locations within the operator's leasehold area. Such services are provided per written agreement between the operator and aircraft owner.

Airframe and Power Plant Maintenance – the provision of major aircraft maintenance services for fixed and/or rotary wing aircraft, including those services involving the repair, maintenance, inspection, construction, and modification and/or alteration of/to aircraft, aircraft engines, propellers, and accessories, and the removal of engines for major overhaul as defined in 14 CFR Part 43. ~~This~~ This service category also includes the sale of aircraft parts and accessories. It pertains only to the provision of such services for aircraft not owned, leased or operated by, or under the full and exclusive control of, the operator. This term is applicable to organizations commonly referred to as "maintenance, repair and overhaul" (MRO) operators or organizations and aircraft manufacturer service centers.

Airframe and Power Plant (A&P) Mechanic – a person holding an aircraft mechanic certificate with both airframe and power plant ratings, as authorized and described in 14 CFR Part 65.

Airport – Phoenix-Mesa Gateway Airport, including all PMGAA-owned or leased real or personal property, buildings, facilities and improvements within the boundaries thereof, as it presently exists or as it may exist when it is hereafter modified, expanded or developed, and including all facilities depicted on the most current *Airport Layout Plan*.

Airport Layout Plan (ALP) – the current, FAA-approved depiction of the physical layout of the Airport, including the location and configuration of runways, taxiways, buildings, roadways, utilities, navigational aids, etc.

Aviation Shop Repair Service – the fee-for-service operation of a single or combined FAA-certified shop or shops for the repair, service, replacement, or refurbishment of aircraft radios, propellers, instruments, and accessories for general aviation aircraft, including those items described in 14 CFR Part 43, Appendix A (e.g., aircraft radios, electrical systems, or instruments). Also includes the sale of new and/or used aircraft radios, propellers, instruments, and accessories.

Based Aircraft – an aircraft which the owner or lessee physically locates at the Airport for an undetermined period and, whenever absent from the Airport, its owner or lessee intends to return the aircraft to the Airport for long-term storage on a permanent or semi-permanent basis.

Commercial Aeronautical Activity – the conduct of any aspect of an aeronautical activity business, concession, operation, or agency providing goods and services to any person for compensation or hire, including an exchange of services, whether or not such objectives are accomplished. An activity is considered commercial regardless of whether it is performed for-profit or as non-profit, charitable, or tax exempt.

Commercial Operator – a person, firm, corporation, or other entity ("operator") which makes possible, or is required for, the operation of aircraft, or which contributes to, or is required for, the safe conduct and utility of aircraft operations, the purpose of such activity being to generate and/or secure earnings, income, compensation, and/or profit, whether or not such objectives are accomplished.

Exclusive Right – a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred either by express agreement, contract, license, and permit, or by the imposition of unreasonable standards or requirements, or by any other means.

Fixed Base Operator (FBO) – a full-service Commercial Operator authorized and engaging in activities such as aircraft fueling, aircraft maintenance, and other aircraft-related services.

Flying Club – a non-commercial and non-profit entity organized for the purpose of providing its members with any number of aircraft for their personal use and enjoyment. Aircraft must be vested in the name of the flying club owners on a pro-rata share basis and the club may not derive greater revenue from the use of the aircraft than the cost to operate, maintain, and replace such aircraft.

Fuel Handling or Fueling – the transportation, sale, delivery, dispensing, storage, or draining of fuel or fuel waste products to or from aircraft, vehicles, or equipment.

Fuel Storage Area – any portion of the Airport designated and/or authorized temporarily or permanently by the PMGAA Executive Director as an area in which aviation fuel, motor vehicle gasoline, or any other type of fuel or fuel additive may be stored or loaded.

General Aviation – all phases of aviation other than aircraft manufacturing, military aviation and scheduled or non-scheduled commercial air carrier operations.

Limited and Miscellaneous Aircraft Service and Support – a Commercial Operator authorized to offer and/or perform one or more of the following limited or miscellaneous activities at or on the Airport: (i) limited aircraft, engine or accessory maintenance, cleaning (including appearance services) or component repair; (ii) aviation ground school instruction and flight simulator training; (iii) charter flight coordination; (iv) aircraft and/or aircrew management; (v) aircraft ground handling (above- and/or below-wing); and (vi) other miscellaneous activities directly related to aircraft service and support not specified elsewhere in these STANDARDS. The term "limited" refers only to aircraft, engine and accessory maintenance activities that may be permitted only in the absence of an appropriate Airframe and Power Plant Maintenance and/or Aviation Shop Repair Service presence on the Airport that is in full compliance with these STANDARDS.

Pilot Flight Training – the provision of personal instruction of prospective and active pilots in dual and solo flight, in fixed or rotary wing aircraft, including related ground school instruction, as necessary to complete an FAA written pilot's examination and flight check ride for various categories of pilots'

licenses and ratings. Said activities are performed in accordance with 14 CFR Part 61, 14 CFR Part 141 and/or 14 CFR Part 142.

Preventive Aircraft Maintenance – maintenance that is not considered a major aircraft alteration or repair and does not involve complex assembly operations, as listed in 14 CFR Part 43, except for Item 22. Item 22 involves the replacement of prefabricated fuel lines and shall, for purposes of these STANDARDS, be considered a "major" aircraft repair.

Self-Fueling – the dispensing of aviation fuels into fuel tanks of aircraft that are owned or operated by an authorized Airport tenant or based aircraft owner, using the tenant's/owner's equipment and employees.

Self-Service – aircraft refueling, repair, preventive maintenance, towing, adjustment, cleaning, and general services performed by an aircraft owner or his/her employees on his/her aircraft using resources supplied by the aircraft owner.

Self-Service Fueling – the dispensing of aviation fuel into fuel tanks of aircraft by the operator of that aircraft using dispensing equipment contained in fixed cabinets that are owned and made available by an authorized Airport tenant within their leasehold area; also, the commercial operation of ~~an~~ an unmanned stationary fuel tank and dispensing equipment for general use via a card reader. This includes the operations of anyone using this type of equipment to provide fuel for sale or reuse.

Specialized Aviation Service Operator (SASO) – a Commercial Operator maintaining facilities or a physical presence on the Airport for the purpose of providing one or more of the following: (i) aircraft charter or air taxi, including air ambulance and aeromedical evacuation services; (ii) aircraft painting and refurbishment; (iii) aircraft rental; (iv) aircraft sales; (v) aircraft storage; (vi) airframe and power plant maintenance; (vii) aviation shop repair services; and (viii) pilot flight training.

Specialized Commercial Flying Service – a Commercial Operator authorized to engage in air transportation for hire for the purpose of providing the use of aircraft for one or more specialized activities, including but not limited to~~:~~ (i) non-stop sightseeing flights that begin and end at the same airport; (ii) ~~crop~~ crop dusting, seeding, spraying and bird chasing; (iii) banner towing and aerial advertising; (iv) aerial photography or survey; (v) power line, cable or pipeline patrol; (vi) firefighting; (vii) aerial dispersal of chemicals, dispersants, retardants, etc.; (viii) helicopter operations in support of construction or repair work; and (ix) any other activities directly related to air transportation services for hire that not specified elsewhere in these STANDARDS.

Sublease – a written agreement, approved by PMGAA, stating the terms and conditions upon which a ~~third party~~third-party operator leases space from an Airport leaseholder.

UAV/UAS/Drone – an unmanned aerial vehicle (UAV), commonly known as a drone, ~~as~~or an unmanned aircraft system (UAS), and also referred by several other names, is an aircraft without a human pilot aboard.

CHAPTER III APPLICATION PROCEDURES

3.1 Application Preparation and Submission.

3.1.1 All prospective operators desiring to conduct or participate in Commercial Aeronautical Activity at or on the Airport shall complete a PMGAA Agreement Application (or adhere to all Request for Proposal (RFP) instructions, if an opportunity is being competitively bid) and enter into an appropriate Agreement with PMGAA prior to advertising or conducting any such activities at or on the Airport. An application may be downloaded and completed via the Airport website, ~~www.phxmesagateway.org,~~www.gatewayairport.com, or obtained at the Airport Administrative Offices, 5835 S. Sossaman Road, Mesa, Arizona 85212. Information contained in and submitted with this application must include:

a. Name(s) and contact information (e.g., mailing addresses, telephone numbers, email addresses) for all parties whose names may appear on agreements or other documents as being a partner, director or corporate officer.

b. The proposed nature and scope of the applicant's business.

c. Current financial information.

(1) *For existing companies*: Current audited financial statements. If such statements are over six months old, the operator shall provide those audited statements and include a certified statement from a corporate officer that there have been no material changes in the business' reporting, operations, debt, and that there are no undisclosed legal matters. If the prospective operator has no audited statements (for whatever reason), the operator shall then provide three years of un-audited financial statements sufficient to demonstrate a financial capability commensurate to the activity or activities contemplated.

(2) *For new companies with an established parent*: An appropriate financial guarantee (with supporting financial statements) from the parent company.

(3) *For other new companies*: Sufficient financial information to demonstrate, as determined solely by PMGAA, the applicant's ability to sustain its proposed business activities for the first twelve months of operation at the Airport.

d. Listing of assets owned, being purchased or leased that will be used on the Airport.

e. For all limited liability and sole proprietorship business applicants, a listing of all business owners and written authorization to allow PMGAA and its Executive Director to obtain credit reports for each, if determined necessary by PMGAA.

f. Proposed Airport location(s) of the business, including plans for any required or planned improvements.

g. Names and qualifications of individuals who will manage the business.

h. The number of persons to be employed at the beginning and through the proposed term of the operator's prospective agreement.

i. The proposed hours of operation.

j. Copies of FAA and other licenses and/or permits pertinent to the proposed business operation(s), including proof the applicant is authorized to conduct its proposed business activities within the State of Arizona.

k. Business and banking references.

l. Certification that the applicant is in good standing with the FAA, PMGAA and all other pertinent regulatory agencies, meaning it has not had any authorizations, licenses

or permits revoked or suspended, or defaulted on any prior or present agreement with PMGAA or any other airport operator, within the previous five years.

m. A listing of all other business locations operated by the applicant during the previous five years, including addresses and dates.

3.1.2 All applications are to be submitted, with the currently applicable processing fee and all information specified in the application and SECTION 3.1.1 above, to PMGAA at the following address:

Phoenix-Mesa Gateway Airport Authority
Attn.: Business Development – Application Processing
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

Alternatively, if application is being made via an RFP submittal, applicants should submit completed responsive proposals to the address required by the RFP.

3.2 Application Review and Processing.

3.2.1 All submitted Agreement applications will be reviewed for completeness and compliance with these STANDARDS and Airport leasing policy by PMGAA staff, and a due diligence evaluation of the applicant's qualifications, experience, and capabilities performed. Normally, this process will take approximately 30 days.

3.2.2 Applications receiving a favorable PMGAA staff review will be followed by preparation of an Agreement Terms Summary that serves as the basis for negotiations between the parties regarding an Agreement that will enable the applicant to operate at and on the Airport. Mutual agreement of the terms and conditions of the Agreement Terms Summary will then lead to preparation of an initial draft of the appropriate Agreement. Once agreed by the parties, the final draft of the document will be forwarded to the PMGAA Executive Director for his/her approval and, if appropriate, subsequent submission to the PMGAA Board of Directors for their formal consideration.

3.2.3 Normal processing time from application receipt until consideration by PMGAA ~~generally~~ will be approximately two (2) to six (6) months, depending upon the complexity of the activities involved and the extent of negotiations leading to finalization of the Agreement.

3.3 Grounds for Denial of an Application.

Agreement Applications may be denied for any of the following reasons:

3.3.1 The applicant does not, for any reason, fully meet the qualifications, standards, and/or requirements established in these STANDARDS.

3.3.2 The applicant's proposed operation or construction would create, in the sole and absolute determination of PMGAA, a safety hazard on the Airport.

3.3.3 Approval of the application will require PMGAA to expend funds or supply labor or materials in connection with the proposed activity or operation that PMGAA is unable or unwilling to expend or supply, or the proposed activity or operation will result in a financial loss to PMGAA.

3.3.4 No appropriate, adequate, or available land, space, or building(s) exist at the Airport to accommodate the applicant's entire operation at the time of the application, and none is contemplated to be available within a reasonable period of time thereafter.

3.3.5 The proposed operation, development, or construction does not comply with PMGAA's FAA-approved *Airport Master Plan* or *Airport Layout Plan*.

3.3.6 A proposed operation, development, or construction will result in an undue concentration of aircraft or buildings in one or more contiguous location(s), or will result in undue interference with the operations of any present operator at the Airport, or limit access to a present operator's leased premises.

3.3.7 The applicant has intentionally or unintentionally misrepresented or omitted a material fact in the application or supporting documents, or has failed to make full disclosure therein.

3.3.8 The applicant, or any officer, director, key employee, or person having a controlling interest in the applicant, has a record of: (i) violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited to civil air regulations and FAA regulations; (ii) defaulting in the performance of a lease, license, permit or similar agreement at the Airport, or at any airport; and (iii) having been convicted of any felony or misdemeanor involving moral turpitude.

3.3.9 The applicant, in the opinion of the Executive Director, has not provided verifiable evidence of adequate financial responsibility or does not exhibit the experience necessary to undertake the proposed operation or activity based on information provided with the application.

3.3.10 The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount(s) required by PMGAA for the proposed operation, development, or construction.

3.4 Application Appeal Process.

Applicants shall be afforded an opportunity to appeal a denial of their application to PMGAA's Executive Director or Board of Directors (if appropriate), subject to the following stipulations:

3.4.1 Written notice of the appeal must be received by the Executive Director within ten business days of the date of receipt of formal notice of application denial. Such appeal notice shall include a detailed, factual basis for the appeal, the specific remedy sought or proposed, and an explanation concerning how approval of the applicant's appeal is in the best interests of PMGAA and the Airport.

3.4.2 The Executive Director shall render his/her decision in writing within 30 calendar days of the applicant's written notice.

3.4.3 The Executive Director may determine that the applicant's appeal should be heard and considered by the PMGAA Board of Directors. If so determined, the Executive Director will place the matter on the agenda of a Board meeting within 60 calendar days of the Executive Director's receipt of the appeal.

3.4.4 The decision of the Executive Director (or Board of Directors, as applicable) regarding any applicant appeal shall be considered final.

CHAPTER IV MINIMUM STANDARDS

4.1 Basic Requirements for All Operators.

All operators engaging in commercial Aeronautical Activities at the Airport shall meet or exceed the requirements of this SECTION, the *Airport Rules and Regulations,* and any other minimum standards applicable to the operator's activities, as set forth in these STANDARDS.

4.1.1 Written Agreement.

a. Before beginning or advertising operations at or on the Airport, prospective operators must enter into an appropriate written Agreement with PMGAA (or one pre-approved by PMGAA if subleasing space from another Airport tenant) that specifies the terms and conditions under which the operator will be permitted to do business, including but not limited to: (i) the agreement term; (ii) permitted uses (iii) the rentals, fees and charges to be paid; (~~iii~~iv) the rights, privileges and obligations of the respective parties; and (~~i~~v) other relevant provisions. Such Agreement (or approved sublease) shall be consistent with these STANDARDS.

b. Agreements shall not be considered executed and or in-force until approved by the Board of Directors, when required, and signed by the Executive Director.

c. The term of an Agreement shall be mutually agreed upon by PMGAA and the operator, with due consideration given to the operator's financial investment and need to amortize leasehold improvements. Aeronautical land leases are limited to the minimum number of years necessary for the operator's investment amortization and receipt of a reasonable investment return, ~~up to a maximum of~~typically no more than 50 years. Land lease duration determinations will be guided by an operator's financial investment per acre, as well as Federal Aviation Administration (FAA) guidelines.

d. If an operator desires to sublease space to another operator, or subcontract a function required by these STANDARDS, the operator must obtain advance written approval of the Executive Director to do so, and may, depending upon the activities conducted or service(s) provided, require such sub lessee or subcontractor to enter into a separate Agreement with PMGAA. In addition, the form and substance of all subleases also shall require advance written approval of the Executive Director prior to execution, and no sublease may deviate from the permitted use(s) authorized in the operator's original agreement with PMGAA.

4.1.2 Site/Premises Development Standards.

a. *Location*. Operators shall be permitted to conduct commercial Aeronautical Activities only in areas of the Airport specified for such use in the *Airport Master Plan* and *Airport Layout Plan*, and as defined within the operator's Agreement.

b. *Space Requirements*. The minimum space requirements specified for each activity elsewhere in this CHAPTER IV shall be satisfied. PMGAA will consider these requirements fulfilled in the case of duplications only for combined operations in a common location (e.g., a Pilot Flight Training Operator wishing to also provide Aircraft Rental services need only have one office, one set of restrooms, one customer lounge). An applicant who proposes combined operations in a common location shall provide a building layout or similar plan that demonstrates functional compliance with the applicable STANDARDS herein.

c. *Airport Design Guidelines*. The construction of improvements and infrastructure on the Airport must be performed in accordance with PMGAA's *Design Guidelines* and plans approved by the City of Mesa ("City"), including all related and applicable statutes,

ordinances, building codes, rules and regulations of PMGAA, the City, the FAA, and other authorities having jurisdiction over the Airport, the premises, or the operator's activities. Operators are prohibited from constructing, installing, removing, or modifying any improvements on their premises without advance written approval of PMGAA's Executive Director and, if appropriate, PMGAA's Design Review Committee.

d. *Bonds and Insurance*. Operators constructing improvements on leasehold premises valued at more than $100,000 shall provide PMGAA, prior to commencement of construction of such improvements, a valid performance bond and/or payment bond, in an amount equal to the hard construction costs plus ten percent (10%), to guarantee successful completion of those improvements. Said bonds shall be maintained and kept in full force and effect until all work items previously approved by PMGAA are complete. In addition, operators shall carry appropriate commercial general liability and builder's risk insurance policies with levels of coverage as specified by the Executive Director throughout the improvement construction period.

4.1.3 Premises Maintenance Responsibility Standards.

Operators shall, at their sole cost and expense, maintain, repair, and keep in good condition all buildings, improvements, pavements, landscaping, lighting, and equipment on their premises, as specified by their Agreement.

4.1.4 Personnel Standards.

a. Operators shall employ a qualified, competent, experienced, full-time on-site manager to supervise and direct the performance of the operator's activities at the Airport, and one or more qualified assistant managers to act for the manager in his or her absence. Operators also shall employ and have on-duty trained personnel in such numbers and with such certificates and ratings as are required to comply with all STANDARDS pertinent to the commercial Aeronautical Activities the operator has been authorized to perform, and satisfy all reasonable service requirements of Airport users and the public in an efficient, courteous, and high-quality manner.

b. All operator personnel, while on duty at the Airport, shall be clean, neat in appearance, courteous, and properly uniformed and/or attired at all times. Uniforms shall be required for personnel other than management and administrative staff, and shall, at a minimum, identify the name of the operator and the employee, and such uniforms shall be clean, neat, professional in appearance, and properly maintained.

4.1.5 Security Standards.

a. Operators shall designate responsible primary and secondary persons to serve as contact officials for the coordination of all security procedures and communications with PMGAA. Operators also shall specify and provide 24-hour telephone numbers for each contact person to the Executive Director, and keep any listing of such persons' names and other information current (with designated PMGAA officials) at all times.

b. Operators shall adhere to PMGAA's *Airport Security Plan* pursuant to Transportation Security Administration ("TSA") requirements and 49 CFR Parts 1520, 1540 and 1542.~~, and 14 CFR Part 139.~~ Operators shall at all times comply with all *Airport Security Plan* provisions specified in their Agreement, and in applicable PMGAA security credentialing forms.

4.1.6 Insurance Standards.

a. Operators shall satisfy all insurance requirements established by PMGAA, as specified herein and/or in each operator's Agreement throughout the term thereof. These requirements may vary among different types of operators, and may be periodically adjusted to ensure the interests of PMGAA and other Airport users and operators are adequately protected.

b. Operators shall provide continuous proof of proper insurance meeting their Agreement requirements as a condition of operating at the Airport. All –policies, except those for *Workers' Compensation* and *Employer's Liability* shall: (i) name PMGAA as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than 30 calendar days before such cancellation or modification takes effect (10 calendar days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operators shall not permit any insurance policy to be canceled or modified without the Executive Director's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall –be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

4.1.7 Indemnification Standards.

Operators shall, in all agreements, defend, indemnify and hold harmless PMGAA, including its member governments, elected or appointed officials, agents, contractors, subcontractors, boards, commissions, and employees for, from, and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages, or claims of any nature whatsoever which arise out of the operator's use of and activities at the Airport, to the maximum extent permitted by law. This indemnification shall exclude responsibility for any consequential damages and/or claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors, or agents.

4.1.8 Nondiscrimination Standards.

Operators shall maintain and operate their facilities and services in compliance with all requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation*, as it may be amended. In addition, operators shall:

a. Ensure that: (i) no person is excluded from participation, denied benefits, or otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex, or national origin; (ii) in the construction of any improvements on, over, or under the operator's premises and the furnishing of services thereon, no person shall be excluded from participation, denied benefits, or otherwise subjected to discrimination on the grounds of race, color, or national origin; and (iii) all commercial aeronautical business activities are conducted in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

b. Comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in the operator's business.

c. In furnishing services to the public, not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

d. Charge fair, reasonable, and not unjustly discriminatory prices for each unit of service, notwithstanding the operator's right to offer reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to returning, frequent, or volume customers.

4.1.9 Environmental Compliance Standards.

Operators shall, at each operator's own expense, comply with all present and hereinafter enacted environmental laws, rules and regulations, and any amendments thereto, affecting or applying to the operator's activities at or on the Airport.

4.1.10 Professional Certification Standards.

Operators shall obtain and maintain in full force and affect throughout their Agreement term all FAA and other certificates and licenses necessary for the work being performed at the Airport, and provide copies of such certificates and licenses to the Executive Director upon request.

4.1.11 AOA Motor Vehicle Operation Standards.

Operators shall control the on-Airport transportation of pilots and passengers of transient general aviation aircraft using the operator's facilities and services. Customer motor vehicles are not generally permitted within the Airport Air Operations Area (AOA) unless under escort by an appropriately trained and credentialed operator employee in an appropriately marked vehicle. All such operations shall, however, be governed by the *Airport Rules and Regulations* and *Airport Security Plan*.

4.2 Additional Requirements for Fixed Base Operators (FBO).

At present, PMGAA has elected to exercise its exclusive and proprietary right, pursuant to FAA Advisory Circular 150 5190-6, *Exclusive Rights at Federally Obligated Airports,* to serve as the sole FBO at the Airport, including serving as the Airport's sole commercial aircraft fuel service provider. As a result, no other FBO operators are permitted to operate at or on the Airport at this time. However, should this policy change, Operators seeking to provide FBO services at the Airport shall, in addition to the Basic Requirements for All Operators specified in CHAPTER IV, Section 4.1, satisfy the additional requirements and standards specified herein.

4.2.1 Services and Equipment Standards.

Operators shall provide the following minimum services and related equipment:

a. *Aircraft Fuel Servicing.*

(1) Operators shall provide into-plane retail delivery of a recognized brand of aviation fuel, including Jet-A turbine fuel and aviation gasoline (AvGas 100LL - or such other fuel that may be developed for the operation of piston engine aircraft), and provide motor oils and lubricants appropriate to general aviation aircraft normally operating to and from the Airport.

(2) Minimum FBO fueling equipment shall include not less than two (2) Jet-A refueling vehicle/trucks, each with a capacity of not less than 3,000 gallons, and two (2) AvGas 100LL refueling vehicles/trucks, each with a capacity of not less than 750 gallons. Operators shall be permitted to have only one (1) operable vehicle of each type if they have a written agreement with another FBO operator at the Airport to support Jet-A turbine fuel and AvGas 100LL fueling requirements at times when an operator's fuel service vehicle/truck is unavailable or unable to satisfy customer requirements in a timely manner. All refueling vehicles shall be equipped with calibrated and operable metering devices, bottom-loaded and fully compliant with National Fire Protection Association (NFPA), PMGAA and other pertinent regulatory directives.

(3) Aircraft defueling and re-servicing equipment for both Jet-A and AvGas 100LL. Operators may incorporate this capability into its refueling vehicles/trucks, or provide for this service via separate defueling and re-servicing carts/equipment.

(4) The maximum allowable Operator response time to a customer aircraft fuel servicing request shall be fifteen (15) minutes.

b. *Aircraft Line Services*. Operators shall provide:

(1) Suitable hard surface aircraft parking, tie-down and hangar storage space, including appropriate restraining devices and wheel chocks, for the typical number and type of aircraft simultaneously using the FBO during peak periods, and adequate loading, unloading and towing equipment to safely and efficiently move aircraft and otherwise relocate aircraft should operational necessity and/or circumstances require.

(2) Passenger, flight crew and aircraft ground handling service amenities and support, including: (i) aircraft marshaling, towing and removal; (ii) baggage handling; and (iii) lavatory service.

(3) Other line services, including:

A. Aircraft battery charging.

B. Aircraft ground power capability (28-volt DC and 400-Hz AC), including at least one item of equipment capable of satisfying each requirement.

C. Courtesy transportation service (via not less than one motor vehicle capable of accommodating seven passengers plus baggage) for passengers and flight crews to and from destinations on the Airport and local area hotels and restaurants, and courtesy crew car service (via not less than one full-size car) for transient aircraft crewmember use when such crewmembers are not remaining overnight at the Airport.

D. Arranging passenger and flight crew ground transportation (limousine, taxi, shuttle, rental car, etc.).

E. Placing and delivering (to the aircraft, as required) aircraft catering orders.

F. Providing for fuel spill response, including having spill containment and clean-up supplies and equipment readily available for use.

G. Nitrogen and oxygen service.

c. *Airframe and Power Plant Maintenance (SASO)*. In providing this required service, an FBO shall comply with the applicable requirements specified in CHAPTERS 4.3.1 and 4.3.7 herein.

d. *Additional Services*. Operators shall, in addition to the required services specified in a., b., and c. above, provide not less than two (2) of the following secondary or SASO activities, and satisfy the applicable minimum requirements specified elsewhere in this CHAPTER:

A. Aircraft charter or air taxi;

B. Aircraft rental;

C. Aviation shop repair services; and/or

D. Aircraft storage.~~; and/or~~

~~E. Pilot flight training.~~

e. *Subcontracting*. Operators may provide any required SASO service using its own resources and personnel, or with the prior written consent of the Executive Director, it may provide such service through a subcontractor leasing space from the FBO in accordance with these STANDARDS and the terms and conditions of the FBO's Agreement applicable to subleasing. Operators shall remain primarily responsible for any service performed by a subcontractor, as well as the subcontractor's compliance with these STANDARDS.

f. *Hours of Operation*.

(1) Operators shall offer its aircraft fuel servicing and lines services a minimum of sixteen (16) hours daily, seven (7) days per week, including holidays. The Executive Director may require the Operator to provide service on a twenty-four (24) hour basis, should aircraft traffic at the Airport require such. Operators shall have personnel available on an on-call basis at all times outside the Operator's regularly scheduled business hours for emergency services.

(2) Operators shall offer its SASO services a minimum of eight (8) hours daily, five (5) days per week, excluding holidays, and at other times when required by customer requirements and operational circumstances.

4.2.2 Premises and Facilities Standards.

a. *Leased Premises*. The minimum amount of contiguous land to be leased by an Operator for FBO operations shall be five (5) acres.

b. *Aircraft Parking*. Operators shall provide a minimum of 30,000 square feet of paved apron for aircraft parking and tie-down, and circulating taxi lanes around aircraft operating areas.

c. *Aircraft Hangar(s)*. Operators shall provide a minimum of 20,000 square feet of hangar space, including not less than 12,000 square feet dedicated to the storage of tenant and transient aircraft, and not less than 8,000 square feet dedicated to the provision of aircraft airframe and power plant maintenance services and spare parts storage. Excluding T-hangars, no individual Operator hangar shall be smaller in size than 10,000 square feet and must be capable of accommodating, at a minimum, FAA Airport Design Group II Aircraft.

d. *Automobile Parking*. Operators shall provide sufficient paved and striped parking area within its leasehold premises to accommodate Operator and subtenant customers, passengers and employees on a daily basis. The minimum required number of marked automobile parking spaces provided shall be in accordance with City code.

e. *Terminal, Office and Administrative Space*. Operators shall provide climate-controlled facilities within their leasehold premises that include not less than 5,000 square feet of floor space for operator offices, a flight planning area with access to current weather information and FAA flight plan filing services, a customer lounge and public waiting area, public restrooms and telephones, and an employee break room, restrooms and service response staging area(s). In addition, not less than 1,000 square feet of office and shop space shall be provided for aircraft airframe and power plant maintenance services, in either the Operator's terminal/main building or the hangar in which such services are provided.

f. *Aviation Fuel Storage Facilities*.

(1) Operators shall construct, install and maintain an above-ground aviation fuel tank storage facility within the operator's leasehold area sufficient for the storage of not less than 2~~0~~5,000 gallons of Jet-A turbine fuel and 1~~0~~2,000 gallons

of aviation gasoline (AvGas 100LL). The use of fueling trucks or other vehicles for such storage shall not be permitted. Such construction, installation and maintenance may not be permitted by PMGAA unless the Operator's leasehold area can accommodate such without presenting a potential hazard to Airport users and other Operators, and such siting is consistent with the *Airport Layout Plan*. Facilities must be permitted in accordance with PMGAA Rules and Regulations.

(2) In lieu of constructing, installing and maintaining the fuel storage facility specified in (1) above, Operators may make arrangements with other authorized FBO Operators on the Airport, or with PMGAA, for the storage and/or purchase of fuel, provided the minimum requirements set forth herein are satisfied.

(3) Operators shall demonstrate that satisfactory arrangements have been made with a reputable aviation petroleum/fuel supplier/distributor for the delivery of aviation fuels in quantities necessary to satisfy customer demand and the requirements herein.

g. *Other Service Facilities*. Depending upon which additional SASO activities the FBO operator chooses to undertake, said operator shall comply with the applicable additional requirements specified in this CHAPTER for such activities.

4.2.3 Agreement Term Standards.

The term of an Operator's Agreement shall be not less than five (5) years and no longer than twenty-five (25) years, unless the Operator can demonstrate to the Executive Director that a longer term is necessary to finance and construct improvements on the premises that would be necessary to enable the business to operate in compliance with these STANDARDS. In no event, however, shall the term of any FBO Operator lease exceed forty (40) years.

4.2.4 Prior Experience Standards.

Operators shall possess and demonstrate a minimum of five (5) years' experience in operating a full-service FBO facility at another airport similar in levels and type of service proposed at the Airport, and similar to the types and quantity of air traffic occurring at said airport.

4.2.5 Insurance Standards.

In addition to satisfying the provisions of CHAPTER 4.1.6 hereinabove, Operators shall purchase and maintain, at the Operator's own expense, the types and amounts insurance coverage specified below and sustain such throughout the term of their agreement. Should coverage requirements be less than those specified for SASO or other services performed by the Operator, the higher coverage requirement shall always apply.

a. If operating aircraft, *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

b. *Airport Premises Liability* insurance in the amount of $10,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

c. *Business Interruption* insurance in an amount equal to 12-months' loss of Operator income for operations/activities occurring on or at the Airport due to fire or other catastrophe; optional *Extra Expense* coverage also is recommended (but not required)

to facilitate covering expenses beyond normal operating expenses that might otherwise preclude the business from shutting down during post-disaster restoration.

d. *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence, covering all owned, non-owned and hire vehicles operated on the Airport that are assigned to or used in the performance of "commercial" activities, or are operated within the AOA; an *MSC 90 Endorsement* also is required due to the operator's aircraft fuel service activities.

e. *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $2,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

f. *Hangarkeeper's Liability* insurance in the amount of $5,000,000 (or the value of the largest aircraft that may be in the custody and/or control of the Operator, if greater) per occurrence, covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the care, custody or exclusive control of the Operator on the Airport; coverage may be "ground" (if no test flying or other related airborne/aircraft-powered operations (e.g., ferrying, ground taxiing) are conducted) or "air," and is required anytime aircraft are "moved" by the insured, irrespective of whether or not a physical hangar facility is involved.

g. *Property* insurance in an amount equal to the full insurable value of the Operator's essential personal property and all improvements made to buildings or facilities on the Operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

h. *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by-law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the Operator's employees and others permitted to conduct commercial aeronautical activities on the Operator's premises.

4.3 Additional Requirements for Specialized Aviation Service Operators (SASO).

4.3.1 General.

a. SASOs providing one or more of the services specified in this SECTION 4.3 shall, in addition to the Basic Standards included in this CHAPTER IV, satisfy the minimum additional requirements and standards pertinent to those services as defined herein.

b. The term of a SASO agreement with PMGAA shall be not less than two years and no longer than ten (10) years, unless the operator can demonstrate to PMGAA that a longer term is necessary to finance and construct improvements on the premises that would be necessary to enable the business to operate in compliance with these STANDARDS. In no event, however, shall the term of any SASO agreement exceed 40 years.

c. If a SASO is not leasing facilities or land from PMGAA:

(1) And the SASO desires to sublease facilities and/or land from another Airport tenant, such operator may only do so if that tenant's Agreement with PMGAA will permit the conduct of the specific SASO operation(s) on the tenant's

leasehold premises, and the tenant has received advance written approval from the Executive Director therefor.

(2) And the SASO does not lease facilities and/or land at the Airport, such operator may be required to obtain a permit or conclude such other Agreement with PMGAA that mandates operator compliance with the *Airport Rules and Regulations* and these STANDARDS. Such Agreement may require the payment of fees to PMGAA as a prior condition of granting authorization for the privilege of operating at or on the Airport.

4.3.2 Aircraft Charter or Air Taxi Operator.

a. *Operating Standards.*

(1) Operators shall hold a current operating certificate as may be required and issued by the FAA under the provisions of 14 CFR Parts 91, 125 or 135, as well as all appropriate pilot ratings and licenses for the services to be provided at the Airport.

(2) Operators shall own, lease, or have available under their exclusive control not less than one (1) airworthy, US-registered, civil aircraft that meets all requirements authorized in the certificate holder's operations specifications pertinent to the activities to be conducted at and on the Airport, and is capable of flight in instrument meteorological conditions.

(3) Operators shall have available and on-duty sufficient trained personnel for checking in and ticketing passengers, handling luggage, providing service quotes, and customer services to customers, and scheduling and dispatching aircraft and aircrews to satisfy customer requirements.

(4) Operators shall operate a minimum of eight (8) hours per day, five (5) days per week, and at other times sufficient to satisfy public demand for its services. During other periods, operators shall provide customers a means for after-hours contact and be capable of responding to a customer air transport request within four (4) hours.

b. *Premises and Facilities Standards.* Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct its business activities and satisfy the requirements specified below.

(1) Not less than 400 square feet of properly lighted, heated, and cooled business office space and a customer lounge/waiting area that affords direct access to individual sanitary restrooms for customers and employees, and provides other suitable employee/customer amenities.

(2) Paved aircraft apron or hangar space sufficient to park and maneuver the operator's aircraft.

(3) A sufficient number of motor vehicle parking spaces to accommodate daily customer and employee parking requirements, and satisfy applicable City code specifications.

~~c.~~ *Prior Experience Standards.* Operators shall possess and demonstrate ~~a minimum of two~~

c. ~~(2) years of~~ experience providing the services specified in this CHAPTER 4.3.2.

d. *Insurance Standards.*

(1) *Aircraft Liability* insurance in the amount of $25,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

(2) *Airport Premises Liability* insurance in the amount of $25,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(3) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of "commercial" activities, or are operated within the AOA. An *MSC 90 Endorsement* is required if the operator is self-fueling.

(4) If self-maintaining and/or self-fueling aircraft, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $2,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment, and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.3.3 Aircraft Painting and Refurbishment Operator.

a. *Operating Standards.*

(1) Operators shall obtain and maintain an Air Quality Permit from the Maricopa County Air Quality Department and shall acquire and maintain any applicable certifications and ratings specified by pertinent Federal, state, or local laws, ordinances, and rules and regulations.

(2) Operators shall possess and maintain all equipment and supplies necessary to operate its business at the Airport.

(3) Operators shall operate a minimum of eight (8) hours per day, five (5) days per week, and at other times sufficient to satisfy public demand for its services.

b. *Premises and Facilities Standards.* Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct business activities and satisfy the requirements specified below.

(1) Not less than 2,000 square feet of properly lighted, heated, and cooled shop, storage, and office space, including a customer waiting or lounge area with access to sanitary customer restrooms, employee restrooms, and other required amenities.

(2) A separate aircraft and component painting shop sized to accommodate the largest aircraft for which the operator plans to provide painting services, and compliant with all applicable safety, air quality, and environmental requirements.

(3) If refurbishing aircraft interiors, an aircraft hangar sized to accommodate the largest customer aircraft the operator plans to service.

(4) Sufficient paved aircraft parking apron to accommodate all customer aircraft the operator is capable of servicing at one time, including aircraft circulation space, but not less than the square footage equal to 150 percent of the total paint shop and refurbishment hangar floor area.

(5) A sufficient number of motor vehicle parking spaces to accommodate daily customer and employee parking requirements, and satisfy applicable City code specifications.

c. *Prior Experience Standards*. Operators shall possess and demonstrate a minimum of three (3) years of experience providing the services specified in this CHAPTER 4.3.3.

d. *Insurance Standards*.

(1) *Airport Premises Liability* insurance in the amount of $3,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(2) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $1,000,000 per occurrence, covering all owned, non-owned, and hire vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(3) *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed or maintained on the Airport, and including expenses for defense, release mitigation and off- and on-site remediation.

(4) *Hangarkeeper's Liability* insurance in the amount of $3,000,000 (or the value of the largest aircraft that may be in the operator's custody and/or control, whichever is greater) per occurrence, covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the care, custody or exclusive control of the insured on the Airport. "Ground" coverage is required.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $500,000 per occurrence,

covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.3.4 Aircraft Rental Operator.

a. *Operating Standards.*

(1) Operators shall own, or possess under written lease to the operator, and have available for rental a sufficient number of airworthy aircraft, but not less than two fixed and/or rotary wing aircraft, that are properly certificated to handle the proposed scope of the operator's activities on the Airport.

(2) Operators shall employ and have on-duty during normal business hours at least one (1) person having a current FAA pilot's license appropriate for each aircraft model offered for rent, and who is capable of performing a customer aircraft proficiency flight check when required.

(3) Operators shall develop and implement written policies to ensure that only properly qualified and licensed persons are permitted to rent aircraft, and shall make such policies available to the Executive Director and/or his designated representative for inspection upon request.

(4) Operators shall operate their business during hours sufficient to satisfy public demand for services, but not less than eight (8) hours daily, six (6) days per week, excluding holidays.

b. *Premises and Facilities Standards.* Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct its business activities and satisfy the requirements specified below.

(1) If constructing facilities on the Airport, not less than one-half acre of contiguous land sufficient to accommodate the operator's business activities thereon, including the facilities specified below.

(2) Not less than 250 square feet of properly lighted, heated and cooled office and administrative space with access to a customer lounge/waiting area, sanitary restrooms.

(3) A customer lounge/waiting area of not less than 200 square feet, with direct access to sanitary restrooms and other pertinent amenities.

(4) Paved aircraft apron and/or hangar space sufficient to park, tie-down and maneuver a minimum of two small aircraft, but not less than 5,000 square feet.

(5) Sufficient motor vehicle parking area to accommodate operator's daily customer and employee requirements, and satisfy applicable City of Mesa code specifications.

c. *Prior Experience Standards.* Operators shall possess and demonstrate a minimum of two (2) years of experience providing the services specified in this CHAPTER 4.3.4.

d. *Insurance Standards.*

(1) *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

(2) *Airport Premises Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor" and "blanket contractual liabilities."

(3) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(4) If maintaining or self-fueling its own rental aircraft, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer Liability* insurance, the former in amounts specified by-law and the latter in the amount of $500,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.3.5 Aircraft Sales Operator.

a. *Operating Standards.*

(1) Operators shall be properly bonded and licensed in accordance with applicable Federal, state and local laws, ordinances, and rules and regulations.

(2) Operators offering new aircraft sales shall have available or on-call at least one (1) current model of an aircraft made by the manufacturer the operator represents, and provide for demonstrations of additional models of such manufacturer upon reasonable customer request. Operators offering used aircraft for sale shall retain all such aircraft in (at least) an on-call status, such that they may be made available to a customer within a reasonable period of time after a customer inquiry is made.

(3) Operators shall have at least one (1) full-time, authorized agent available to customers during normal business hours, and at least one (1) certificated and duly licensed pilot with ratings appropriate for the type(s) of aircraft offered for sale in order to provide an appropriate demonstration of such aircraft.

(4) Operators shall provide all parts, equipment and services required to repair and service aircraft sold by the operator during applicable warranty periods. Warranty services may be provided through written agreement with an Airframe and Power Plant Maintenance operator on the Airport.

(5) Operators shall operate their business during hours sufficient to satisfy public demand for such services, but not less than four (4) hours per day, three (3) days per week.

b. *Premises and Facilities Standards*. Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct its business activities and satisfy the requirements specified below.

(1) If constructing facilities on the Airport, not less than one-half acre of contiguous land sufficient to accommodate the operator's business activities thereon, including the facilities specified below.

(2) Not less than 200 square feet of properly lighted, heated, and cooled sales office and administrative space, including a customer waiting area with access to sanitary restrooms and other pertinent amenities.

(3) Paved aircraft apron and/or hangar space sufficient to accommodate a minimum of two (2) of the aircraft offered for sale.

(4) Sufficient motor vehicle parking area to accommodate operator's daily customer and employee parking requirements, and satisfy applicable City code specifications.

c. *Prior Experience Standards*. Operators shall possess and demonstrate a minimum of two (2) years of experience providing the services specified in this CHAPTER 4.3.5.

d. *Insurance Standards*.

(1) *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

(2) *Airport Premises Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(3) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(4) If maintaining aircraft available for sale, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $500,000 per occurrence,

covering work-related injuries to the operator's employees and others permitted to conduct business operations on the operator's premises.

4.3.6 Aircraft Storage Operator.

a. *Operating Standards*.

(1) Operators shall have at least one (1) full-time, authorized agent available to customers during normal business hours, either via telephone or at the operator's business office.

(2) Operators shall develop a standardized rental or leasing format which shall be pre-approved in writing by the Executive Director prior to its use. Operators shall use this approved format for each aircraft storage rental, and provide copies of completed agreements to the Executive Director within 15 calendar days of execution.

(3) Operators shall remain responsible for the conduct of all aircraft storage customers, and for such customers' strict compliance with the *Airport Rules and Regulations*.

b. *Premises and Facilities Standards*. Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct business activities and satisfy the requirements specified below.

(1) A business office, including restroom facilities, of such size and location as to enable customers to acquire information about aircraft storage availability, pricing and related information, and complete storage transactions. This business office need not be located at the Airport. However, providing such contiguous with or in close proximity to the operator's aircraft storage facilities is highly encouraged.

(2) When offering facilities capable of storing FAA Category Group I aircraft, not less than one (1) or more hangars sized at a minimum of 1,500 square feet each and not less than a total of 2,250 square feet of paved apron for aircraft tie-down and/or circulation. Hangars shall possess a minimum depth of 40 feet. Hangars shall not be used for other than aircraft (and related equipment, supplies, etc.); except, however, that an aircraft owner may be permitted to park his or her motor vehicle therein when that owner's aircraft is on a flight away from the Airport.

(3) When offering facilities capable of storing FAA Category Group II and larger aircraft, not less than one (1) or more hangars shall be sized at a minimum of 4,800 square feet each (or sized appropriate to the aircraft being stored), and not less than a total of 7,200 square feet of paved apron for aircraft tie-down and/or circulation. Hangars shall possess a minimum depth of 60 feet and allow for a minimum aircraft tail height of 17 feet. Hangars shall not be used for other than aircraft (and related equipment, supplies, etc.); except, however, that an aircraft owner may be permitted to park his or her motor vehicle therein when that owner's aircraft is on a flight away from the Airport.

(4) For each hangar (or row of connected hangars), not less than one (1) common, unisex, handicap-accessible restroom.

(5) Sufficient motor vehicle parking area to accommodate operator's daily customer and employee parking requirements that exceed those permissible under sections (2) and (3) above.

c. *Prior Experience Standards*. Operators need not have direct experience operating an aircraft storage business. However, such operators shall possess and demonstrate a minimum of two (2) years of experience operating a successful small business enterprise within the past five (5) years.

d. *Insurance Standards*.

(1) *Airport Premises Liability* insurance in the amount of $3,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(2) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $1,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(3) *Hangarkeeper's Liability* insurance in the amount of $3,000,000 (or the value of the largest aircraft that may be in the operator's custody and/or control, whichever is greater) per occurrence, covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the care, custody or exclusive control of the insured on the Airport. "Air" coverage is required.

(4) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(5) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $500,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business operations on the operator's premises.

4.3.7 Airframe and Power Plant Maintenance Operator.

a. *Operating Standards*.

(1) Operators shall hold or apply for repair station certification from the FAA under 14 CFR Part 145, and provide a true copy of such to the Executive Director when granted. Failure to obtain said certification within six months of application shall be considered a violation of these STANDARDS unless the operator can demonstrate such failure is attributable to FAA delays and not the operator. Once obtained, operators shall maintain such certification current at all times while operating at and on the Airport.

(2) Operators shall employ a sufficient number of FAA-certified personnel with airframe, power plant and/or inspector ratings to properly and safely perform all authorized activities, including at least one FAA-certified A&P Mechanic (or inspector) properly trained and qualified to perform aircraft maintenance on aircraft normally frequenting its business who shall be available and on-duty during normal business hours.

(3) Operators shall have all necessary tools, equipment, supplies, and parts necessary to perform and provide repair and maintenance services in accordance with manufacturer specifications and applicable FAA directives.

(4) Operators shall operate a minimum of eight (8) hours per day, five (5) days per week, and at other times sufficient to satisfy reasonable public demand for services. During other periods, operators are encouraged (but not required) to provide their customers with on-call, 24-hour service to accommodate emergencies.

b. *Premises and Facilities Standards*. Operators shall lease from PMGAA (or otherwise make ~~a~~arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct its business activities as required by 14 CFR Part 145, ~~and~~ 49 CFR 1554, and satisfy the requirements specified below.

(1) If constructing facilities on the Airport, not less than one (1) acre of contiguous land sufficient to accommodate the operator's business activities thereon and including the facilities specified below.

(2) At least one aircraft hangar sized not less than 10,000 square feet and adequate for aircraft maintenance and repair, and parts and equipment storage.

(3) Not less than 300 square feet of office and administrative space, and 1,000 square feet of maintenance shop and personnel space, all properly lighted, heated and cooled, with access to a customer lounge and having independent customer and employee restrooms. The customer lounge/waiting area shall comprise not less than 200 square feet.

(4) Not less than 15,000 square feet of paved aircraft apron sufficient to accommodate parking and maneuvering of at least three FAA Category Group II aircraft (or 150% of actual hangar floor space, if greater). Also, a sufficient number of paved motor vehicle parking spaces to accommodate daily customer and employee parking requirements, and satisfy applicable City code specifications.

c. *Prior Experience Standards*. Operators shall possess and demonstrate a minimum of three (3) years of experience providing the services specified in this CHAPTER 4.3.7.

d. *Insurance Standards*.

(1) If test flying aircraft, *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

(2) *Airport Premises Liability* insurance in the amount of $10,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(3) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(4) *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport,

and including expenses for defense, release mitigation, and off- and on-site remediation.

(5) *Hangarkeeper's Liability* insurance in the amount of $10,000,000 per occurrence (or the value of the largest aircraft operator can accommodate, whichever is greater), covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the operator's care, custody or exclusive control. Coverage may be "ground" (if no test flying or other related airborne/aircraft-powered operations (e.g., ferrying, ground taxiing) are conducted) or "air," and is required anytime aircraft are "moved" by the operator, irrespective of whether or not a physical hangar facility is involved.

(6) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(7) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.3.8 Aviation Shop Repair Services Operator.

a. *Operating Standards.*

(1) Operators shall acquire and maintain, as necessary, FAA repair station certificates applicable to the activity or activities contemplated. Operators conducting avionics-related activities shall maintain current the qualifications of the applicable Class I and/or Class II FAA repair station.

(2) Operators shall have in their employ and on-duty during required operating hours, sufficient trained personnel currently certificated by the FAA as radio, instrument or propeller repairmen, as appropriate, in such numbers as are required to satisfy all requirements of these STANDARDS.

(3) Operators shall operate a minimum of eight (8) hours per day, five (5) days per week, and at other times sufficient to satisfy reasonable public demand for its services. During other periods, operators are encouraged (but not required) to provide their customers with on-call, 24-hour service to accommodate emergencies.

b. *Premises and Facilities Standards.* Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct business activities and satisfy the requirements specified below.

(1) Not less than 2,000 square feet of properly lighted, heated, and cooled space for workshops, parts and equipment storage, administration and customer waiting area, including separate, sanitary restrooms for customers and employees.

(2) Paved aircraft apron space sufficient to accommodate the maximum number and type of aircraft the operator can service at any one time, but not less than 6,500 square feet.

(3) Sufficient motor vehicle parking area to accommodate operator's daily customer and employee parking requirements, and satisfy applicable City code specifications.

c. *Prior Experience Standards*. Operators shall possess and demonstrate a minimum of two (2) years of experience providing the services specified in this CHAPTER 4.3.8.

d. *Insurance Standards*.

(1) *Airport Premises Liability* insurance in the amount of $3,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(2) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $1,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(3) *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

(4) *Hangarkeeper's Liability* insurance in the amount of $2,000,000 (or the value of the largest aircraft that may be in the operator's custody and/or control, whichever is greater) per occurrence, covering aircraft and related damage to owned and non-owned aircraft stored by or otherwise in the care, custody or exclusive control of the insured on the Airport. "Air" coverage is required.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $500,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.3.9 Pilot Flight Training Operator.

a. *Operating Standards*.

(1) Operators shall obtain and maintain an FAA certificate in accordance with 14 CFR Parts 61, 141 or 142, as appropriate to its activities on the Airport.

(2) Operators shall employ a sufficient number of instructors to provide the type of flight and ground school training offered. All instructors shall be fully trained and properly certificated by the FAA, and flight instructors shall possess a current pilot's license and, to the extent required by applicable regulations, a current medical certificate.

(3) Operators shall own or have under written lease at least one (1) properly certified and equipped aircraft appropriate for the type of flight instruction offered. Operators also shall have appropriate training equipment and

instructional materials/aids to provide proper and effective flight training, including adequate mock-ups, pictures, slides, films or other visual aids. All equipment and materials shall comply fully with applicable FAA requirements.

(4) Operators shall have on-duty at their place of business during normal business hours, and at other times when required, not less than one current, FAA-certificated pilot with the appropriate instructor rating and current medical certificate.

(5) Operators shall conduct business not less than eight (8) hours per day, five (5) days per week, and at other times to satisfy the reasonable demands of its customers and the public.

b. *Premises and Facilities Standards*. Operators shall lease from PMGAA (or otherwise make arrangements for the rental or use of) sufficient facilities or land (to construct sufficient facilities, if appropriate) as required to undertake and conduct business activities under the applicable provisions of 14 CFR Parts 61, 141 and/or 142, and satisfy the requirements specified below.

(1) Not less than 600 square feet of properly lighted, heated, and cooled classroom, office and storage space with adjacent access to a customer lounge or waiting area and sanitary restrooms. Separate flight planning and briefing/de-briefing areas are also highly encouraged, although not mandatory. Ground school instruction shall not be permitted in public areas of the Airport, other than normal pre- and post-flight briefings.

(2) Paved aircraft apron or hangar space sufficient to tie-down, park and maneuver a minimum of two of the largest FAA Category Group aircraft in which training is routinely performed at the Airport, but not less than 5,000 square feet.

(3) If self-maintaining operator fleet aircraft, not less than 500 square feet of adequate and dedicated space for employee work areas, shop areas, and storage of aircraft parts and equipment.

(4) Sufficient motor vehicle parking area to accommodate operator's daily customer and employee parking requirements, and satisfy applicable City code specifications.

c. *Prior Experience Standards*. Operators shall possess and demonstrate a minimum of two (2) years of experience providing the services specified in this CHAPTER 4.3.9.

d. *Insurance Standards*.

(1) *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

(2) *Airport Premises Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

(3) *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

(4) If self-maintaining and/or self-fueling aircraft, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment, and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

(5) *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

(6) *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by -law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.4 Additional Requirements for Specialized Commercial Flying Service Operators.

4.4.1 Operating Standards.

a. Operators shall obtain and maintain all licenses, aircraft type-certifications and other qualifications and regulatory compliance documents required to permit the lawful conduct of its authorized business activities at and on the Airport. Copies of such documents shall be provided to the Executive Director upon written request.

b. For operators performing crop dusting or aerial applications, suitable arrangements shall be made for or sufficient space available within the operator's leasehold area to permit the safe loading, unloading, storage, and containment of chemical materials. Operators shall conduct these activities under a written emergency plan for the handling of hazardous materials and provide a copy of such plan to the Executive Director prior to commencing operations at or on the Airport. In addition, operators shall have in their employ and on-duty sufficient trained and experienced personnel to facilitate compliance with their emergency plan, and ensure safety remains a paramount consideration to all operations and activities at the Airport.

c. Operators shall demonstrate the availability of aircraft suitably equipped and certified for the particular type of operation(s) intended at the Airport.

d. Operators shall be open for business and make their services available to customers and prospective customers during periods appropriate to the activities proposed, or as normally maintained by entities operating competitive businesses at the Airport.

4.4.2 Premises and Facilities Standards.

a. If developing and constructing new facilities on the Airport, operators shall lease or sublease a minimum of one-half acre of contiguous land for the construction thereof.

b. Operators shall lease or sublease sufficient office, equipment and materials storage, and aircraft parking space to accommodate all activities and operations proposed, including integral or close-proximity access to sanitary restroom(s). The sufficiency of the minimum or operating areas proposed by an operator shall be subject to review and advance written approval by the Executive Director on a case-by-case basis.

c. Operators shall provide for sufficient motor vehicle parking within their premises to accommodate daily customer and employee parking requirements, and satisfy applicable City code specifications.

4.4.3 Prior Experience Standards.

Operators shall possess and demonstrate a minimum of two (2) years of experience providing the services proposed under this CHAPTER 4.4.

4.4.4 Insurance Standards.

a. *Aircraft Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

b. *Airport Premises Liability* insurance in the amount of $5,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

c. *Comprehensive/Commercial Automobile Liability* insurance in the amount of $2,000,000 per occurrence or combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

d. If self-maintaining aircraft or conducting crop dusting or aerial chemical application, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

e. *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities on the Airport, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

f. *Workers' Compensation* and *Employer Liability* insurance, the former in amounts specified by law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's leasehold premises.

4.5 Additional Requirements for Limited and Miscellaneous Aircraft Service & Support Operators.

Operators in this category shall, in addition to the Basic Standards specified in SECTION 4.1 herein, satisfy the additional requirements and standards specified herein.

4.5.1 Operating Standards.

a. Operators shall obtain all licenses and other certifications required of their business and employees to allow the lawful conduct of its proposed business activities at and on the Airport. For operators performing aircraft/flight support ground services (above- and below-wing), certification in accordance with contracted air carrier, aircraft charter or air taxi operator's FAA operating certificate(s) shall be required

before commencing such services at the Airport. Operators performing limited aircraft, engine or accessory maintenance (which shall be permitted only in the absence of an Airframe and Power Plant Maintenance operator or Aviation Shop Repair Service operator providing the same or similar services from leased or subleased premises on the Airport) shall acquire and maintain all appropriate FAA certifications and ratings under 14 CFR Part 65, and shall be limited to the conduct of preventive maintenance activities, as defined in 14 CFR Part 43 (not including Item 22).

b. Operators shall make their services available to customers and the public not less than eight (8) hours per day, five (5) days per week, excluding holidays, and during such other times as may be necessary to satisfy reasonable customer demands and/or contractual requirements.

4.5.2 Premises and Facilities Standards.

Operators shall lease or sublease sufficient land and/or facilities as may be necessary to accommodate their proposed operations. Depending upon the activity or activities involved, this may include apron and aircraft tie-down areas; aircraft maintenance areas, including employee work areas, shop areas, and parts and equipment storage areas; customer areas, including adequate space for a customer lounge or waiting area, telephone access, restrooms, and administrative areas; office space, including flight crew offices, lounges, flight planning areas, and restrooms; classroom and simulator areas (if appropriate); and sufficient motor vehicle parking area for customers and employees consistent with City code requirements. Appropriate minimum standards shall be developed by PMGAA in coordination with the operator and incorporated into the operator's Agreement. The conduct of like-business activities at the Airport (meaning those similar in function and scope) under significantly divergent or different minimum standards shall be prohibited.

4.5.3 Prior Experience Standards.

Prior operator experience of at least two (2) years providing the service(s) proposed is encouraged, but not mandatory.

4.5.4 Insurance Standards.

a. If operating within the AOA, *Airport Premises Liability* insurance in the amount of $10,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities." If not operating within the AOA, *Comprehensive General Liability* insurance in the amount of $5,000,000 per occurrence, covering the same risks above.

b. *Comprehensive/Commercial Automobile Liability* insurance in the amount of $5,000,000 per occurrence or combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are assigned to or used in the performance of commercial activities, or are operated within the AOA.

c. If permitted activities involve hazardous materials, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence and $2,000,000 aggregate, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment, and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

d. If moving aircraft within the AOA, *Hangarkeeper's Liability* insurance in the amount of $10,000,000 (or the value of the largest aircraft that may be in the operator's custody and/or control) per occurrence, covering aircraft and related damage to owned and

non-owned aircraft stored by or otherwise are in the care, custody or exclusive control of the insured on the Airport. "Ground" coverage is required.

e. *Property* insurance in an amount equal to the full insurable value of the operator's essential personal property and all improvements made to buildings or facilities within the operator's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

f. *Workers' Compensation* and *Employer's Liability* insurance, the former in amounts specified by law and the latter in the amount of $1,000,000 per occurrence, covering work-related injuries to the operator's employees and others permitted to conduct business activities on the operator's premises.

4.6 Additional Requirements for Flying Clubs.

Flying clubs shall, in addition to the applicable Basic Standards specified in this CHAPTER IV, satisfy the additional requirements and standards specified herein.

4.6.1 General.

a. As non-commercial, non-profit entities, private flying clubs operating at the Airport shall not be required to meet or satisfy the standards and requirements stipulated for aircraft rental or pilot flight training operators, so long as the flying club's membership is not available on-call to the general public.

b. Clubs shall provide the Executive Director a complete membership list, complete with an itemization of the investment ownership share held by each member on that list, and including a record of all members (past and present) with full names, mailing addresses, and date each membership affiliation began (and ended, if applicable). Such lists also shall include the names, home and business addresses, and telephone numbers for all club officers and directors, and be submitted to the Executive Director not less than at recurring six (6) month intervals after the effective date of the club's Agreement throughout its term.

c. Clubs also shall provide the Executive Director copies of by-laws, articles of organization, operating rules, and membership agreements, including all updates and/or revisions thereto, and the location/address of the club's registered office.

4.6.2 Operating Standards.

a. The ownership of all club aircraft shall be vested in the name of the flying club, or owned proportionately by all its members. The property rights of all club members shall be equal, and no part of the net earnings may inure to the benefit thereto, including salaries, bonuses, etc.

b. Clubs shall not derive greater revenue from the use of club aircraft than the amount for the operation, maintenance and replacement of said aircraft. In no event shall any club aircraft be used or employed in the conduct of a commercial Aeronautical Activity.

c. No club member or owner shall receive compensation for services provided to the club or on the club's behalf unless such member or owner is authorized to conduct related commercial Aeronautical Activities at the Airport.

d. Club aircraft shall not be used or operated by other than club members or owners, and no member or owner shall use any club aircraft in exchange for compensation;

except, however, that the sharing of flight expenses is permitted, subject to the restrictions of this CHAPTER 4.6.2.

4.6.3 Premises and Facilities Standards.

a. Clubs shall lease or sublease sufficient contiguous aircraft apron and/or hangar space to permit aircraft parking, tie-down, and/or storage at the Airport, including maneuvering space for aircraft circulation and access to/from taxiways and runways as necessary to accommodate all club aircraft based at and operating from the Airport.

b. If required, clubs shall lease or sublease sufficient space to accommodate the storage of club equipment and supplies, if any.

c. Clubs shall provide for sufficient motor vehicle parking within their premises to accommodate daily member parking requirements, and satisfy applicable City code specifications.

4.6.4 Insurance Standards.

a. *Aircraft Liability* insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage, as well as passenger and contractual liabilities for claims arising in connection with aircraft movements on the Airport, and insuring against third party liabilities arising from War Risk perils (e.g., acts of terrorism).

b. *Airport Premises Liability* insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage, and including coverage for "premises/operations," "products and completed operations," "professional," "host liquor," and "blanket contractual liabilities."

c. *Comprehensive/Commercial Automobile Liability* insurance in the amount of $1,000,000 per occurrence or combined single limit, covering all owned, non-owned, and hired vehicles operated on the Airport that are operated within the AOA.

d. If self-maintaining and/or self-fueling aircraft, *Environmental Impairment Liability* (or *Pollution Legal Liability*) insurance in the amount of $1,000,000 per occurrence, covering third party bodily injury and property damage associated with hazardous material storage facilities, tanks, piping, ancillary equipment, and containment systems or structures that are used, controlled, constructed, or maintained on the Airport, and including expenses for defense, release mitigation, and off- and on-site remediation.

e. *Property* insurance in an amount equal to the full insurable value of the club's essential personal property and all improvements made to buildings or facilities within the club's premises, if any, including all replacements and/or additions thereto, on an All Risks, replacement-cost basis. Such shall require an *ISO Special Causes of Loss Form* or equivalent.

CHAPTER V ENFORCEMENT

5.1 General.

Enforcement of these STANDARDS shall commence when an operator is granted authorization by PMGAA to conduct commercial Aeronautical Activities at or on the Airport and serve as condition of Agreement award. Thereafter, enforcement shall continue during the operator's Agreement term via periodic Agreement compliance reviews, including monitored compliance with the *Airport Rules and Regulations*.

5.2 Non-Compliance.

Failure to comply with these STANDARDS shall subject an operator's Agreement and privilege to operate at the Airport to suspension or termination, as provided therein. Generally, upon written notice from the Executive Director or his/her designee that an operator is violating or has violated a provision of these STANDARDS, operators are afforded a specified period of time to remedy such violation or: (i) become subject to other default provisions of their agreement, including possible termination thereof; or (ii) show cause as why additional time should be granted by the Executive Director or his/her designee to enable the operator to complete a cure. Such appeals must be pursued in accordance with provisions specified in the operator's agreement.

CHAPTER VI REFERENCES

Aircraft Owners and Pilots Association publication, *Minimum Standards for Commercial Aeronautical Activities*

FAA Advisory Circular AC 150/5160-6, *Exclusive Rights at Federally Obligated Airports*

FAA Advisory Circular AC 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities*

National Air Transportation Association, *Airport Sponsors Guide to Minimum Standards & Airport Rules and Regulations*, 2009

Phoenix-Mesa Gateway Airport *Rules and Regulations*~~, 2015~~

Phoenix-Mesa Gateway Airport *Design Guidelines*~~, 2013~~

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-18

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Demolition of Airport Facilities – Construction Manager at Risk Construction Services Contract - BCS Enterprises, Inc. – CIP 1223**
Date:	**April 16, 2024**

Proposed Motion

To authorize a Construction Manager at Risk (CMAR) Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $1,425,750 under CIP1223.

Narrative

Due to the continued growth of the Phoenix-Mesa Gateway Airport Authority (PMGAA), staff has determined that we have a rare aeronautical opportunity available to us, which will bring significant economic benefit to the Airport. This aeronautical opportunity is the redevelopment of Lots 50A and 50B, which are located on the southwest portion of the Airfield. PMGAA Staff will conduct a national search for a developer or end-user to maximize this rare opportunity by redeveloping these two prime airside locations.

The first step of this redevelopment process is to demolish the existing buildings, known as Bldg 1095 on Lot 50B, Bldg 1087 on a portion of Lot 50C, and a sound suppression facility on Lot 50A. Staff also identified three additional buildings, known as Hangar 24 on Lot 33D, Building 1541 located on Lot 45, and the original Air Traffic Control Tower on Lot 51. All of these facilities, along with the reinforced concrete pipes in the Eastside Development Area, have reached the end of their useful life, and due to their age and deteriorated condition, have been identified for demolition.

The Contractor, BCS Enterprises, Inc., is currently providing Pre-Construction Services as a CMAR and will now be demolishing ten (10) airport-owned buildings. The original project was to demolish the previously listed six structures; however, during the remediation process, it was also determined that the following buildings will now be included in the demolition project to maximize demolition utilization services. Buildings 1100, 1124, 1125, and 1126 were all built in the 1950s, they have no physical address, no Lot number, and are not in use.

Fiscal Impact

This project was included in the FY24 Capital Budget, utilizing PMGAA non-grant funding under CIP1223.

Attachment(s): CMAR Construction Services Contract

RESOLUTION NO. 24-18

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a Construction Manager at Risk (CMAR) Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $1,425,750 under CIP1223;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a Construction Manager at Risk (CMAR) Construction Services Contract with BCS Enterprises, Inc. for Demolition Services of Airport Facilities, in an amount not to exceed $1,425,750 under CIP1223. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 16th day of April, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DEMOLITION OF AIRPORT FACILITIES

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

PROJECT NO. 1223

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1223

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner: **Phoenix-Mesa Gateway Airport Authority**
Project Manager: Carl D'Acosta
Telephone: 480-988-7612
E-mail: cd'acosta@gatewayairport.com

CMAR: **BCS Enterprises, Inc.**
4136 S. 80th Street
Mesa, AZ 85212
CMAR Representative: James R. Middleton
Telephone: 602.549.2882
E-mail: jrmiddleton@bcsdemo.com

DESIGN PROFESSIONAL: **N/A**

PROJECT DESCRIPTION:

Demolition of Airport Facilities

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between Owner and CMAR shall consist of the following Contract Documents. Notwithstanding Article 50-04 of the General Provisions, should any of the Contract Documents conflict with each other, the conflict will be resolved by using the following order of precedence:

1. Any amendments or modifications to the Contract Documents in reverse chronological order, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract");
2. Exhibit A to the CMAR Construction Contract, Accepted GMP/Price Proposal and Project Schedule – the "Basis of GMP" and "Basis of Schedule";
3. The Guaranteed Maximum Price Proposal sections outside of item (2) above;
4. The General Conditions to the CMAR Contract;
5. The CMAR Construction Services Contract and all of its Exhibits;
6. The General Provisions to the CMAR Contract;
7. The Special Provisions to the CMAR Contract;
8. Drawings;
9. Specifications;
10. The Request for Qualifications requirements, document and exhibits (#2024-009-RFQ), documents and CMAR's submittal to such solicitation dated November 21, 2023;
11. Any other Contract Documents.

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit A, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit B.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract are incorporated herein. Any breach of any of CMAR's duties, obligations or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 4 of the General Conditions are set forth below.

4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract.

4.1.4 CMAR shall perform the Work under this Contract using only those firms, team members and individuals designated by CMAR consistent with the Statement of Qualifications dated November 21, 2023, the GMP Proposal, or otherwise approved by Owner pursuant to the General Conditions. No other entities or individuals may be used without prior approval of the Project Manager.

4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions and Special Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit E).

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

CMAR will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with Article 4 of the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is 120 calendar days.

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Final Acceptance, as set forth in Article 6.4 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP or Fixed Price.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion and Final Completion within the Contract Time.

6.1.3 Time is of the essence of this Contact, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR's performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth in the Project Schedule. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within the time period set forth in the Project Schedule.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Final Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Final Completion of the Work within the time set forth in Article 6.4.1 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion or the Final Completion Date as required under the Contract, whichever is later, until the actual date of Final Completion:

$1,070 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of **$1,425,750** (one million four hundred twenty five thousand seven hundred and fifty dollars). Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Contractor shall include in the Contract Price all Allowances stated in the Contract Documents and agreed to in writing by Owner. Items covered by these Allowances shall be supplied for such amounts and by such persons as Owner may direct, provided Contractor will not be required to employ persons against whom

Contractor makes a reasonable objection. Materials and equipment under an Allowance shall be selected by Owner in accordance with a schedule to be mutually agreed upon by Owner and Contractor or otherwise in reasonably sufficient time to avoid delay in the Work.

7.2.1 Unless otherwise provided in the Contract Documents:

7.2.1.1 These Allowances shall cover the cost to Contractor, less any applicable trade discount, of the Materials and equipment required by the Allowances, delivered at the Site, and all applicable taxes;

7.2.1.2 Contractor's costs for unloading and handling on the Site, labor, installation costs, overhead, profit and other expenses relating to Materials and Equipment required by the Allowance shall be included in the Contract Sum and not in the Allowance; and

7.2.1.3 Whenever the cost is more or less than the Allowance, the Contract Sum shall be adjusted accordingly by Change Order, the amount of which will recognize the difference between actual costs for an Allowance item and the amount of the Allowance item and changes, if any, in handling costs on the Site, labor, installation costs, overhead, profit and other expenses.

7.3 CONTINGENCY

An agreed to amount in the GMP that may only be used in accordance with the terms set forth in these General Conditions and with prior written approval by Owner.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.14 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance in accordance with Article 11 of the General Conditions to the CMAR Contract. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.

11.2 CMAR shall provide performance and payment bonds to Owner in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).

11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

ARTICLE 15 – TITLE VI

15.1 CIVIL RIGHTS ACT OF 1964, TITLE VI – GENERAL

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

15.2 CIVIL RIGHTS ACT OF 1964, TITLE VI- ASSURANCE
COMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

15.3 CIVIL RIGHTS –TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

Executed as of the Effective Date.

CMAR
BCS Enterprises, Inc.
an Arizona C Corporation

By: James R Middleton
Name: James R Middleton
Title: President
Date: 4-1-2024

OWNER
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority authorized by the state of Arizona

By: _____
Name: J. Brian O'Neill, A.A.E.
Title: Executive Director/CEO
Date: _____

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL & PROJECT SCHEDULE

(Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – PROJECT SPECIFIC CONDITIONS & PROJECT PLANS AND SPECIFICATIONS

N/A

EXHIBIT C – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to demolish the following projects under the **Authority Solicitation No. 2024-009-RFQ; CMAR for Demolition of Airport Facilities (Authority Project No. 1223),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 2024.

_____ _____

AGENCY OF RECORD, STATE OF ARIZONA **PRINCIPAL**

BY: _____

_____ _____

AGENCY ADDRESS TITLE:

_____

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to demolish the following projects under the **Authority Solicitation No. 2024-009-RFQ; CMAR for Demolition of Airport Facilities (Authority Project No. 1223),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 2024.

_____ _____

AGENCY OF RECORD, STATE OF ARIZONA **PRINCIPAL**

BY: _____

_____ _____

AGENCY ADDRESS TITLE:

_____

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

NOTICE OF AWARD CMAR CONTRACT

Sent Via Email
[date]

BCS Enterprises, Inc.
4136 S. 80th Street
Mesa, AZ 85212

Attn: Mr. James R. Middleton

Re: CMAR FOR DEMOLITION OF AIRPORT FACILITIES **Authority Project No. 1223**
Authority Solicitation No. 2024-009-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted by your firm for the above described WORK in response to the Advertisement for SOQ's dated November 21, 2023. You are hereby notified that you were awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on April 16, 2024, in the amount of $1,425,750. You are required by the Terms and Conditions of this solicitation to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within ten (10) calendar days from this Notice.

If you fail to furnish the required bonds and submit Insurance Certificate(s) within ten (10) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting will be scheduled by your Project Manager at a later date and will be held in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 2024.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: Marian Whilden

Title: Procurement Officer

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 2024.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Sent Via Email

Date

BCS Enterprises, Inc.
4136 S. 80th Street
Mesa, AZ 85212

Attn: Mr. James R. Middleton

CMAR FOR DEMOLITION OF AIRPORT FACILITIES **Authority Project No. 1223**
Authority Solicitation No. 2024-009-RFQ

Dear Mr. Middleton,

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is 120 calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Carl D'Acosta, phone no. (480) 988-7612 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

_____

Carl D'Acosta, Project Coordinator

APPLICATION AND CERTIFICATE FOR PAYMENT

CMAR FOR DEMOLITION OF AIRPORT FACILITIES
Authority Project No. 1223
Authority Solicitation No. 2024-009-RFQ

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1	Date_____	$_____
Change Order No.2	Date_____	$_____
Change Order No.3	Date_____	$_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Less Previous Certificates for Payment $_____

Current Payment Due $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

CHANGE ORDER

PROJECT: CMAR for Demolition of Airport Facilities

CHANGE ORDER NO: _ _

Authority Project No. 1223
Authority Solicitation No. 2024-009-RFQ

TO CMAR: BCS Enterprises, Inc.
4136 S. 80th Street
Mesa, AZ 85212

CONTRACT NO: _____
CONTRACT DATE: _____, 202___

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes*: [describe].*

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Architect, and CMAR.

The original ***Contract Sum*** was..... $_____
Net change by previously authorized Change Orders ..... $_____
The ***Contract Sum*** prior to this Change Order was..... $_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order..... $_____
The new ***Contract Sum*** including this Change Order is ..... $_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

BCS Enterprises, Inc. (CMAR)

By_____Date_____

It's_____

Owner

By _____Date___

It's_____

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner)

I hereby certify that BCS Enterprises, Inc. has substantially completed the work under the following project:

CMAR FOR DEMOLITION OF AIRPORT FACILITIES
Authority Project No. 1223
Authority Solicitation No. 2024-009-RFQ

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: BCS Enterprises, Inc.

By: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR and Owner)

CMAR FOR DEMOLITION OF AIRPORT FACILITIES
Authority Project No. 1223
Authority Solicitation No. 2024-009-RFQ

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: BCS Enterprises, Inc.

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of PMGAA's **Demolition of Airport Facilities**, **PMGAA Project Number 1223**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with **Contract Number 2024XXX**

The date of final completion for this project is _____, 20__

Phoenix-Mesa Gateway Airport Authority

By: _____

Date: _____

CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

CMAR FOR DEMOLITION OF AIRPORT FACILITIES
Authority Project No. 1223
Authority Solicitation No. 2024-009-RFQ

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ARCHITECT,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Architect may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 2024.

BCS Enterprises, Inc.
CMAR

_____
By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 2024.

_____
(Notary Public)

_____
(My Commission Expires)

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN UPON PAYMENT (CMAR)

WHEREAS, the undersigned, BCS Enterprises, Inc. (CMAR) has furnished labor, materials, and services and/or equipment for the demolition of Airport Facilities***, Authority Project No. 1223,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 2024.

BCS Enterprises, Inc. _____
Company Name

By _____

_____
(Title)

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON PAYMENT
(SUB-CONTRACTOR / SUPPLIER)

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to BCS Enterprises, Inc. (CMAR) for the demolition of Airport Facilities, ***Authority Project No. 1223***, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 2024.

_____
Company Name

By _____

_____
(Title)

UNCONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN UPON PAYMENT (CMAR)

WHEREAS, the undersigned, BCS Enterprises, Inc. (CMAR) has furnished labor, materials, and services and/or equipment for the demolition of Airport Facilities***, Authority Project No. 1223,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 2024.

BCS Enterprises, Inc._____
Company Name

By _____

_____
(Title)

UNCONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON PAYMENT
(SUB-CONTRACTOR / SUPPLIER)

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to BCS Enterprises, Inc. (CMAR) for the demolition of Airport Facilities, ***Authority Project No. 1223***, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 2024.

_____
Company Name

By _____

_____
(Title)

EXHIBIT D – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. In these General Conditions, the term "Contractor" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor's Fee – An agreed to percentage in an accepted GMP that represents the Contractor's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a CMAR Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting CMAR Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT E - COMPLIANCE WITH OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS, AS AMENDED FROM TIME TO TIME

1. **Rules & Regulations (link)**

   https://www.gatewayairport.com/policiesdocumentsandforms

2. **Minimum Standards (link)**

   https://www.gatewayairport.com/policiesdocumentsandforms

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: February 2024 Financials
Date: April 16, 2024

Attached is the monthly Financials Report for February 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
February, 2024

	Month of February 2024				Y-T-D as of February 2024			
	February FY23 Actual	February FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	22,982	36,358	13,376	58%	200,927	249,143	48,216	24%
Fuel Flowage Fees	58,000	48,021	(9,979)	-17%	445,379	411,908	(33,471)	-8%
Landing Fees	131,929	135,438	3,509	3%	915,550	1,051,442	135,892	15%
Lease Income Aero	220,698	317,207	96,509	44%	2,113,890	2,797,018	683,128	32%
Fuel Sales	640,969	689,658	48,689	8%	5,321,325	4,782,145	(539,180)	-10%
Services Sold - Aero	632,626	514,042	(118,584)	-19%	3,630,222	3,884,374	254,152	7%
Sub-total Aero Operating Revenues	1,707,203	1,740,724	33,521	2%	12,627,293	13,176,030	548,737	4%
Non-Aeronautical Operating Revenues								
Concessions	116,164	130,859	14,695	13%	916,142	890,667	(25,475)	-3%
Lease Income Non-Aero	111,991	107,245	(4,746)	-4%	879,994	876,751	(3,243)	0%
Parking	302,513	294,165	(8,348)	-3%	3,181,444	3,480,701	299,257	9%
Rental Car Fees	220,036	391,154	171,118	78%	1,582,465	1,713,102	130,637	8%
Svcs Sold - Non Aero	2,354	1,735	(619)	-26%	36,438	39,187	2,749	8%
Sub-total Non-Aero Operating Revenues	753,058	925,158	172,100	23%	6,596,483	7,000,408	403,925	6%
Total Operating Revenues	**2,460,262**	**2,665,882**	**205,620**	**8%**	**19,223,776**	**20,176,438**	**952,662**	**5%**
Operating Expenses								
Cost of Goods Sold	456,621	449,474	7,147	2%	3,729,866	3,449,791	280,075	8%
Personnel	847,246	1,289,620	(442,374)	-52%	6,613,039	7,243,222	(630,183)	-10%
Comm & Utilities	49,353	66,338	(16,985)	-34%	627,082	726,561	(99,479)	-16%
Contractual Services	559,498	547,172	12,326	2%	4,066,878	4,512,878	(446,000)	-11%
Insurance	49,805	64,150	(14,345)	-29%	450,387	421,698	28,689	6%
Other	33,900	26,318	7,582	22%	200,110	218,705	(18,595)	-9%
Repair & Maintenance	64,854	73,534	(8,680)	-13%	549,191	552,040	(2,849)	-1%
Supplies & Materials	80,128	72,628	7,500	9%	610,613	557,670	52,943	9%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,141,405**	**2,589,234**	**(447,829)**	-21%	**16,847,166**	**17,682,565**	**(835,397)**	-5%
Operating Income (Loss) Before Depreciation	**318,857**	**76,648**	**(242,209)**	-76.0%	**2,376,610**	**2,493,873**	**117,263**	5%
	13.0%	2.9%			12.4%	12.4%		
Depreciation		1,257,851				9,901,901		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **April 16, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-011-IFB	Refuel / Defuel Bowser	April 2024
Request for Qualifications	2024-016-RFQ	CMAR for Runway 12R-30L Reconstruction	April 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024
Request for Proposals	2024-015-RFP	Common Use Passenger Processing System (CUPPS)	August 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-014-IFB	12C-30C Mill & Overlay	April 2024	May 2024
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Phase 1 Rehabilitation	April 2024	June 2024

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $54,925.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
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Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Impractical Procurement, Environmental Remediation Services: Everclear Environmental Solutions
Date: **April 16, 2024**

With the redevelopment of the eastside of the Airport, certain lots need to be prepared for development. The first step of this redevelopment process is to demolish the buildings that are currently located on the lots. The buildings have reached the end of their useful life, and due to their age, deteriorated condition, and high levels of asbestos, they must be remediated before being demolished.

Four additional buildings were recently identified to be demolished and each of those buildings contains asbestos. Remediation services are therefore required prior to demolition beginning. The Airport's demolition contractor is tentatively scheduled to begin this project in April, 2024.

PMGAA's Procurement Policy requires staff to issue a formal solicitation for purchases exceeding $50,000 unless otherwise approved by the Purchasing Director. The viability of issuing a formal solicitation for this procurement is impractical due to timing and scheduling of the project and the demolition of the buildings. Therefore, this purchase will be procured as provided for under Impractical Procurements, defined in PMGAA's Procurement Policy.

Airport staff requested quotes from three qualified environmental remediation companies. Staff reviewed the two quotes that were submitted and selected Everclear Environmental Solutions to perform the needed services based on pricing, qualifications, and availability. The not to exceed cost for services is $66,665.92.

Phoenix-Mesa Gateway Airport Authority
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Management Information Report

To: **Board of Directors**
From: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: **Weighted Voting Rights Related to the Amended and Restated Joint Powers Airport Authority Agreement**
Date: **April 16, 2024**

The Voting Rights (Section 8) of the Phoenix-Mesa Gateway Airport Authority Amended and Restated Joint Powers Airport Authority Agreement (Agreement) defines Member Government (Member) voting rights and weighted voting rights. Per the Agreement, each Member is entitled to a weighted vote equal to that Member's *cumulative investment* as a percentage of the total investment made by all current Members since 1993.

When utilizing a weighted vote, should any one Member's weighted vote calculated under the Voting Rights Section exceed 50%, then the weighted vote for that Member shall be deemed equal to the sum of the weighted vote of all the other Members combined. However, the weighted votes of all the Members combined must be adjusted so that the total weighted vote calculation equals 100%. As an example, if a Member's weighted vote is calculated at 68%, that Member's weighted vote would then be deemed to be 50%, with the remaining Members holding a proportionate share of the remaining 50% of the total weighted vote.

Based on the above criteria, the weighted vote calculation for fiscal year 2025 is as follows:

Member Government	Unweighted	Weighted
City of Mesa	77.65%	50.00%
Gila River Indian Community	9.94%	22.23%
Town of Gilbert	8.44%	18.90%
Town of Queen Creek	2.51%	5.61%
City of Apache Junction	1.46%	3.26%
Total	**100.00%**	**100.00%**

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a telephonic meeting open to the public on **Tuesday, May 21, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Chip Wilson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Chip Wilson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

6. **Gateway East Master Plan Update** – Adrian Evarkiou, Partner, The Boyer Company

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **April 16, 2024**.

   b) **Resolution No. 24-19 –** Authorizing the purchase of one 1,500 Gallon, Refuel/Defuel Bowser from **Superior Storage Tanks and Trailers**, in an amount not to exceed $71,736.71.

   c) **Resolution No. 24-20 –** Authorizing an amendment of the **FY24 Capital Budget** to add $1,639,181 in funding for the Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project under CIP 1243 with carryover over into FY25**.**

   d) **Resolution No. 24-21 –** Approving a Construction Contract with **Combs Construction Company, Inc., (Combs Construction)** for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $3,756,592 under CIP 1243, pending approval and receipt of an FAA Federal Grant, and an ADOT Grant.

   e) **Resolution No. 24-22 –**Authorizing **Alliant Insurance Services, Inc. (Alliant)** 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, 2024, not to exceed premium cost of $750,308.00.

8. Board Member Comments/Announcements

9. Next Meeting: Tuesday, June 18, 2024 at 9:00 a.m.

10. Adjournment

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

- **XNRGY Climate Systems Breaks Ground on New 275,000 Sq. Ft. Manufacturing Facility**
- **New Signage Goes Up at Gulfstream and Virgin Galactic**
- **Departure of Canadian Airlines Impact Operational and Financial Metrics**
- **PMGAA Receives 2024 "Best of Arizona" Award from AAED**
- **Gateway Airport Planning Three Airfield Improvement Projects**

Executive Director's Report
May 2024

2024 "Best of Arizona" Award Recipient

Financial Snapshot

OPERATING INCOME	March		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY23	FY24	
Revenues	$3,064,773	$2,590,639	**($474,134)**	$22,288,550	$22,767,078	**$478,528**
Less Expenses	$2,282,674	$2,167,990	**($114,684)**	$19,129,842	$19,850,553	**$720,711**
Operating Income *(Before Depreciation)*	**$782,099**	**$422,649**	**($359,450)**	**$3,158,708**	**$2,916,525**	**($242,183)**

Investment Fund Balances: As of March, the Local Governmental Investment Pool (LGIP) 700 = $6,398,185; Wells Fargo; Collateralized Money Market = $12,105,188 and Commercial/Paper Brokered CD's = $48,493,015; Total $66,996,388. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a net operating income of $422,649 for March 2024, a $359,450 decrease from the $782,099 reported in March 2023. The absence of three low-cost Canadian airlines – Swoop, Flair, and WestJet – this year has had a negative impact on Phoenix-Mesa Gateway Airport's (Airport, Gateway Airport) financial performance during the winter/spring travel season.

Allegiant Air, Gateway Airport's largest airline, has announced flight increases in their summer, fall, and winter schedules. These additional flights and new destinations may be impacted due to the delayed delivery of fifty new Boeing 737 Max aircraft.

Operating expenditures YTD24 have increased by 4% and totaled $19,850,553. The increase is mostly due to increased personnel costs and contract services.

Total operating expenditures remain 4% under the PMGAA Board-Approved FY24 Operating Budget.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2024-017-IFB	Refuel/Defuel Cart	May 2024
Invitation for Bid	2024-014-IFB	Runway 12C-30C Mill & Overlay	May 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	August 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Rehabilitation	April 2024
Request for Qualifications	2024-001-RFQ	CMAR for Baggage Make-up	June 2024

Airport Operations

Departure of Canadian Airlines Impact Operational and Financial Metrics

Commercial airlines and their passengers represent a significant amount of revenue for airports – aircraft landing fees; terminal use fees; aviation fuel fees; food, beverage, and retail concession revenue; rental car revenue; vehicle parking revenue; ground transportation revenue; passenger facility charges (PFC), and customer facility charges (CFC) – to name a few of the larger revenue sources. Fluctuations in air service schedules can have an impact on Airport operations and finances. The addition of a new airline or more daily flights can represent an increase in passengers and revenue, while less airline activity means less passengers and less money.

In 2023, Swoop, Flair, and WestJet served Gateway Airport from October through April. During that time, the three low-cost Canadian airlines combined welcomed approximately 90,000 total passengers. Recent Airport data shows that, on average, enplaning passengers at Gateway Airport spend $9.83 at the Airport during their trip. That's approximately $450,000 in lost passenger revenue because the Canadian airlines decided not to come back in 2024. If you include all the other fees and charges that airlines pay to the Airport, the loss of revenue can really start to add up.

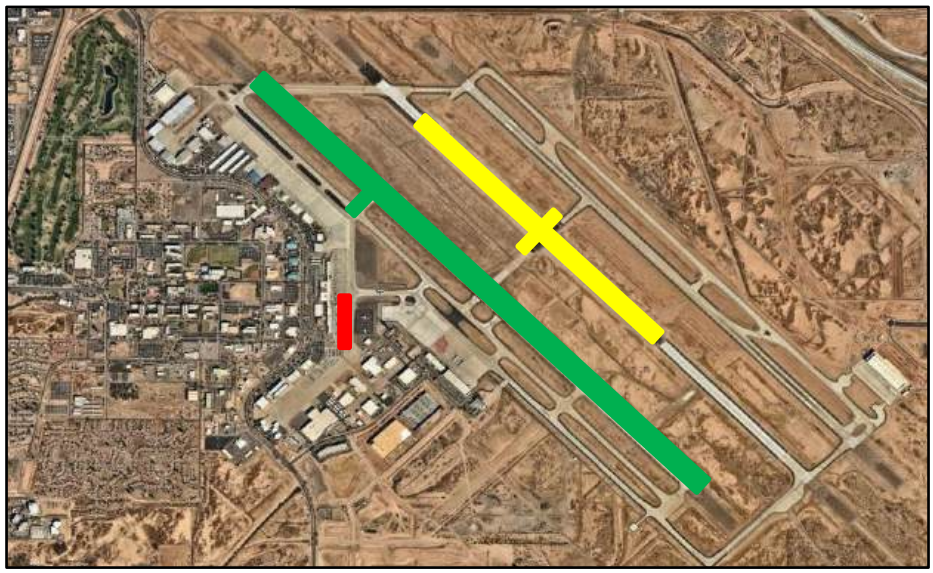
Gateway Airport meets regularly with existing and prospective airlines to discuss air service opportunities at the Airport. Whether it's pitching new nonstop service to a popular destination or requesting additional frequency each week to an underserved market, PMGAA staff is constantly looking to highlight the growing strength of the dynamic Phoenix East Valley. Airline network planners are often surprised to learn that the City of Mesa has almost 550,000 residents, and that Gilbert, Queen Creek, Chandler, and Apache Junction bring the area's total population to well over one million residents.

PASSENGER COUNTS		March		% Change	FYTD		% Change
		2023	2024		FY23	FY24	
Passengers	TOTAL	229,810	210,368	-8%	1,477,266	1,384,296	-6%
	Deplaned	115,092	104,431	-9%	751,384	702,557	-6%
	Enplaned	114,718	105,937	-8%	725,882	681,739	-6%
Allegiant	Scheduled	203,774	203,963	0%	1,371,517	1,353,572	-1%
Swoop	Scheduled	10,011	0	-100%	37,068	0	-100%
Sun Country	Scheduled	5,885	6,405	9%	30,002	30,724	2%
WestJet	Scheduled	2,423	0	-100%	10,074	0	-100%
Flair	Scheduled	7,717	0	-100%	28,211	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	March		% Change	FYTD		% Change
	2023	2024		FY23	FY24	
Air Carrier	1,321	1,369	4%	9,258	9,486	2%
Military	253	277	9%	2,756	2,193	-20%
General Aviation	21,144	25,461	20%	174,040	202,995	17%
TOTAL	**22,718**	**27,107**	**19%**	**186,054**	**214,674**	**15%**

Engineering and Planning

Gateway Airport Planning Three Airfield Improvement Projects



Three Airfield Improvement Projects

During the past several years, PMGAA has been hard at work completing several important Airport facility projects – new air traffic control tower, 5-gate 30,000 sq. ft. terminal addition, and an enclosed terminal connector linking the airline ticket counters to the TSA Security Screening Checkpoint. For the next several years, PMGAA's focus will shift to airfield improvement projects – mill and overlay of Runway 30C-12C (*in yellow*), reconstruction of Runway 30L-12R (*in green*), and reconstruction of a portion of Taxiway Whiskey (*in red*). These important airfield improvement projects will be completed using a combination of Federal, State, and local funds totaling more than $50MM.

PMGAA would like to thank the Federal Aviation Administration, the State of Arizona Department of Transportation, and the Member Communities for their continued guidance and financial support. Thank you!

Community Noise Report

CALLERS	March		FYTD	
	2023	2024	FY23	FY24
Total	**13**	**22**	**120**	**151**

AIRCRAFT TYPE	March		FYTD	
	2023	2024	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	7	7	66	61
GA Total	5	8	29	45
Helicopter	0	0	0	25
Military	1	7	25	20
Total	**13**	**22**	**120**	**151**

PMGAA received communications from 22 total individuals regarding aircraft noise issues during the month of March 2024, compared to 13 received last March.

LOCATION	March		FYTD	
	2023	2024	FY23	FY24
Mesa	9	10	55	44
Gilbert	2	6	43	52
Gold Canyon	0	0	2	1
Queen Creek	1	5	14	38
Queen Valley	1	1	2	7
Apache Junction	0	0	4	0
San Tan Valley	0	0	0	1
Chandler	0	0	0	1
Goodyear	0	0	0	2
Phoenix	0	0	0	2
Tempe	0	0	0	3
TOTAL	**13**	**22**	120	**151**

Gateway Aviation Services

PMGAA pumped approximately 1.67MM gallons of aviation fuel during the month of March 2024, a 19% decrease compared to the approximately 2.05MM gallons dispensed last March.

FUEL (Gallons)	March			FYTD		
	2023	2024	% Change	FY23	FY24	% Change
AvGas	41,691	39,262	-6%	365,365	322,027	-12%
Retail Jet A	69,449	71,340	3%	615,442	549,632	-11%
Contract	336,410	244,293	-27%	2,699,337	2,632,979	-2%
Commercial	1,419,380	1,283,499	-10%	9,107,427	9,368,140	3%
Cargo	182,577	29,924	-84%	932,514	219,846	-76%
TOTAL	**2,049,507**	**1,668,318**	**-19%**	**13,720,085**	**13,092,624**	**-5%**

Business Development

XNRGY Climate Systems Breaks Ground on New 275,000 Sq. Ft. Manufacturing Facility

On April 16, 2024, many local elected officials, business leaders, and key industry representatives joined the Boyer Company, master developer of Gateway East, and XNRGY Climate Systems, a leader in the design and manufacturing of advanced energy-efficient commercial climate control systems, as they broke ground on a new 275,000 sq. ft. manufacturing facility. This will be the site of XNRGY's U.S. headquarters. XNRGY is the first tenant in Gateway East, a 273-acre world-class airport business park located on the east side of Gateway Airport.

Phase one of the project will include a 250,000 sq. ft research and production facility and 25,000 sq. ft. of office space on 17 acres. XNRGY also has options to build an additional 750,000 sq. ft of manufacturing space. XNRGY's investment in this site will create more than 1,200 employment opportunities and hundreds of millions of dollars in economic impact.

Welcome to Gateway Airport XNRGY!

XNRGY Groundbreaking Ceremony

PMGAA Receives 2024 "Best of Arizona" Award from AAED

Lori Collins Accepts the 2024 "Best of Arizona" Award

The Arizona Association for Economic Development presented Phoenix-Mesa Gateway Airport Authority (PMGAA) with the **2024 "Best of Arizona" Award**. This prestigious award recognizes individuals or organizations whose dedication to economic development in the State of Arizona has been unequaled. PMGAA was honored to be recognized for having a sustained, positive impact on Arizona's economy and proudly shares this award with all its Member Communities.

PMGAA Director of Business and Economic Development Lori Collins did a fantastic job accepting the award on behalf of the Authority. Way to go Lori!

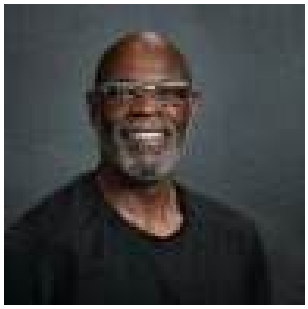
New Signage Goes Up at Gulfstream and Virgin Galactic

If you've traveled along either Ellsworth Road or So. Sossaman Road during the past 12-18 months, you've probably wondered about those large buildings being constructed on the airfield at Gateway Airport. Well, wonder no more, both Gulfstream and Virgin Galactic now have their corporate signs up as they enter the last phase of construction.

Gulfstream Aerospace Corporation is building a 225,000 sq. ft. West Coast Service Center adjacent to Taxiway Charlie and Ellsworth Road. Virgin Galactic is building two large facilities along So. Sossaman Road – a 45,000 sq. ft. hangar for the "mothership" Eve, and the other a 125,000 sq. ft. manufacturing facility where up to six spaceships will be produced each year.

Both projects are scheduled to be completed later this summer.

PMGAA Team Member Spotlight



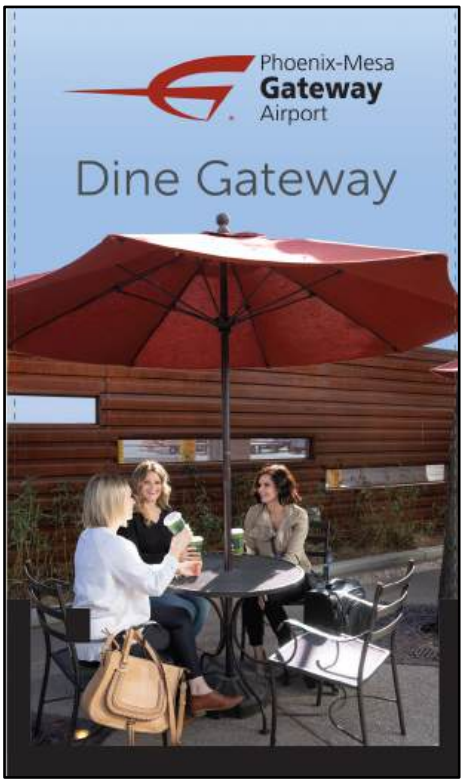
Employee Name: **Rob Davis**
Employee Title: **Line Services Specialist III**
PMGAA Department: **Gateway Aviation Services Department**
Years with PMGAA: **28+**

What are your job responsibilities for PMGAA? As a Line Service Specialist III, my responsibilities are to provide the highest quality of aviation services to our General Aviation & Fixed Base Operator (FBO) customers at Gateway Airport. Whether it's a simple fueling tech stop, or an O2 servicing request, we strive to provide the safest and most efficient aircraft ground services.

What is your most memorable Gateway Airport moment? The privilege of being a part of three Superbowl's and two Presidential visits.

What is something people may not know about you? I love to cook Japanese street cuisine. I am also a jazz and progressive drummer since my early school years.

Planning your next trip through Gateway Airport? Arrive early and grab a bite to eat and shop our stores.



MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | April 16, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, April 16, 2024, beginning at 10:00 a.m. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 S Sossaman Road, Mesa, Arizona.

Members Present

Mayor Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian Community*
Mayor Julia Wheatley, Queen Creek
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix*

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
** Neither present nor represented*

1. **Call to Order** at 10:00 a.m. (Mayor Wilson, 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's financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2024 (FYTD) Net Operating Income is $2,493,873.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 164,902 commercial passengers in February 2024. This is down from the 178,753 passengers during February of last year due to the three Canadian airlines no longer serving the Airport.
   - Northern Arizona University's (NAU) Workforce Development Center, in partnership with Kind Hospitality and SkyBridge, held a ground-breaking ceremony on March 19th for two two-story office buildings. Officials from SkyBridge Arizona, PMGAA, the City of Mesa, and the Arizona Board of Regents were in attendance. The first floor of one building will be a sit-down, high-quality restaurant, and the second floor will house a satellite of NAU's hospitality program.
   - The Authority has initiated a new program called **Customer Communication: Creating Positive Outcomes** to equip frontline PMGAA employees with the tools and training they need to provide passengers with a positive experience. Select staff members were identified for the train the trainers' role. They will incorporate the customer service program into ongoing training for new hires.
   - Virgin Galactic continues to complete the interior fit-out of their hangar and manufacturing facility. The two-building complex is scheduled to be operational in the summer of 2024.
   - Gulfstream Aerospace is constructing 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 scheduled to be

DRAFT

operational in the summer of 2024. The ribbon-cutting event is anticipated to be held in either late summer or early fall.

- SkyBridge Arizona has nearly completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users. Tenant inquiries are being fielded for one or both of these facilities. Progress continues on the horizontal infrastructure of the site. The interior roads for SkyBridge have been paved.
- XNRGY Climate Systems' ground-breaking event was held on April 16th. This is the first development for Gateway East which is a 273-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The Boyer Company has cleared and prepped a 17-acre site within the Gateway East Master Development for the 275,000 sq. ft. XNRGY facility.
- 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 office building than an industrial building.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. In March, two new entrance monument design concepts were presented to the board for their consideration and preference. Representatives from the Airport's six-member communities, the PMGAA Board of Directors, and PMGAA staff have overwhelmingly selected Concept One as the design for the new airport entrance monument sign.
- The timeframe for the Center Runway 12C-30C mill and overlay project is June and July of 2024. The runway will be closed while the mill and overlay take place. The Airport has two other 10,000-foot runways and will maintain normal operations during the project.
- Repairs to Taxiway Whiskey will take place in July – September. Funding for the $2MM project comes from ADOT. This taxiway is directly across from the terminal. Phasing of this project is critically important for maintaining access to the South Ramp.
- Thanks to the FAA, the reconstruction of inside runway 12R-30L has been consolidated from three years to two. Phase I, the south end of the runway, will commence in September 2024. This is an important infrastructure project totaling approximately $45MM.
- Ten airport-owned buildings have reached the end of their useful life. Due to their age and deteriorated condition, they have been identified for demolition. Some of the land will be redeveloped for a higher aeronautical use.

6. **Gateway Tomorrow Planning Presentation** – Tony Bianchi, Planning Project Manager

   Mr. Bianchi provided the final summary report for Gateway Tomorrow since the Board was last briefed in December 2023. The purpose of the study was to identify the important elements that must be included in a future, demand-driven commercial passenger terminal campus located on the east side of the Airport.

   Mayor John Giles moved to accept the Gateway Tomorrow Planning Study final report as presented.
   Mayor Julia Wheatley seconded the motion.
   The motion was carried unanimously.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **March 19, 2024**.

b) **Resolution No. 24-12 –** Authorizing the filing of **grant applications** including agreeing to all understandings and assurances contained therein; and, authorizing the acceptance and execution of any Federal Aviation Administration (FAA) or other Federal agency, State of Arizona, Arizona County, or Arizona Local Municipal grant offer(s), applied for or received between July 1, 2024, and June 30, 2025, by the Chair of the Authority, the Executive Director/CEO, Deputy Director/COO or Chief Financial Officer/CFO.

c) **Resolution No. 24-13 –** Authorizing the procurement of Desktop Computers and Laptops from **Dell Marketing, L.P. (Dell)** in an amount not to exceed $86,396.86.

d) **Resolution No. 24-14 –** Authorizing an **Amendment of the FY24 Capital Budget** to add $442,282.66 in funding to the current Rental Car Care Facility Improvements Project (CIP 1242) CMAR Contract, with Willmeng Construction, Inc. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies.

e) **Resolution No. 24-15 –** Authorizing a contract modification to the current Rental Car Care Facility Improvements Project CMAR Contract, with **Willmeng Construction, Inc**. for an additional rental car counter in the terminal, to add electrical facilities for future fuel needs, removal and replacement of pumping soil encountered under the existing car wash, and additional minor Owner-approved changes to meet the desired operational needs of the car rental companies. This contract modification amount is not to exceed $442,282.66 under CIP 1242.

f) **Resolution No. 24-16 –** Approving a Construction Manager at Risk (CMAR) Pre-Construction Services Contract with **Pulice Construction, Inc. (Pulice)**, for the Runway 12R-30L Reconstruction Project in an amount not to exceed $110,645 under CIP 1072, subject to receipt of FAA and ADOT grants.

g) **Resolution No. 24-17 –** Approving the 2024 updates to the **Airport Minimum Standards**.

Mayor Brigette Peterson moved to approve the Consent Agenda.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

Consideration and Possible Approval of:

8. **Resolution No. 24-18** Authorizing a Construction Manager at Risk (CMAR) Construction Services Contract with **BCS Enterprises, Inc**. for Demolition Services of Airport Facilities, in an amount not to exceed $1,425,750 under CIP1223.

Mayor Julia Wheatley moved to approve Resolution No. 24-18.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

9. **Board Member Comments/Announcements.**
Mayor Peterson expressed thanks for holding the April board meeting one hour later to accommodate board member's attendance at the East Valley Mayor's Prayer Breakfast at Talking Stick Golf Club from 7:00 a.m. to 9:00 a.m.

10. **Next Meeting: Tuesday, May 21, 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.

11. **Adjournment.**
    The meeting adjourned at 10:33 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-19

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 1064 – 1,500 Gallon Refuel/Defuel Bowser**
Date:	**May 21, 2024**

Proposed Motion
To authorize the purchase of one 1,500 Gallon, Refuel/Defuel Bowser from Superior Storage Tanks and Trailers, in an amount not to exceed $71,736.71.

Narrative
Gateway Aviation Services uses a defuel and refuel bowser to service customer aircraft that need fuel removed from their aircraft. The current bowser has reached the end of its useful life cycle and meets the Airport's Vehicle Replacement Policy. The current bowser has storage of 900 gallons and limits the service we can provide our customers.

The proposed 1500 gallon unit will replace the existing equipment and provide greater flexibility to the operation and provide more capacity to serve our customer needs.

Invitation for Bid No. 2024-017-IFB was issued on April 2, 2024, and advertised in the Arizona Business Gazette on January 18, 25, and February 1, 8, 2024. The notice was also posted on the AzAA, ACI-NA, and the Airport's websites as well as emailed to three prospective vendors.

PMGAA staff received one bid which was deemed responsive.

Fiscal Impact
This purchase was included in the FY24 capital budget and is funded with CIP 1064.

Attachment(s)
Quote

RESOLUTION NO. 24-19

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one 1,500 Gallon, Refuel/Defuel Bowser from Superior Storage Tanks and Trailers, in an amount not to exceed $71,736.71;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of one 1,500 Gallon, Refuel/Defuel Bowser from Superior Storage Tanks and Trailers, in an amount not to exceed $71,736.71. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of May, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin J. Hawkins, Attorney

Phoenix-Mesa Gateway Airport

Attachment B
Offeror's Bid

Item	Price
One (1) New 1,500 Gallon Refuel/Defuel Bowser To Meet the Minimum Required Specifications per Attachment A	$ 64,484.50
Manuals on Maintenance, Operations, and Parts (Hard Copy & Digital)	$ Incl
Sales Tax, 8.3% PMGAA is **NOT** tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ 5,352.21
Warranty, To Meet the Minimum Required Specifications Per Attachment A	$ Incl.
Shipping (One (1) New 1,500 Gallon Refuel/Defuel Bowser)	$ 1900.-
Total	$ 71,736.71 71,736.71

Offeror's Payment Terms:
Note: PMGAA will not accept payment terms that require more than 50% of the bid amount paid upfront/as a deposit to Offeror.

Equipment: 50% Down, 2%-10 Net 30

Parts: Net 30

Discounts:
Prompt Payment: The price(s) quoted above can be discounted by 2 % if payment is made within 10 days.

Parts: PMGAA price for purchasing parts direct from the Offeror shall be discounted by 10 % of the current list price for parts published by Offeror.

Exceptions / Clarifications of Offeror:

Delivery Time Estimate: 10-12 weeks from approved Drawings

Equipment is Manufactured in (Country): USA

Tim Henderson	[signature]	4-24-24
Printed Name	Signature	Date

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-20

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**FY24 Capital Budget Amendment – Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project CIP 1243**
Date:	**May 21, 2024**

Proposed Motion

To authorize an amendment of the FY24 Capital Budget to add $1,639,181 in funding for the Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project under CIP 1243 with carryover over into FY25.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, the Center Runway 12C/30C pavement and portions of adjacent Taxiway K, are in need of various improvements. The original estimated total budget for this project was $2,500,000. Due to additional FAA funding the project allows additional work to be performed for a revised total budget for the project of $4,139,181. The additional funds allow a construction project to provide additional asphalt to the runway. Additional funds are also required for construction administration services. In accordance with PMGAA policy, we request the Board's authorization to accept the additional FAA funds and increase the budget accordingly.

Fiscal Impact

Requesting that these additional funds for the Center RWY 12C/30C Upgrade Project be added to the FY24 Capital Budget with a carryover to FY25, utilizing FAA, ADOT and PMGAA Matching Grant Funds under CIP 1243.

Attachment(s)

N/A

RESOLUTION NO. 24-20

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an amendment of the FY24 Capital Budget to add $1,639,181 in funding for the Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project under CIP 1243 with carryover over into FY25;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an amendment of the FY24 Capital Budget to add $1,639,181 in funding for the Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project under CIP 1243 with carryover over into FY25. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of May, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin J. Hawkins, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-21

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project – Construction Services – Combs Construction Company, Inc. – CIP 1243**
Date:	**May 21, 2024**

Proposed Motion

To approve a Construction Contract with Combs Construction Company, Inc., (Combs Construction) for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $3,756,592 under CIP 1243, pending approval and receipt of an FAA Federal Grant, and an ADOT Grant.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, the Center Runway 12C/30C pavement and portions of adjacent Taxiway K, are in need of various improvements.

Combs Construction will provide construction services to improve a portion of RWY 12C/30C between existing PCCP sections and portions of Taxiway K that will have the existing AC pavement milled and replaced, and Runway 12C/30C, will have lighting and electrical LED upgrades, the RDR signage replaced, and markings repainted.

The Invitation for Bid (IFB), Solicitation 2024-014-IFB – Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade, was issued on April 11, 2024, and advertised in the Arizona Business Gazette on 4/11, 4/18, 4/25 and 5/3/24. It was also posted on the AzAA, ACC, ACI-NA, SWAAAE, and FAA Matchmaker Websites, as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 60 prospective firms along with DBE/SBE Outreach. The bid opening was held on May 6, 2024, and three (3) bids were received. After review of the bids, Combs Construction was determined to have submitted the lowest, responsive bid.

Granite Construction Company	$4,543,894
Combs Construction Company, Inc.	**$3,756,592**
Sunland Asphalt & Construction LLC	$3,944,441

Fiscal Impact

This project is included in the FY24 Capital Budget with a carryover to FY25 utilizing FAA, ADOT and PMGAA Matching Grant Funds under CIP 1243.

Attachment(s): Construction Contract

RESOLUTION NO. 24-21

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a Construction Contract with Combs Construction Company, Inc., (Combs Construction) for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $3,756,592 under CIP 1243, pending approval and receipt of an FAA Federal Grant, and an ADOT Grant;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves a Construction Contract with Combs Construction Company, Inc., (Combs Construction) for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $3,756,592 under CIP 1243, pending approval and receipt of an FAA Federal Grant, and an ADOT Grant. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of May, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin J. Hawkins, Attorney

CONSTRUCTION CONTRACT

A. EFFECTIVE DATE:

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of the date signed by Owner.

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona
5835 South Sossaman Road
Mesa, Arizona 85212-6014
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

Combs Construction Company, Inc.
1903 West Parkside Lane
Suite 100
Phoenix, AZ 85027

D. DESIGN ENGINEER:

Kimley-Horn and Associates
1001 W Southern Ave
Suite 131
480-207-2666

RESIDENT ENGINEER

TBD
Address
Address
Phone
Fax

E. PROJECT:

Runway 12C-30C Asphalt Mill & Replacement, Lighting & Signage Upgrade
Authority Project No. 1243
ADOT Project No. TBD
FAA AIP No. 3-04-0078-059-2024

F. WORK TO BE PERFORMED:

The intent of the *Runway 12C-30C Asphalt Mill & Replacement, Lighting & Signage Upgrade* project is to complete various improvements to Runway 12C-30C and portions of adjacent Taxiways G, K, and P. A portion of Runway 12C-30C between existing PCCP sections (as shown on the plans), and portions of Taxiway K (north and south of Runway 12C-30C up to existing PCC pavement tie-in locations) will have the existing AC pavement milled to a depth (as shown on the plans) and replaced. Runway 12C-30C will have lighting and electrical LED upgrades, and RDR signage replaced. Additionally, Runway 12C-30C and portions of adjacent Taxiways G, K, and P (north and south of Runway 12C-30C as show on the plans) will have existing runway and taxiway markings repainted.

G. RECITALS:

The Owner intends to construct the *Runway 12C-30C Asphalt Mill & Replacement, Lighting & Signage Upgrade* project with airfield paving, lighting, signage, structures, utilities, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) the General Provisions and Federal Contract Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial Completion) of the Base Bid (Schedule I) no later than a total of **66 Calendar Days** from the date of issuance of the Notice to Proceed.

- Substantial Completion of the Base Bid (Schedule I) Phase 1 no later than a total of **45 Calendar Days** from the date of issuance of the Notice to Proceed.
- Substantial Completion of the Base Bid (Schedule I) Phase 2 no later than a total of **21 Calendar Days** from the date of issuance of the Notice to Proceed.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (l) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

1. Substantial Completion of Base Bid (All Phases, 66 Calendar Days) – $2,500 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project – $2,500 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of three million seven hundred fifty-six thousand five hundred ninety-one dollars and eighty-eighty cents ($3,756,591.88), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (l) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.
7.1.2 The Bidding requirements, document, exhibits, and Agreement Documents
7.1.3 The *General Conditions* to the Construction Contract.
7.1.4 The *General Provisions* to the Construction Contract.
7.1.5 The *Special Provisions* to the Construction Contract.
7.1.6 The Federal Contract Provisions.
7.1.7 Plans, Specifications and Addenda attached.
7.1.8 Bid Documents as follows:

A. Bid Proposal Cover Sheet signed and dated May 6, 2024.

B. Contractor Statutory Bid Bond dated April 30, 2024.

C. Contractor Bid Proposal dated May 6, 2024.

D. Bidder Identity submitted with Bid.

E. Certified Copy of Resolution of Board of Directors dated May 6, 2024.

F. Bidder Acknowledgements signed and dated May 6, 2024.

G. Certificate of Insurability dated May 3, 2024.

H. Non-Collusion Bidding Certification signed by and dated May 6, 2024.

I. Standard Certifications signed by and dated May 6, 2024.

J. Bidders Qualification Statement dated May 6, 2024.

K. Subcontractor List – Base Bid, Schedule I – signed and dated May 6, 2024

L. Bidder' Statement on Previous Contracts Subject to EEO Clause signed and dated May 3, 2024.

M. Buy American Preference Certification (Title 49 U.S.C., Chapter 501) signed and dated May 3, 2024.

N. Bidder Data Collection Form submitted signed and dated May 3, 2024.

O. Tax Delinquency and Felony Conviction Certificate signed and dated May 3, 2024.

P. Attachment(s) A (Base Bid) Subcontracting & Outreach Efforts Summary, submitted with Bid.

Q. Attachments B (Base Bid) Letter of Intent to Perform as a subconsultant/ Subcontractor/ Supplier submitted with Bid.

7.1.9 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds. The Contractor acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval and continuation is contingent on the availability of those funds being made to the Owner.

Executed as of the Effective Date.

CONTRACTOR
Combs Construction Company, Inc.
An Arizona Corporation

By: _____
Name: Mike Steg
Title: V.P.
Date: 5/9/24

OWNER
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,
A joint powers airport authority authorized
by the state of Arizona

By: _____
Name: J. Brian O'Neill, A.A.E.
Title: Executive Director/CEO
Date: _____

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-22

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer** **Through: J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Renewing Insurance Premiums for Airport Liability, Crime, D&O Employment Practice Liability, Cyber, Workers Compensation, Auto Liability, Fuel Farm & Inland Marine, Environmental, and Property**
Date:	**May 21, 2024**

Proposed Motion

To authorize Alliant Insurance Services, Inc. (Alliant) 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, 2024, not to exceed premium cost of $750,308.00.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) renews the following lines of insurance on a fiscal year basis: Airport Liability, Crime, D&O Employment Practice Liability, Cyber, Workers' Compensation, Auto Liability, Fuel Farm & Inland Marine, Environmental, and Property. The Fiduciary insurance policy is currently a three-year policy and FY25 is the last year of the policy term.

During the marketing process, Alliant engaged several insurance carriers that provide lines of insurance coverage for airports. Insurance premiums are subject to annual increases and decreases based on many variables including, but not limited to, loss rate, marketplace demand, exposure base, and the brokers' strength in the aviation and general property/casualty marketplace. Alliant has negotiated premiums on insurance policies for the above lines of insurance for PMGAA with an anticipated 8.5% increase. These premiums are subject to change due to any new losses incurred by PMGAA until coverage is bound. New or replacement equipment/vehicles throughout the year, insurance audits and completed capital projects could increase the current insurance quotes by an estimate of $75,000 bringing total premiums not to exceed to $750,308 for FY25.

Fiscal Impact

The Fiduciary premium is locked-in for three years and one-third of the premium will be expensed in FY25. The total estimated insurance premium expense for FY25 is not to exceed $750,308. The FY25 budget for insurance premiums is $752,426, excluding broker fees.

Attachment(s)

Renewal quote for lines of coverage.

RESOLUTION NO. 24-22

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize Alliant Insurance Services, Inc. (Alliant) 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, 2024, not to exceed premium cost of $750,308.00;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes Alliant Insurance Services, Inc. (Alliant) 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, 2024, not to exceed premium cost of $750,308.00. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 21st day of May, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Benjamin J. Hawkins, Attorney

FY25 Financial Summary

Premium Summary | Renewing 7/1/2024

Line of Business	Carrier	Expiring Premium	Renewal Premium	$ Change	% Change
Airport General Liability	AIG	$ 94,730	$ 113,676	$ 18,946	20.0%
Auto Liability	Travelers	$ 70,466	$ 84,147	$ 13,681	19.4%
Crime	Travelers	$ 4,409	$ 4,469	$ 60	1.4%
Cyber	Beazley	$ 30,782	$ 16,987	$ (13,795)	-44.8%
D&O/Employment Practice Liability	Chubb	$ 9,945	$ 11,220	$ 1,275	12.8%
Environmental	Beazley	$ 68,269	$ 66,230	$ (2,039)	-3.0%
Fiduciary* (3Yr Policy 7/1/22-25) 1/3 shown	Travelers	$ 1,863	$ 1,863	$ -	0.0%
Fuel Farm & Inland Marine	Travelers	$ 56,828	$ 68,936	$ 12,108	21.3%
Property	Travelers	$ 219,407	$ 233,332	$ 13,925	6.3%
Worker's Compensation	Old Republic	$ 65,917	$ 74,448	$ 8,531	12.9%
Total - All Lines Renewing		**$ 622,616**	**$ 675,308**	**$ 52,692**	**8.5%**
Allowance for purchase and replacement of equipment, vehicles, and insurance audits			**$ 75,000**		
Estimated Total FY25 Insurance Premiums		**Not to Exceed**	**$ 750,308**		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: March 2024 Financials
Date: May 21, 2024

Attached is the monthly Financials Report for March 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
March, 2024

	Month of March 2024				Y-T-D as of March 2024			
	March FY23 Actual	March FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	21,349	30,584	9,235	43%	222,275	279,726	57,451	26%
Fuel Flowage Fees	55,051	50,925	(4,126)	-7%	500,431	462,834	(37,597)	-8%
Landing Fees	162,569	156,444	(6,125)	-4%	1,078,119	1,207,886	129,767	12%
Lease Income Aero	242,848	327,610	84,762	35%	2,356,738	3,124,628	767,890	33%
Fuel Sales	602,955	658,491	55,536	9%	5,924,280	5,440,636	(483,644)	-8%
Services Sold - Aero	676,428	497,735	(178,693)	-26%	4,306,650	4,382,109	75,459	2%
Sub-total Aero Operating Revenues	1,761,200	1,721,789	(39,411)	-2%	14,388,493	14,897,819	509,326	4%
Non-Aeronautical Operating Revenues								
Concessions	182,744	128,532	(54,212)	-30%	1,098,886	1,019,199	(79,687)	-7%
Lease Income Non-Aero	131,524	109,260	(22,264)	-17%	1,011,518	986,011	(25,507)	-3%
Parking	326,909	346,756	19,847	6%	3,508,354	3,827,458	319,104	9%
Rental Car Fees	658,394	283,199	(375,195)	-57%	2,240,859	1,996,301	(244,558)	-11%
Svcs Sold - Non Aero	4,002	1,103	(2,899)	-72%	40,440	40,290	(150)	0%
Sub-total Non-Aero Operating Revenues	1,303,573	868,850	(434,723)	-33%	7,900,057	7,869,259	(30,798)	0%
Total Operating Revenues	**3,064,773**	**2,590,639**	**(474,134)**	**-15%**	**22,288,550**	**22,767,078**	**478,528**	**2%**
Operating Expenses								
Cost of Goods Sold	395,571	414,540	(18,969)	-5%	4,125,437	3,864,330	261,107	6%
Personnel	948,956	868,826	80,130	8%	7,561,995	8,112,049	(550,054)	-7%
Comm & Utilities	73,215	64,860	8,355	11%	700,298	791,420	(91,122)	-13%
Contractual Services	575,235	543,158	32,077	6%	4,642,113	5,056,036	(413,923)	-9%
Insurance	51,503	50,338	1,165	2%	501,890	472,036	29,854	6%
Other	21,957	22,283	(326)	-1%	222,067	240,988	(18,921)	-9%
Repair & Maintenance	133,767	141,774	(8,007)	-6%	682,959	693,814	(10,855)	-2%
Supplies & Materials	82,470	62,211	20,259	25%	693,083	619,880	73,203	11%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,282,674**	**2,167,990**	**114,684**	5%	**19,129,840**	**19,850,553**	**(720,711)**	-4%
Operating Income (Loss) Before Depreciation	**782,099**	**422,649**	**(359,450)**	-46.0%	**3,158,708**	**2,916,525**	**(242,183)**	-8%
	25.5%	16.3%			14.2%	12.8%		
Depreciation		1,252,389				11,154,290		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **May 21, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-017-IFB	Refuel / Defuel Bowser	May 2024
Invitation for Bid	2024-014-IFB	Runway 12C-30C Asphalt Mill & Overlay, LED Lighting & Signage Upgrade	May 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	June 2024
Request for Proposals	2024-015-RFP	Common Use Passenger Processing System (CUPPS)	August 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Phase 1 Rehabilitation	April 2024	June 2024
Request for Qualifications	2024-001-RFQ	CMAR for Baggage Makeup	June 2024	September 2024

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $57,722.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Bob Draper, Engineering and Facilities Director**
Through: **Chuck Odom, Chief Financial Officer**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **Project 1223, Demolition of Airport Facilities, Asbestos Remediation Increased Costs**
Date: **May 21, 2024**

On October 11, 2023, Airport staff issued a purchase order to Statewide Restoration Services, LLC for asbestos and lead inspection, removal, and abatement services for Building 1085 for $48,415.17. This project is funded with Non-Grant funds. Since the project has been underway, Airport staff has issued one change order for required modifications.

Change order #1: addition $ 38,611.83

For the increased work regarding the unforeseen support structures that unconventionally held the asbestos containing transite panels on building 1085. The original quote included the existing panels were placed under the roof eve in a conventional manner. During the removal process it was discovered that the panels were integrated into the support structure of the roof, making the removal of the asbestos containing transite panels increasingly more difficult and much more labor intensive.

Total Revised Project Amount $ 87,027.00

The current remaining budget unencumbered for the project after all charges and the above change order is $790,493.92. This portion of the project has been completed and closed by Airport staff.

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a telephonic meeting open to the public on **Tuesday, June 18, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Chip Wilson, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Chip Wilson, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **City of Phoenix Remarks** – Chad Makovsky, Aviation Director, Phoenix Sky Harbor Airport

6. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **May 21, 2024**.

   b) **Resolution No. 24-23 –** 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 for FY25 effective July 1, 2024, in an amount not to exceed $115,000.

   c) **Resolution No. 24-24 –** Authorizing the purchase of janitorial supplies from **Network Services Company** in partnership with **Waxie Sanitary Supply** for FY25, in an amount not to exceed $138,000.

   d) **Resolution No. 24-25 –** Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $4,968,000.

   e) **Resolution No. 24-26 –** 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 $633,651. This amount will provide fuel for the 2025 fiscal year.

f) **Resolution No. 24-27 –** Authorizing the purchase of services with **U.S. Customs & Border Protection (USCBP)** for the fiscal year of 2024 with costs estimated to be approximately $312,550.

Consideration and Possible Approval of:

8. **Resolution No. 24-28 –** Authorizing an Intergovernmental Agreement (IGA) with the **City of Mesa** for Aircraft Rescue and Firefighting (ARFF) Maintenance Services, effective July 1, 2024, through June 30, 2027, with costs estimated to be approximately $120,000.

9. **Resolution No. 24-29 –** Authorizing the Intergovernmental Agreement (IGA) with the **City of Mesa** for Dedicated Law Enforcement Services (LEO), for five years effective July 1, 2024 in an amount not to exceed $4,629,451.

10. **Election of Chair and Vice Chair**

11. **Election of Secretary and Treasurer**

12. **Board Member Comments/Announcements**

13. **Next Meeting: Tuesday, August 20, 2024 at 9:00 a.m.**

14. **Adjournment**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- **Phoenix-Mesa Gateway Airport Featured in *Airport Improvement* Magazine**
- **Non-Airline Revenue Increasing in Fiscal Year 2024**
- **Design Finalized on New Airport Entrance Monument Sign**
- **First Look Inside Virgin Galactic, Gulfstream, and SkyBridge Arizona Facilities**
- **Gateway Commerce Park III in for Final Permitting with City of Mesa**

Executive Director's Report
June 2024

30,000 Sq. Ft. Terminal Addition Complete and All 11 Gates Operational

Financial Snapshot

OPERATING INCOME	April		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY23	FY24	
Revenues	$2,725,588	$3,155,893	**$430,305**	$25,014,916	$25,922,972	**$908,056**
Less Expenses	$1,928,721	$2,282,728	**$354,007**	$21,058,561	$22,133,280	**$1,074,719**
Operating Income *(Before Depreciation)*	**$796,867**	**$873,165**	**$76,298**	**$3,956,355**	**$3,789,692**	**($166,663)**

Investment Fund Balances: As of April, the Local Governmental Investment Pool (LGIP) 700 = $6,409,374; Wells Fargo; Collateralized Money Market = $11,470,315 and Commercial/Paper Brokered CD's = $49,618,245; Total $67,497,934. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a record $873,165 in net operating income for April 2024, exceeding April 2023 net operating income of $796,867 by $76,298. Aeronautical revenues increased by 16% this April compared to last year. April non-aeronautical revenues also increased by 16%, compared to the previous April. Fiscal year-to-date 2024(FYTD24) operating results are $3,789,692, a decrease of 4% compared to the same time period last fiscal year.

Operating expenditures for April increased by 18% and totaled $2,282,728. The increase is attributed to personnel costs, contract services, and cost of goods sold. Total operating expenditures remain 4% under the PMGAA Board-Approved FY24 Operating Budget.

Non-Airline Revenue Increasing in Fiscal Year 2024

	Month					Cumulative				
	Month of Apr 2024	Per EPAX (All)	Month of Apr 2023	Per EPAX (All)	% Change (Dollars)	FY24 YTD 7/1/23 - 4/30/24	Per EPAX (All)	FY23 YTD 7/1/22 - 4/30/23	Per EPAX (All)	% Change (Dollars)
Non Airline Revenues:										
Parking	283,737	$ 3.50	277,292	$ 3.03	2.3%	3,861,464	$ 5.06	3,568,808	$ 4.37	8.2%
Rental Car	566,855	$ 6.99	435,899	$ 4.76	30.0%	2,563,156	$ 3.36	2,676,758	$ 3.27	-4.2%
Food & Beverage	40,277	$ 0.50	66,285	$ 0.72	-39.2%	449,337	$ 0.59	489,221	$ 0.60	-8.2%
Retail	73,874	$ 0.91	41,367	$ 0.45	78.6%	439,355	$ 0.58	444,503	$ 0.54	-1.2%
Related revenues	964,743	$ 11.90	820,843	$ 8.97	17.5%	7,313,313	$ 9.59	7,179,289	$ 8.78	1.9%

Gateway Airport is experiencing an increase in non-airline revenue – parking, rental cars, food, beverage, and retail – this year. In April 2024, non-airline revenue was $11.90/enplaned passenger, compared to $8.97/enplaned passenger last April. FYTD24, non-airline revenue eclipsed $7.31MM, compared to $7.18MM during the same time period last fiscal year.

Increased parking revenue is responsible for much of the revenue gain in FY24.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Rehabilitation	June 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	August 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	August 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Qualifications	2024-001-RFQ	CMAR for Baggage Make-up	June 2024

Airport Operations

Phoenix-Mesa Gateway Airport Featured in *Airport Improvement* Magazine

Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Completes Five-Gate Addition

FACTS&FIGURES

Major Transformation

Necessity Drives Innovation

DWL ARCHITECTS+

Gateway Airport's new five-gate, 30,000 sq. ft. terminal addition was a five-page feature article in the May/June 2024 edition of *Airport Improvement* magazine. The article provided exceptional national exposure for the Airport, the growing commercial passenger terminal, and the many other important projects currently underway at Gateway Airport.

Many thanks to PMGAA Director of Engineering and Facilities Bob Draper, DWL Architects + Planners, Inc. President Sandra Kukla and Project Manager Shawn Filip, and McCarthy Building Companies Project Director Thomas Assante for providing content for the article. Also, great job to PMGAA Director of Communications and Government Relations Ryan Smith for helping coordinate the article with the writer and the magazine.

PASSENGER COUNTS		April		% Change	FYTD		% Change
		2023	2024		FY23	FY24	
Passengers	TOTAL	169,747	150,785	-11%	1,647,013	1,535,081	-7%
	Deplaned	78,251	69,714	-11%	829,635	772,271	-7%
	Enplaned	91,496	81,071	-11%	817,378	762,810	-7%
Allegiant	Scheduled	154,603	145,373	-6%	1,526,120	1,498,945	-2%
Swoop	Scheduled	7,710	0	-100%	44,778	0	-100%
Sun Country	Scheduled	2,826	5,412	92%	32,828	36,136	10%
WestJet	Scheduled	1,298	0	-100%	11,372	0	-100%
Flair	Scheduled	3,310	0	-100%	31,521	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	April		% Change	FYTD		% Change
	2023	2024		FY23	FY24	
Air Carrier	1,059	1,101	4%	10,317	10,587	3%
Military	314	356	13%	3,070	2,549	-17%
General Aviation	18,036	27,957	55%	192,076	230,952	20%
TOTAL	**19,409**	**29,414**	**52%**	**205,463**	**244,088**	**19%**

Community Noise Report

CALLERS	April		FYTD	
	2023	2024	FY23	FY24
Total	7	22	127	173

AIRCRAFT TYPE	April		FYTD	
	2023	2024	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	5	2	71	77
GA Total	2	3	31	38
Helicopter	0	0	0	25
Military	0	17	25	33
Total	**7**	**22**	**127**	**173**

PMGAA received communications from 22 total individuals regarding aircraft noise issues during the month of April 2024, compared to seven last April.

LOCATION	April		FYTD	
	2023	2024	FY23	FY24
Mesa	4	18	59	62
Gilbert	2	1	45	53
Gold Canyon	0	0	2	1
Queen Creek	1	2	15	40
Queen Valley	0	1	2	8
Apache Junction	0	0	4	0
San Tan Valley	0	0	0	1
Chandler	0	0	0	1
Goodyear	0	0	0	2
Phoenix	0	0	0	2
Tempe	0	0	0	3
TOTAL	**7**	**22**	**127**	**173**

Gateway Aviation Services

PMGAA pumped approximately 1.47MM gallons of aviation fuel during the month of April 2024, a 4% decrease compared to the approximately 1.53MM gallons dispensed last April.

FUEL (Gallons)	April			FYTD		
	2023	2024	% Change	FY23	FY24	% Change
AvGas	37,729	48,608	29%	403,093	370,635	-8%
Retail Jet A	65,653	94,684	44%	681,095	644,316	-5%
Contract	253,883	234,089	-8%	2,953,220	2,867,068	-3%
Commercial	1,022,556	1,058,387	4%	10,129,983	10,426,527	3%
Cargo	145,360	35,473	-76%	1,077,874	255,319	-76%
TOTAL	**1,525,181**	**1,471,241**	**-4%**	**15,245,265**	**14,563,865**	**-4%**

Business Development

Gateway Commerce Park III Project in for Final Permitting with City of Mesa

Rendering of Gateway Commerce Park III

An exciting new development project is coming to the corner of So. Sossaman Road and Velocity Way at Gateway Airport. Wetta Ventures is working with the City of Mesa on final permitting for two, industrial buildings totaling approximately 96,000 sq. ft. The developer has worked in partnership with the City of Mesa Planning Department to ensure that they maximize the "curb appeal" on this highly visible corner lot. Construction is scheduled to begin later this summer/fall.

First Look Inside Virgin Galactic, Gulfstream, and SkyBridge Arizona Facilities

If you've been to Gateway Airport lately, you've definitely noticed several large new facilities being constructed around the airfield. There is currently more than one million square feet of private development underway at the Airport.

Virgin Galactic is finishing up two large facilities on the north end of the Airport – a 36,000 sq. ft. hangar that will be home to the "mothership", Eve, and a 115,200 sq. ft. manufacturing facility where they will assemble up to six spaceships each year. The impressive Virgin Galactic complex is scheduled to be completed and operational later this summer.

Virgin Galactic Exterior

Virgin Galactic Interior

Gulfstream Aerospace Corporation is constructing a 225,000 sq. ft. West Coast Service Center on the east side of the airfield. This $100MM+ project is the first development occurring on the east side of Gateway Airport adjacent to Gateway Boulevard and Ellsworth Road. The Gulfstream campus will include the large hangar with attached three-story office tower and a fuel farm. Gulfstream anticipates substantial completion and a Certificate of Occupancy by the end of July/beginning of August.

Gulfstream Exterior

Gulfstream Interior

SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. To date, SkyBridge has constructed a 53,000 sq, ft. industrial building, an 82,500 sq. ft. hangar, and various roadways and utility infrastructure across the site. SkyBridge is now completing two 250,000 sq. ft. flex industrial buildings and is marketing them as both single user and multi-tenant facilities. The two large buildings have dramatically changed the landscape at the south end of the Airport.

SkyBridge Arizona Exterior

SkyBridge Interior

Community and Government Relations

Sean Egan

Busy commercial service airports can produce roadway and overflight activity that some area residents find displeasing. PMGAA prides itself on working hard to be a good neighbor in the Phoenix East Valley. Gateway Airport's community outreach efforts includes a Community Noise Program to help answer local resident's questions and concerns and educate the community about the airport growth and its ongoing activities. PMGAA Marketing and Social Media Specialist Sean Egan recently assumed responsibility for the Airport's Community Noise Program and is committed to continuing to provide exceptional service to the residents in the adjacent communities.

Engineering and Planning

Design Finalized on New Airport Entrance Monument Sign

New Airport Entrance Monument Sign Rendering

The entrance to Gateway Airport is getting a facelift! In the coming months, the intersection of Ray and South Sossaman Roads northwest of the Airport will have a lot of construction activity as PMGAA works to replace the current Airport entrance monument sign with a new, modern design.

The existing entrance, titled Migration of Flight, was designed in 2002 and depicts bird silhouettes and fighter jets flying over the vast desert landscape. The new design, created to better represent the Airport's exciting transformation and success, uses sharp angles, strategic uplighting, concrete, steel, and colorful organic materials to symbolize the modern motion of flight.

PMGAA Team Member Spotlight

Employee Name: **Macy Tone**
Employee Title: **Terminal Agent**
PMGAA Department: **Operations, Security, and Maintenance**
Years with PMGAA: **1+**

What are your job responsibilities for PMGAA? My job requires the ability to perform multiple tasks at once and time manage every step of the way. We have a wide range of knowledge that includes minor IT such as fixing printers and monitors, responding to incidents within the terminal or landside, or aiding to the curbside by regulating the flow of traffic. Inspections are held all throughout the day to uphold the rules and regulations. We provide daily passenger care by answering questions, guiding pathways, and assisting with lost and found. Our job allows us to constantly be on the move and learn new things every day.

What is your most memorable Gateway Airport moment? My most memorable moment would be the time I got a tour of 'Little Willie', the old air traffic control tower. I thought it felt haunted. I was too scared to use the elevator, so I climbed all ten flights of stairs. A workout for sure! Just seeing a part of the history of this Airport that was almost standstill with old coke cans and other personal items was surreal.

What is something people may not know about you? I write jokes on our terminal operations board weekly! **Here's one for you – When would you hear combat music underwater?**
When you sea anemone!

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | May 21, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, May 21, 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 Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian Community
Councilmember Jeff Brown, Queen Creek
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix*
** 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
Benjamin J. Hawkins, Attorney

1. **Call to Order** at 9:00 a.m. (Mayor Wilson, 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's financial performance, passenger activity, the community noise report, and various Airport projects.

   - Fiscal Year-to-Date 2024 (FYTD) Net Operating Income is $2,916,525.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 210,368 commercial passengers in March 2024. This is down from the 229,810 passengers during March of last year due to the three Canadian airlines no longer serving the Airport.
   - The community noise report shows 22 individual area residents called the Airport regarding noise during March 2024. This compares to 13 individual callers contacting the Airport in March 2023.
   - XNRGY Climate Systems' ground-breaking event was held on April 16th. This is the first development for Gateway East which is a 273-acre, mixed-used, non-aeronautical development opportunity located on the east side of the Airport. The Boyer Company has cleared and prepped a 17-acre site within Gateway East for XNRGY's 275,000 sq. ft. facility.
   - The Arizona Association for Economic Development presented the 2024 "Best of Arizona" award to Business and Economic Development Director, Lori Collins on behalf of PMGAA. This prestigious award recognizes individuals or organizations whose dedication to economic development in the state of Arizona has been unequaled. PMGAA was honored to be recognized for having a sustained, positive impact on Arizona's economy and proudly shares this award with all its Member Communities.

DRAFT

- Phoenix-Mesa Gateway Airport is featured in a five-page article in the May-June, 2024 edition of *Airport Improvement* magazine.
- Virgin Galactic is nearing completion of its hangar and manufacturing facility. They intend to house "the mothership" in the taller hangar and to use the 125,000 sq. ft. hangar as a manufacturing facility to assemble up to six spaceships each year. The spaceships will be transported to New Mexico by the mothership for their space tourism launch activities. The two-building complex is scheduled to be operational in the summer of 2024.
- Gulfstream Aerospace is constructing 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 scheduled to be operational in the summer of 2024.
- SkyBridge Arizona has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users. Tenant inquiries are being fielded for one or both of these facilities.
- 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.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. The design preference is incorporating value engineering to reduce building costs by using concrete blocks and a textured façade instead of pour-in-place concrete walls.
- For the next several years, PMGAA's construction focus will shift to three airfield improvement projects – a mill and overlay of Runway 30C-12C, reconstruction of Runway 30L-12R, and reconstruction of a portion of Taxiway Whiskey. The timeframe for the Center Runway 12C-30C mill and overlay project is June through August 2024. The runway will be closed while the mill and overlay takes place. The Airport has two other 10,000-foot runways and will maintain normal operations during the project. Repairs to Taxiway Whiskey will take place in August – September. Funding for the $2MM project comes from ADOT. This taxiway is directly across from the terminal. Phasing of this project is critically important for maintaining access to the South Ramp. Thanks to continued support from the FAA, the reconstruction of Runway 12R-30L has been consolidated into two years. Phase I, will begin in September 2024. This important infrastructure project totals approximately $45MM.
- Joining Hertz and Enterprise car rental companies is Avis/Budget. A permanent new ticket counter for them has been completed in the high-bay area of the terminal.

6. **Gateway East Master Plan Update** – Adrian Evarkiou, Partner, The Boyer Group

   Mr. Evarkiou provided an informative overview of the various projects currently underway in Gateway East. He reviewed the accomplishments of the past twelve months, the current schedule for XNRGY Climate Systems, and the future development focus on commercial retail along Ellsworth Road.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **April 16, 2024**.

   b) **Resolution No. 24-19 –** Authorizing the purchase of one 1,500 Gallon, Refuel/Defuel Bowser from **Superior Storage Tanks and Trailers**, in an amount not to exceed $71,736.71.

c) **Resolution No. 24-20 –** Authorizing an amendment of the **FY24 Capital Budget** to add $1,639,181 in funding for the Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade Project under CIP 1243 with carryover over into FY25**.**

d) **Resolution No. 24-21 –** Approving a Construction Contract with **Combs Construction Company, Inc., (Combs Construction)** for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project in an amount not to exceed $3,756,592 under CIP 1243, pending approval and receipt of an FAA Federal Grant, and an ADOT Grant.

e) **Resolution No. 24-22 –**Authorizing **Alliant Insurance Services, Inc. (Alliant)** 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, 2024, not to exceed premium cost of $750,308.00.

Mayor John Giles moved to approve the Consent Agenda.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

8. **Board Member Comments/Announcements.**
The election of officers will take place during the June 18 board meeting.
No board meeting will be held in July.
The board will meet again on the 13th of August.

9. **Next Meeting: Tuesday, June 18, 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.

10. **Adjournment.**
The meeting adjourned at 9:29 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-23

To: Board of Directors
From: Ryan Smith, Communications & Government Relations
Through: Scott Brownlee, Deputy Director/COO
J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: State & Federal Legislative Representation and Consulting Services
Date: June 18, 2024

Proposed Motion
To authorize 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 for FY25 effective July 1, 2024, in an amount not to exceed $115,000.

Narrative
In the past, Phoenix-Mesa Gateway Airport Authority (PMGAA) and the City of Mesa have shared expenses pertaining to lobbyist services. Mesa and the Airport will utilize the services of Squire Patton Boggs, LLP for federal professional services, and Policy 48 for state professional services, and will share in these costs.

The Airport Authority will provide 40 percent of the total cost for the federal lobbying contract and 33 percent of the total cost for the state lobbying contract. The dollar amounts shown below are PMGAA's portion of the total not to exceed amount.

Company	Bid Amount
1. Policy 48 (State)	$37,000
2. Squire Patton Boggs (Federal)	$78,000

Total Contract Amount:

Total combined contract amount for FY 2025 will not exceed $115,000.

Fiscal Impact
This contract was included in the FY25 operating budget and is funded under Contractual Services Other.

Attachment(s)
Letter of Agreement with City of Mesa.

RESOLUTION NO. 24-23

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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 for FY25 effective July 1, 2024, in an amount not to exceed $115,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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 for FY25 effective July 1, 2024, in an amount not to exceed $115,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

mesa·az
OFFICE OF THE CITY MANAGER
mesaaz.gov

20 E Main St Suite 750
PO Box 1466
Mesa, Arizona 85211-1466

DATE: June 18, 2024

TO: J. Brian O'Neill, Executive Director, Phoenix-Mesa Gateway Airport Authority

FROM: Scott J. Butler, Assistant City Manager, City of Mesa

SUBJECT: State & Federal Legislative Representation and Consulting Services

The purpose of this memo is to confirm the proposed cost-sharing arrangement for state and federal consulting services between the City of Mesa and the Phoenix-Mesa Gateway Airport Authority.

State professional services are provided by Policy 48. The agreement for state representation will cover the period from July 1, 2024 until June 30, 2025. Gateway's financial participation for state services will be set at 33% of the total costs. For FY2025, the cost will not exceed $37,000.

Federal professional services are provided by Squire Patton Boggs, LLP. The agreement for federal representation will cover the period from July 1, 2024 until June 30, 2025. Gateway's financial participation for federal services will continue to be set at 40% of the total costs. For FY2025, the cost will not exceed $78,000.

c: Christopher J. Brady

Acknowledgement

_____ _____

J. Brian O'Neill, Executive Director/CEO Date

480.644.3333 (tel)
480.644.2175 (fax)

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-24

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Network Services Company in partnership with Waxie Sanitary Supply**
Date:	**June 18, 2024**

Proposed Motion
To authorize the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY25, in an amount not to exceed $138,000.

Narrative
Phoenix-Mesa Gateway Airport Authority maintains facilities hosting commercial airline passengers and over 100 employees, as well as general aviation operations and various tenant and office space. Passenger activity is at pre-pandemic levels, it is increasing compared to last year with over 1.9 million passengers for FY23 fiscal year. As part of a health and safety plan for our employees and passengers, the cleaning and frequency has increased, and the cost of janitorial supplies have increased as well. A primary function of the Operations and Maintenance Department is to ensure Airport facilities provide a clean, sanitary, and aesthetically pleasing environment for passengers, visitors, tenants, and staff. Janitorial and sanitary supplies, such as paper products and consumables, are required for health, safety, and satisfaction of customers, visitors, tenants, and employees.

Authorization to purchase janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply will allow PMGAA to utilize the unit pricing that was competitively bid for janitorial supplies.

PMGAA is a participating member of the Omnia Partners, allowing it to utilize contract #202329-01 executed by the City of Tucson with Network Services Company in partnership with Waxie Sanitary Supply for Janitorial Supplies. This contract is available upon request.

Fiscal Impact
This expenditure was included in the FY25 operating budget and is funded under OPM Supplies & Maintenance: Operating Supplies.

Attachment(s)
None.

RESOLUTION NO. 24-24

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY25, in an amount not to exceed $138,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of janitorial supplies from Network Services Company in partnership with Waxie Sanitary Supply for FY25, in an amount not to exceed $138,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-25

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY25 purchase of Jet-A and 100LL Avgas**
Date:	**June 18, 2024**

Proposed Motion
To authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $4,968,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority owns and operates Gateway Aviation Services, the Airport's sole provider of retail aviation fuel.

Jet-A and 100LL Avgas are needed to provide aircraft fuel to tenant, transient, corporate, flight school, airline, and military customers.

Request for Proposal No. 2019-05 was issued, and Ascent Aviation was selected as the airport's fuel provider. Board Resolution No. 19-10 approved a multi-year contract between Phoenix-Mesa Gateway Airport Authority and Ascent Aviation. An amendment to extend for four more years was signed on February 21, 2023.

Fiscal Impact
This purchase was included in the FY25 operating budget and is funded under – Cost of Goods Sold Jet-A and 100LL Avgas budgeted line items.

Attachment(s)
N/A

RESOLUTION NO. 24-25

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $4,968,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of Jet A fuel and 100LL Avgas from Ascent Aviation for Airport Authority resale in the amount of $4,968,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-26

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**FY25 Purchase of Unleaded and Diesel Fuel – State Contract Vendors**
Date:	**June 18, 2024**

Proposed Motion

To authorize 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 $633,651. This amount will provide fuel for the 2025 fiscal year.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) owns and operates Gateway Aviation Services, the Airport's sole provider of fuel for ground support equipment.

Unleaded and Diesel #2 are needed to provide fuel to tenant and airport ground support equipment.

As a qualified participant of the Arizona Department of Administration Sate Procurement Office (ADSPO), PMGAA can procure goods and services under state contracts. These contracts have been competitively bid and are available upon request.

Fiscal Impact

This purchase was included in the FY25 budget and is funded under Cost of Goods Sold and Fuel Usage for internal usage.

Attachment(s)

N/A

RESOLUTION NO. 24-26

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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 $633,651. This amount will provide fuel for the 2025 fiscal year;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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 $633,651. This amount will provide fuel for the 2025 fiscal year. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-27

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Services from U.S. Customs & Border Protection**
Date:	**June 18, 2024**

Proposed Motion
To authorize the purchase of services with U.S. Customs & Border Protection (USCBP) for the fiscal year of 2025 with costs estimated to be approximately $312,550.

Narrative
A Memorandum of Agreement was entered into by PMGAA and the USCBP in August of 2023 for inspection services at the Airport. USCBP provides (1) full-time officer at Phoenix-Mesa Gateway Airport Authority to ensure the safety, security, and efficient flow of international travelers and goods. USCBP will also be utilized during high alert security situations, special events or other circumstances, as needed, and determined by PMGAA.

Fiscal Impact
This expenditure was included in the FY25 operating budget.

Attachment(s)
None.

RESOLUTION NO. 24-27

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of services with U.S. Customs & Border Protection (USCBP) for the fiscal year of 2025 with costs estimated to be approximately $312,550;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of services with U.S. Customs & Border Protection (USCBP) for the fiscal year of 2025 with costs estimated to be approximately $312,550. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-28

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Aircraft Rescue and Firefighting Maintenance Services IGA**
Date:	**June 18, 2024**

Proposed Motion
To authorize an Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting (ARFF) Maintenance Services, effective July 1, 2024, through June 30, 2027, with costs estimated to be approximately $120,000.

Narrative
The Phoenix-Mesa Gateway Airport Authority (PMGAA or Airport) contracts with the City of Mesa (Mesa or Mesa Fire) to provide aircraft rescue and fire-fighting services. In addition, PMGAA utilizes Mesa Fire's fleet services group to maintain its ARFF Apparatus and equipment. The existing agreement for maintenance services expires on June 30, 2024.

Both entities have determined that it is mutually beneficial for the Mesa Fire Department to provide ARFF Apparatus and equipment maintenance services for the PMGAA.

Arizona Revised Statues (A.R.S), §§ 11-951 et seq., authorizes Mesa and PMGAA to enter intergovernmental agreements for the provision of services, or for joint or cooperative actions. The IGA may be modified by a written amendment approved by the City Council and PMGAA Board of Directors pursuant to A.R.S. § 11-952.

Fiscal Impact
This agreement was included in the FY25 operating budget and is funded under RM: Vehicles.

Attachment(s)
IGA

RESOLUTION NO. 24-28

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting (ARFF) Maintenance Services, effective July 1, 2024, through June 30, 2027, with costs estimated to be approximately $120,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an Intergovernmental Agreement (IGA) with the City of Mesa for Aircraft Rescue and Firefighting (ARFF) Maintenance Services, effective July 1, 2024, through June 30, 2027, with costs estimated to be approximately $120,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

THE CITY OF MESA AND THE PHOENIX-MESA GATEWAY AIRPORT AUTHORITY INTERGOVERNMENTAL AGREEMENT RELATING TO FIRE VEHICLES AND EQUIPMENT MAINTENANCE SERVICES

This Intergovernmental Agreement ("Agreement") is entered into this _____ day of _____, 2024 between the City of Mesa ("City"), an Arizona municipal corporation and Phoenix-Mesa Gateway Airport Authority ("PMGAA"), an Arizona joint powers airport authority (individually, each is a "Party" and collectively, the "Parties").

RECITALS:

Arizona Revised Statutes (A.R.S.), §§ 11-951 *et seq.*, authorizes City and PMGAA to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions.

The Parties have determined that it would be mutually beneficial for City to provide maintenance services for aircraft rescue firefighting vehicles and equipment owned by and stationed at Phoenix-Mesa Gateway Airport.

In consideration of the mutual promises, covenants, and agreements contained in this Agreement, the Parties agree as follows:

SECTION 1 • EFFECTIVE DATE, TERM, TERMINATION

1.1 Term. The Term of this Agreement shall be for three (3) years commencing on July 1, 2024 (the "Effective Date") and continuing until June 30, 2027, unless sooner terminated pursuant to the provisions of this Agreement. The Term may be extended for two (2) additional one-year periods by PMGAA providing written notice of its desire to extend the Agreement at least ninety (90) days prior to expiration of the Term and the Parties' written and signed agreement to such extension.

1.2 Termination on Notice. Either City or PMGAA may terminate this Agreement for any or no reason by providing at least ninety (90) days prior written notice to the non-terminating Party of the intention to terminate. Such termination shall be effective (90) days after the date the termination notice is mailed by return receipt.

1.3 Termination for Cause. In the event of a material breach of any of the provisions of this Agreement, the non-breaching Party may terminate this Agreement by delivering written notice to the Party in breach specifically stating the nature of the breach. Upon being served with such notice, the Party in breach shall have sixty (60) days from the date of the notice in which to cure said breach. If said breach has not been cured within this sixty (60) day time period, this Agreement shall be deemed terminated.

SECTION 2 • SCOPE OF WORK AND COMPENSATION

2.1 City responsibilities and obligations:

a. For the term of this Agreement, City shall provide or cause to be provided full maintenance and repair services for PMGAA's fire-fighting vehicles and equipment as needed on a 24-hour basis, seven (7) days per week, consistent with manufacturer maintenance schedules and the applicable National Fire Protection Association ("NFPA") fire apparatus guidelines. Such services shall include foam and extinguishing agent replenishment.

b. Fire-fighting vehicles and equipment to be maintained pursuant to this agreement shall include, but not be limited to: (1) a 2009 Oshkosh ARFF Foam Truck, and (2) a 2018 Oshkosh ARFF Foam Truck. Fire-fighting vehicles and equipment shall include any replacement or additional vehicles and equipment agreed upon by the Parties.

c. Mesa Fire and Medical Department ("MFMD") personnel at Station 215, located at 6353 S. Downwind Circle in Mesa, will perform standard daily fire-fighting vehicle and equipment checks on PMGAA's fire-fighting vehicles and equipment and will report any needed repairs on a City repair order form to the MFMD Fire Maintenance Facility ("East Mesa Service Center") located at 708 W. Baseline Rd. in Mesa, with a copy of said order form being provided to PMGAA's Operations and Maintenance Director. Such reports will include any needed repairs or replenishment of foam and extinguishing agents.

d. At the sole discretion of City personnel, selected routine, preventative, and/or emergency maintenance services or major repairs on the fire-fighting vehicles and equipment may be performed or caused to be performed at Station 215 or at the East Mesa Service Center at 708 W. Baseline Rd., or at other locations as necessary. City shall have the sole discretion on the location of maintenance and repairs and on the need to obtain maintenance assistance from an outside source.

e. City shall keep accurate records of the maintenance and repairs performed on PMGAA's fire-fighting vehicles and equipment on a computerized fleet management database, and shall provide summaries of the repairs and maintenance, including costs, to PMGAA on a monthly basis.

f. City shall notify PMGAA's Operations & Maintenance Director or its designee in writing prior to any major repair requirements, which are repairs or maintenance estimated to cost in excess of $4,000.

g. PMGAA's fire-fighting vehicles and equipment shall only be operated by City personnel or City agents, for any and all preventative maintenance or repair purposes. If agents of City will be operating any vehicles or equipment, City must notify PMGAA of who will be operating and provide evidence of the insurance coverage protecting such persons and the vehicles and equipment being operated by them.

h. City shall immediately notify PMGAA's Operations & Maintenance Director or its designee when aircraft rescue fire-fighting vehicles and equipment are taken out of service for preventive maintenance or repair and upon the unit's return to Station 215.

i. City will loan ARFF apparatus to PMGAA upon request at the compensation rate set forth in Section 2.2 (a)(iv) if City has such apparatus available. ARFF Apparatus shall satisfy, at a minimum the most recent version of FAA requirements for Index B in Title 49CFR 139.317 b. 1. City will loan ARFF apparatus to PMGAA upon request at the compensation rate set forth in Section 2.2 (a)(iv) if City has such apparatus available. ARFF Apparatus shall satisfy, at a minimum the most recent version of FAA requirements for Index B in Title 49CFR 139.317(b)(1).

j. City shall submit an invoice to PMGAA on a monthly basis reflecting the compensation owed by PMGAA pursuant to this Agreement, which amount shall be calculated pursuant to the provisions set out in Section 2.2. City, in its sole discretion, subject to the terms of this Agreement, shall determine whether repairs are categorized as major repairs, preventative maintenance or emergency repairs.

k. City shall provide annually, updated labor rates in writing to PMGAA, on or before July 1 each year that will indicate the labor rates for the following year.

l. City shall maintain 3 certified technicians, of which PMGAA will reimburse the City for training expenses of 2 technicians. General training schedules are contained in Exhibit A. City shall notify the Director-Operations and Maintenance of training needs that occur outside of the Exhibit A schedule.

2.2 <u>PMGAA responsibilities and obligations:</u>

a. Compensation to be paid by PMGAA to City shall be calculated and paid as follows:

(i) PMGAA agrees to pay the then-applicable hourly labor rate for maintenance and repair services performed between the hours of 6 a.m. and 2:30 p.m., Monday through Friday ("Weekday Services"). For fiscal year 2024-2025, the labor rate is $105.26 per hour for Weekday Services; and

(ii) PMGAA agrees to pay the then-applicable hourly labor rate for maintenance and repair services performed on weekends, holidays, and for services performed outside of the weekday hours stated in Section 2.2a(i) (collectively, "Non-Weekday Services"). For fiscal year 2024-2025, the hourly labor rate is $126.31 for Non-Weekday Services; and

(iii) In addition to the hourly labor rate stated in Sections 2.2(a)(i) and 2.2(a)(ii), PMGAA agrees to pay for all reasonable and documented parts and materials utilized in the repair of PMGAA fire-fighting vehicles and equipment and the replenishment of foam or firefighting agents in sufficient quantities to meet FAA Regulations. The cost for such parts and materials shall be City's cost, plus a ten percent (10%) handling fee; and

(iv) PMGAA shall pay City one thousand five hundred dollars ($1,500) per day for the rental of apparatus as specified in section 2.1(i). The rented apparatus shall be returned to City cleaned and fully fueled; and

(v) PMGAA agrees to pay for reasonable and documented costs incurred in the event that City obtains maintenance assistance from an outside source as provided in

Section 2.1(d). The cost for such outside maintenance assistance shall be City's cost, plus a ten percent (10%) handling fee; and

(vi) PMGAA agrees to reimburse City for any reasonable and documented costs incurred by City in the delivery or return of PMGAA's fire-fighting vehicles and equipment, except for those costs that may be incurred due to the fault of City or its personnel or agents; and

(vii) PMGAA shall pay the full tuition, travel, hotel, and meal per diem expenses for certification training of two technicians as delineated in Exhibit A.

b. Within forty-five (45) days of receiving an invoice(s), PMGAA shall pay City any compensation owed as determined pursuant to Section 2.2.

SECTION 3 • INSURANCE AND LIMITATION OF LIABILITY

3.1 Insurance Requirements:

a. City, at its cost, shall maintain adequate liability insurance to cover City's and its agents' operation, maintenance and repair services and related activities of PMGAA's fire-fighting vehicles and equipment described herein. City also agrees to indemnify and hold harmless PMGAA from any and all liability, which is attributed to City as a result of City's and its agents' operation, maintenance and repair of the vehicles and equipment described in this Agreement.

b. PMGAA shall provide physical damage coverage for the vehicles and equipment described in this Agreement.

c. Special Items. Each insurance policy shall provide the following: (i) the policies cannot be cancelled, or substantially modified until and unless thirty (30) days written notice is received by the other Party; (ii) the insurance company shall have no recourse against the other Party for payment of any premium or for assessments under any form of policy; and (iii) the policies are intended as primary coverage for each Party and that any insurance or self-insurance maintained shall apply in excess of and not in contribution with the insurance provided by these policies.

d. Certificates on File.

(i) Certificates of the required insurance coverage shall be furnished to City by PMGAA upon execution of this Agreement and shall be kept current at all times.

(ii) Certificates of the required insurance coverage shall be furnished to PMGAA by City upon execution of this Agreement and shall be kept current at all times.

e. City and PMGAA hereby hold each other harmless and waive any right to subrogate against each other regarding any property damage.

3.2 Mutual Release. Notwithstanding anything to the contrary contained in this Agreement, City and its agents and affiliates shall not, under any circumstances, be liable to PMGAA or its affiliates for any claim based upon any third-party claim, or for any compensatory, consequential, incidental, direct, indirect, punitive, exemplary, or special damages of any nature. Notwithstanding anything to the contrary contained in this Agreement, PMGAA and its agents and affiliates shall not, under any circumstances, be liable to City or its affiliates for any claim based upon any third-party claim, or for any compensatory, consequential, incidental, direct, indirect, punitive, exemplary, or special damages of any nature.

SECTION 4 • MISCELLANEOUS

4.1 Funding. Each Party to this Agreement shall have the separate and independent responsibility of budgeting for and funding its own participation in this Agreement. The obligations of each Party hereto are subject to each Party budgeting for and appropriating funds necessary to meet their obligations hereunder. Should either fail to budget or appropriate the necessary funds, which Party shall notify the other, or this Agreement shall terminate as of the last date that funds will be available.

4.2 A.R.S. § 38-511. This Agreement may be cancelled by either Party in accordance with A.R.S. § 38-511.

4.3 Filing. An executed copy of this Agreement shall be filed with the Maricopa County Recorder.

4.4 Entire Agreement. This Agreement constitutes the entire agreement between PMGAA and City with respect to the subject matter hereof and supersedes the Intergovernmental Agreement entered into by the Parties effective July 21, 2020 and its Agreement Amendment Number 1 effective June 5, 2023. This Agreement further supersedes all other oral and written representations, understandings, or agreements relating to the subject matter hereof.

4.5 Amendments. This Agreement may be modified only by a written and executed amendment approved by the respective city council and airport authority pursuant to A.R.S. § 11-952.

4.6 Assignment. Neither Party shall assign or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the other Party. Any such assignment or other transfer, either voluntary or by operation of law, shall be void.

4.7 Waiver. The Parties agree that no waiver of any default or breach of any of the terms or conditions of this Agreement shall be construed to be a waiver of any succeeding breach or default.

4.8 Governing Law. This Agreement shall be governed by and construed under the laws of the state of Arizona.

4.9 Severability. If any term, covenant, condition, or provision of this Agreement is held by a

court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

4.10 No Partnership. Nothing contained in this Agreement shall create any partnership, joint venture, or other arrangement between the Parties. Except as specifically provided hereunder, each Party shall at all times be an independent operator and shall not at any time purport to act as an agent of any other Party, or any of its officers or agents.

4.11 Force Majeure. Either Party shall be excused for delay or failure to perform its obligations under this Agreement, in whole or in part, when and to the extent that such delay or failure is a result of causes beyond the control and without the fault or negligence of the Party unable to perform. Such causes include, without limitation, acts of god, acts of the public enemy, terrorism, acts of the United States government, fires, floods, epidemics, quarantine restrictions, or embargoes.

4.12 Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be delivered in person or sent by regular mail as follows:

CITY: City Manager's Office
City of Mesa
20 East Main Street, Suite 750
P.O. Box 1466
Mesa, Arizona 85211-1466

AIRPORT: Phoenix-Mesa Gateway Airport Authority Airport Operations & Maintenance Director
5835 S. Sossaman Rd
Mesa, Arizona 85212

All notices shall be deemed to be received upon actual receipt or five (5) working days after the notice has been deposited with a U.S. post office for delivery at the address set forth above, whichever occurs first.

4.13 E-Verify Requirements. To the extent applicable under A.R.S. § 41-4401, City and its agent warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). City or its agent's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by PMGAA.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year first written above.

City of Mesa,
A Municipal corporation

_____
Chris Brady, City Manager

Phoenix-Mesa Gateway Airport Authority.
an Arizona joint powers airport authority

_____
J. Brian O'Neill, Executive Director

ATTEST:

_____
City Clerk

In accordance with A.R.S. § 11-952, this Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.

_____
Mesa City Attorney

_____
Date

_____
Phoenix-Mesa Airport Authority Attorney

_____
Date

Exhibit A

PMGAA shall reimburse City for certification training of 2 technicians as per the schedule below. The initial training shall occur in the first 2 years, and 1 recertification training every 2 years thereafter. Off-schedule training needs shall be approved by PMGAA Director – Operations and Maintenance or designee.

PMGAA Certification Training Reimbursement

	2025	2026	2027
Initial Training – 5 day	$3000	$3000	0
Recertification – 3 day	0	0	$2000

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-29

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**IGA for Law Enforcement Services**
Date:	**June 18, 2024**

Proposed Motion
To authorize the Intergovernmental Agreement (IGA) with the City of Mesa for Dedicated Law Enforcement Services (LEO), for five years effective July 1, 2024 in an amount not to exceed $4,629,451.

Narrative
This intergovernmental agreement (IGA) between Phoenix-Mesa Gateway Airport Authority and the City of Mesa provides one (1) Dedicated Law Enforcement Officer (LEO) 24 hours per day, seven days per week to meet the requirements of the Airport Security Program (ASP), Transportation Security Regulation (TSR) 1542, and other directives issued by the US Department of Homeland Security, Transportation Security Administration.

Arizona Revised Statues (A.R.S), §§ 11-951 et seq., authorizes Mesa and the Airport to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions.

The agreement shall commence on July 1, 2024, and shall continue until June 30, 2029, unless sooner terminated pursuant to the provisions of the Agreement.

Fiscal Impact
This agreement was included in the FY25 operating budget and is funded under Contractual Services: Police.

Attachment(s)
IGA

RESOLUTION NO. 24-29

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Intergovernmental Agreement (IGA) with the City of Mesa for Dedicated Law Enforcement Services (LEO), for five years effective July 1, 2024 in an amount not to exceed $4,629,451;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Intergovernmental Agreement (IGA) with the City of Mesa for Dedicated Law Enforcement Services (LEO), for five years effective July 1, 2024 in an amount not to exceed $4,629,451. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 18th day of June, 2024.

Walter Wilson, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

When Recorded Return To:

Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

The Phoenix Mesa Gateway Airport Authority and City of Mesa

INTERGOVERNMENTAL AGREEMENT

For

DEDICATED LAW ENFORCEMENT SERVICES

This Intergovernmental Agreement (the "Agreement") is entered into this FIRST (1st) day of July 2024 (the "Effective Date") between the PHOENIX MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority ("PMGAA"), and the CITY OF MESA, an Arizona municipal corporation (the "City"). PMGAA and the City may be referred to individually as a "Party" and jointly as the "Parties."

WITNESSETH:

WHEREAS, PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport, an airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

WHEREAS, Arizona Revised Statutes, Sections 11-951 et seq. authorizes PMGAA and the City to enter into intergovernmental agreements for the provision of services, or for joint or cooperative actions; and

WHEREAS, PMGAA must comply with security regulations established by the Transportation Security Administration (TSA) that require, among other things, the use of law enforcement officers; and

WHEREAS, PMGAA desires to contract with the City to provide the required and dedicated Law Enforcement Officer (LEO) services required by the TSA; and

WHEREAS, the City of Mesa desires to maintain a point of presence at the Airport in order for it to provide police services to the community at and around the Airport, including services above and beyond what is required by TSA regulations; and

WHEREAS, the Parties recognize that PMGAA and its tenants contribute to the general tax base of the City and are entitled to normal police services that are customarily provided to all citizens and businesses within the City.

NOW, **THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. TERM AND CANCELLATION PROVISIONS

1.1. Term. The term of this Agreement shall be FIVE (5) years, commencing on the Effective Date and concluding at the end of the sixtieth (60th) month thereafter on June 30, 2029, unless sooner terminated pursuant to the provisions hereof.

1.2. Termination Provisions.

1.2.1. Either Party may cancel this Agreement without cause by providing at least ONE HUNDRED EIGHTY (180) days advance written notice to the non-terminating Party.

1.2.2. In the event of a material breach of any of the provisions of this Agreement, the non-breaching Party may cancel this Agreement by delivering written notice to the Party in breach specifically stating the nature of said breach. Upon receipt of such notice, the Party in breach shall have a period of SIXTY (60) consecutive calendar days in which to cure said breach. If said breach has not been cured within this SIXTY (60) consecutive day period, this Agreement shall automatically terminate on such date without further action.

1.2.3. In the event that scheduled air carrier operations cease, PMGAA may terminate this Agreement with THIRTY (30) days' written notice. In the event that scheduled air carrier operations are materially reduced or increased such that the level of police protection is no longer appropriate, or Transportation Security Regulations are amended such that the level of police protection is no longer appropriate, the terms of this Agreement may be renegotiated with THIRTY (30) days' written notice of either Party.

1.2.4. This agreement is subject to the review and consent of the Federal Aviation Administration (FAA). Should any part of this Agreement be found to be in conflict with or contrary to any FAA or Transportation Security Administration (TSA) rule, regulation, policy, or grant assurance, the Parties agree to immediately modify, amend, or cancel the Agreement to resolve such conflict.

2. DEFINITIONS

The following terms shall have, for purposes of this Agreement, the following meanings:

Agreement -means this Intergovernmental Agreement, including all exhibits attached hereto and incorporated herein by this reference.

Airport - means that property and land area owned and operated by PMGAA. The term shall be considered interchangeable with the terms, "Airport Property", "on the Airport" or "at the Airport."

Airport Security Program (ASP) - means that document prepared by PMGAA outlining the security procedures, methods, and response plans required under Transportation Security Regulation 49 CFR 1542. This document contains Sensitive Security Information and is restricted in its distributions, disclosure, and availability.

Dedicated Law Enforcement Officer (Dedicated LEO) - means that law enforcement personnel required to be present under TSA regulations and not available for other activities outside the boundaries of the Airport.

Department of Homeland Security (DHS) – means that specific agency of the Federal Government responsible for US border security, or its authorized successor(s); includes and may, for purposes of this Agreement, alternatively be referred to as the Transportation Security Administration or TSA.

Federal Aviation Administration (FAA) - means the component agency of the US Department of Transportation responsible for aviation affairs, or its authority successor(s).

Passenger Terminal - means that building(s) located at 6033 S. Sossaman Road, including any adjacent facilities and areas used for passenger processing, parking lots and airside areas contained within the designated security identification display area (SIDA).

PMGAA Executive Director - means that certain person appointed by the PMGAA Board of Directors to serve as the chief executive for operation of the Airport, or his/her designee.

3. RESPONSIBILITIES

3.1. PMGAA. In support of this agreement PMGAA shall:

3.1.1. Provide an office within the Passenger Terminal for use by the Dedicated Law Enforcement Officers in support of the Airport Security Program (ASP). PMGAA shall pay for office utilities and maintenance.

3.1.2. Communicate law enforcement-related information and security directives issued by the TSA.

3.1.3. Provide not less than ONE (1) operable PMGAA radio for use by City to communicate with Airport personnel.

3.1.4. Provide initial and recurrent Airport familiarization training for Dedicated LEO's, and for other persons when requested by the City, and up to $7,000 per year in reimbursement of training and travel expended by the City for airport specific security training.

3.1.5. Pay the City of Mesa, quarterly, for one (1) Dedicated LEO, 24 hours per day, seven days per week, including a vehicle allotment and fuel for such vehicle. The amounts set forth in Exhibit B are the maximum amounts to be paid pursuant to this Agreement, unless otherwise amended in writing by the parties hereto.

3.1.6. In the event that commercial airline passenger service operations or TSA regulations change to affect the number of dedicated law enforcement officers required, the Parties agree to amend this Agreement to reflect such changed requirements.

3.1.7. Provide appropriate levels of access for all Dedicated LEOs performing duties in accordance with 3.2.1. PMGAA shall provide the City with the Airport Security Program and Transportation Security Regulation (TSR) 1542 information as amended within 15 calendar days after a new version was adopted.

3.2. City. In support of this Agreement, the City shall:

3.2.1. Provide the Airport with one (1) Dedicated LEO 24 hours per day, seven days per week, specifically assigned to meet the requirements of the Airport Security Program (ASP), TSR 1542, and other directives issued by the US Department of Homeland Security, Transportation Security Administration. The number of Dedicated LEO's to be provided may be re-evaluated as necessary to maintain compliance with the ASP.

3.2.1.1. City shall have sole control of staffing model used to meet the minimum requirements set forth in 3.2.1.

3.2.1.2. City is not required to maintain a dedicated, on-site police unit so long as the City maintains the minimum requirements in 3.2.1.

3.2.2. Provide the Airport with other non-dedicated law enforcement support for general policing purposes at a level determined by the City, as is customarily provided to Mesa citizens and businesses.

3.2.3. Conduct an annual audit to ensure compliance with the Airport Security Program and TSR 1542. The City shall notify the PMGAA by August 31st of each calendar year, in writing, confirming said audit has taken place and documenting any discrepancies noted and corresponding corrective actions(s) taken. The annual audit report will summarize compliance audit results for the prior fiscal year (July 1 to June 30).

3.2.4. Maintain accurate and complete records of all training given to Dedicated LEOs, as required by Federal Aviation Regulation (FAR) Part 139 and TSR 1542.

3.2.5. Provide its records pertaining to all accidents, incidents, inspections, and violations related to its LEO presence on the Airport to the FAA, TSA, and PMGAA upon request as permitted by law and as required by federal regulation.

3.2.6. Pay for consumables, custodial services, supplies, communications systems and networks associated with the office space provided by PMGAA and maintain facilities provided by the Airport in a neat, clean and working order.

3.2.7. Maintain accurate records, in a format acceptable to PMGAA, of officer assigned to respond to the checkpoint or present at TSA checkpoint (Exhibit A) during flight activity.

4. INSURANCE AND INDEMNIFICATION

4.1. Insurance. The City shall, at its sole cost and expense, purchase and maintain the following types and limits of insurance, in the form specified below:

4.1.1. Coverage Requirements:

4.1.1.1. Comprehensive Automobile Liability insurance in an amount not less than $5,000,000 combined single limit, covering all owned, non-owned and hired vehicles operated on the Airport that are assigned to or used in the performance of its activities or are operated within the air operations area (AOA) of the Airport.

4.1.1.2. Workers' Compensation insurance as required by-law, and Employer's Liability insurance in an amount not less than $1,000,000 covering work-related injuries to City employees assigned to or working at or on the Airport.

4.1.1.3. General Commercial Liability insurance in an amount not less than $5,000,000 per occurrence, to cover any claim arising from negligence or misconduct of its employees in providing the services and related activities described herein.

4.1.2. Form. Each insurance policy obtained pursuant to this Section 4.1, except for Workers' Compensation and Employer's Liability policies, shall: (i) name PMGAA as an additional

named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. City shall not permit any insurance policy to be cancelled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by PMGAA.

4.1.3. Certificates in Insurance. City shall deliver a certificate of insurance for each policy to PMGAA, in standard Acord format, prior to the Effective Date and continue to provide such certificate throughout the term of this Agreement

4.1.4. Blanket and Self-Insurance. City's insurance obligations under this Agreement may be satisfied by means of "blanket" or excess policies, or through self-insurance. If any or all limits of coverage, as specified in Section 4.1.1 herein, are provided via self-insurance, the City shall provide PMGAA a written acknowledgement of such self-insurance, and its responsibility to hold PMGAA harmless from acts and/or omissions of City's personnel up to and including the limits of such declared self-insurance coverage.

4.2. Indemnification.

4.2.1. The City hereby agrees to defend, indemnify and hold harmless PMGAA and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as "PMGAA" for purposes of this Section 4.2) for, from and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any negligent act or omission of the City or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as the "City" for purposes of this Section 4.2) in connection with the City's operations hereunder and which result in the injury to or death of any persons or the damage to or loss of any property, or (ii) the failure of the City to comply with any provisions of this Agreement. This indemnification shall exclude responsibility for any consequential damages of PMGAA and for claims arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents.

4.2.2. PMGAA shall defend, indemnify, and hold harmless the City, its officers, agents, employees, elected officials, and volunteers, for, from, and against any and all claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever which arise out of or in connection with (i) any negligent act or omission or wilful misconduct of PMGAA while performing this Agreement, or (ii) the failure of PMGAA to comply with any provisions in this Agreement. PMGAA shall continue in effect during the term of this Agreement, an Airport Liability insurance policy in an amount approved by the PMGAA Board of Directors, including premises liability, bodily injury, and property damage, and shall name the City of Mesa as Named Insured under this policy.

5. MISCELLANEOUS

5.1. Funding. Each Party shall have the separate and independent responsibility for budgeting for and funding its own participation in this Agreement.

5.2. Cancellation of Agreement. As provided in Arizona Revised Statute Section 38-511, PMGAA or the City may cancel any contract to which it is a party within THREE (3) years after the execution thereof without penalty or further obligation, if any person significantly involved in initiating, negotiating, drafting or creating the contract on behalf of the Party so canceling is, at any time while the contract or any extension thereof is in effect, an employee or agent of the other Party to the contract in any capacity or a consultant to the other Party to the contract with respect to the subject matter of the contract.

5.3. Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

5.4. No Waiver. No provision of this Agreement may be waived or modified except by writing signed by the Party against whom such waiver or modification is sought.

5.5. Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the City shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by the City, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

5.6. Amendment. Only a written instrument executed by the Parties may amend this Agreement, pursuant to A.R.S. 11-952.

5.7. Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

5.8. Litigation Expenses. In the event of litigation between the Parties, the prevailing Party shall be entitled to recover its attorneys' fees and all cost and expenses of litigation, including witness fees, expert witness fees, and court costs.

5.9. Governing Law and Attorney's Fees. The laws of the State of Arizona shall govern the matters set forth in this Agreement. Venue of any action brought under this Agreement shall lie in Maricopa County, Arizona. In the event of any litigation or arbitration between the Parties arising under this Agreement, the successful Party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

5.9.1. E-verify Requirements. To the extent applicable under Arizona Revised Statute Section. 41-4401, the Parties warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under Arizona Revised Statute 23-214(A). Either Party's breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by either Party. The Parties retain the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure that the Party is complying with the above-mentioned warranty.

5.10. Heading. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

5.11. Filing. An executed copy of this Agreement shall be filed with the Maricopa County Recorder.

5.12. Entire Agreement. This Agreement, including any exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreement between the Parties concerning such matters.

5.13. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument. Electronically transmitted and imaged copy signatures will be fully binding and effective for all purposes.

5.14. Notices. All official notices required or permitted under this Agreement to be given to a Party will be in writing and will be given by personal delivery against receipt (including private courier such as FedEx), or certified U.S. Mail, return receipt requested. All notices will be sent to the addresses below or such other addresses as the Parties may specify in the same manner. Notices will be deemed to have been given and received on the date of actual receipt or on the date receipt was refused. Addresses are as follows:

For Mesa:

Chief of Police
PO Box 1466
Mesa, Arizona 85211-1466

With a copy to:

City Attorney
20 E Main St
Mesa, Arizona 85201

For PMGAA:

Executive Director
5835 S Sossaman Rd
Mesa, Arizona 85212

5.15. Relationship of the Parties. Each Party shall act in its individual capacity and not as an agent, employee, partner, joint venture, associate, or any other representative capacity of the other Party. Each Party shall be solely and entirely responsible for its acts or the acts of its agents and employees during the performance of this Agreement. This Agreement shall not be construed to imply authority to perform any tasks, or accept any responsibility, of any other Party not expressly set forth herein. This Agreement shall be strictly construed against the creation of a duty or responsibility, unless the intention to do so is clearly and unambiguously set forth herein. No Party shall be liable for any debts, accounts, obligations, or other liabilities, whatsoever, of any other Party, including the other Party's obligation to withhold social security and income taxes for itself or any of its employees.

5.16. Non-discrimination. To the extent applicable by law, the Parties agree to comply with A.R.S. Title 41, Chapter 9 (Civil Rights), Arizona Executive Order 2009-09 and any other federal, state, or local laws relating to equal opportunity and non-discrimination, including the Americans with Disabilities Act. In the performance of this contract, no Party shall discriminate against any employee, client, or any other individual on the basis of race, color, ethnicity, national origin, age, disability, religion, sex,

sexual orientation, gender identity, veteran's status, marital status, familial status, or genetic information.

6. INCORPORATION OF RECITALS

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

EXECUTED to be effective on the date specified above.

PHOENIX - MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority.

By:_____.
J. Brian O'Neill, Executive Director

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this_____day of_____,2024 by J. Brian O'Neill, in his capacity as the Executive Director of the Phoenix-Mesa Gateway Airport Authority.

_____.
Notary Public

My Commission Expires

_____

CITY OF MESA, an Arizona Municipal Corporation

By:_____.
Christopher J. Brady, City Manager

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this _____ day of _____, 2024

by_____, in his capacity as the _____ of the City of Mesa.

_____.
Notary Public

My Commission Expires

_____

In accordance with A.R.S. 11-952, this Agreement has been reviewed by the undersigned attorneys who have determined that it is proper form and within the power and authority granted under the laws of the State of Arizona to the respective public entities they represent.

Mesa City Attorney	Attorney for Phoenix-Mesa Gateway Airport Authority
Date	Date

Exhibit A
6033-2 S. Sossaman Road, Mesa AZ, Suite 121

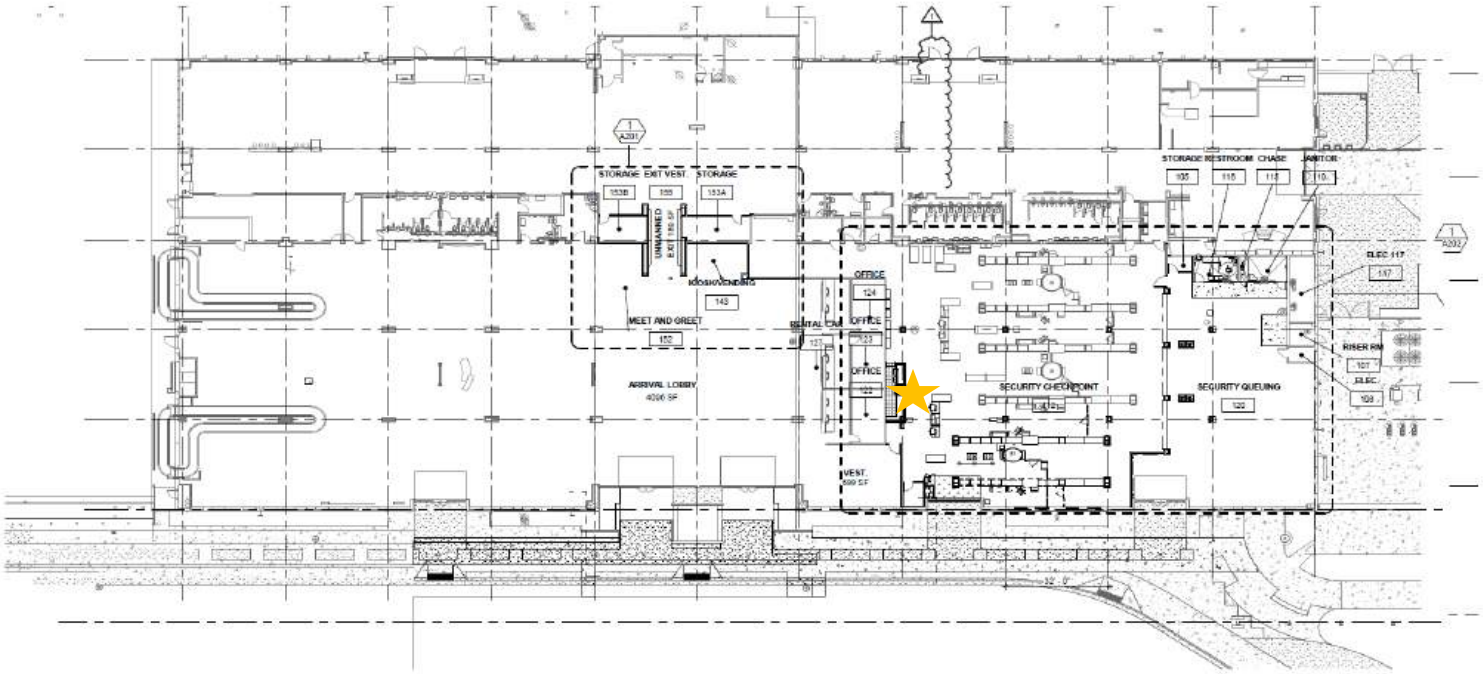


Exhibit B
Cost Breakdown

	FY25 [2]
One[1] Dedicated Law Enforcement Officer (24x7)	$817,555 [2a]
Reimbursement of training and travel for LEOs	7,000.00
Annual Vehicle Allotment	13,925 [2b]
Total Not to Exceed Cost to PMGAA	$838,480

Notes:

1. One dedicated law enforcement officer represents approximately 4.2 full time equivalent officers.
2. For fiscal years 2025-2029, the following shall apply:
    a. Dedicated Law Enforcement Officer costs may be increased by an amount equal to that authorized by the City for annual salary increases for all officers, but in no case may exceed 5% per year.
    b. The annual vehicle allotment may increase up to 5% per year to reflect increases in fuel and maintenance costs.

FY25 – FY29MESA POLICE DEPARTMENT AIRPORT COST

Fiscal Year	LEO Personnel Amount Not to Exceed (Maximum of 5% annual based on increases in personnel costs)	Training and Travel – Reimbursement not to exceed	Vehicle Allotment (5% annual escalation)	Total
FY25	$817,555	$7,000	$13,925	**$ 838,480**
FY26	$858,433	$7,000	$14,621	**$ 880,054**
FY27	$901,354	$7,000	$15,352	**$ 923,706**
FY28	$946,422	$7,000	$16,120	**$ 969,542**
FY29	$993,743	$7,000	$16,926	**$ 1,017,669**

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: April 2024 Financials
Date: June 18, 2024

Attached is the monthly Financials Report for April 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
April, 2024

	Month of April 2024				Y-T-D as of April 2024			
	April FY23 Actual	April FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	23,291	42,729	19,438	83%	245,566	322,455	76,889	31%
Fuel Flowage Fees	53,922	51,734	(2,188)	-4%	554,352	514,568	(39,784)	-7%
Landing Fees	130,355	142,785	12,430	10%	1,209,253	1,350,671	141,418	12%
Lease Income Aero	291,648	315,205	23,557	8%	2,648,386	3,439,834	791,448	30%
Fuel Sales	578,514	838,466	259,952	45%	6,502,794	6,279,102	(223,692)	-3%
Services Sold - Aero	525,697	463,758	(61,939)	-12%	4,832,347	4,845,867	13,520	0%
Sub-total Aero Operating Revenues	1,603,427	1,854,677	251,250	16%	15,992,698	16,752,497	759,799	5%
Non-Aeronautical Operating Revenues								
Concessions	139,360	143,477	4,117	3%	1,238,246	1,162,676	(75,570)	-6%
Lease Income Non-Aero	112,898	115,844	2,946	3%	1,124,416	1,101,855	(22,561)	-2%
Parking	306,800	321,811	15,011	5%	3,815,154	4,149,269	334,115	9%
Rental Car Fees	435,899	566,855	130,956	30%	2,676,758	2,563,156	(113,602)	-4%
Svcs Sold - Non Aero	127,204	153,229	26,025	20%	167,644	193,519	25,875	15%
Sub-total Non-Aero Operating Revenues	1,122,161	1,301,216	179,055	16%	9,022,218	9,170,475	148,258	2%
Total Operating Revenues	**2,725,588**	**3,155,893**	**430,305**	**16%**	**25,014,916**	**25,922,972**	**908,057**	**4%**
Operating Expenses								
Cost of Goods Sold	375,177	573,379	(198,202)	-53%	4,500,614	4,437,709	62,905	1%
Personnel	778,449	903,808	(125,359)	-16%	8,340,444	9,015,857	(675,413)	-8%
Comm & Utilities	57,738	88,415	(30,677)	-53%	758,036	879,836	(121,800)	-16%
Contractual Services	491,679	534,488	(42,809)	-9%	5,133,792	5,590,524	(456,732)	-9%
Insurance	50,979	61,783	(10,804)	-21%	552,869	533,818	19,051	3%
Other	31,591	20,865	10,726	34%	253,656	261,852	(8,196)	-3%
Repair & Maintenance	80,110	32,938	47,172	59%	763,069	726,751	36,318	5%
Supplies & Materials	62,998	67,052	(4,054)	-6%	756,081	686,933	69,148	9%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**1,928,721**	**2,282,728**	**(354,007)**	-18%	**21,058,561**	**22,133,280**	**(1,074,720)**	-5%
Operating Income (Loss) Before Depreciation	**796,867**	**873,165**	**76,298**	9.6%	**3,956,355**	**3,789,692**	**(166,663)**	-4%
	29.2%	27.7%			15.8%	14.6%		
Depreciation		1,247,387				12,401,677		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **June 18, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Invitation for Bid	2024-012-IFB	Taxiway Whiskey Phase 1 Rehabilitation	June 2024
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	August 2024
Request for Proposals	2024-015-RFP	Common Use Passenger Processing System (CUPPS)	August 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Qualifications	2024-001-RFQ	CMAR for Baggage Makeup	June 2024	September 2024

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $62,122.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

NOTICE OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

NO BOARD MEETING IN JULY

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, August 20, 2024 beginning at 9:00 a.m**. in the Board Room (Saguaro A&B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or via audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney or any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, August 20, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Julia Wheatley, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Julia Wheatley, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

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

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.

Consideration and Possible 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.

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.

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.

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.

12. **Board Member Comments/Announcements**

13. **Next Meeting: Tuesday, September 17, 2024 at 9:00 a.m.**

14. **Adjournment**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- Gateway Airport Reports Record Passenger Activity in Both May and June 2024
- Queen Creek Mayor Julia Wheatley Elected PMGAA Board Chairwoman
- U.S. Forest Service – Mesa Tanker Base Remains Busy this Fire Season
- Old Air Traffic Control Tower Removed from Airfield
- SkyBridge Arizona Completes Two 250,000 Sq. Ft. Industrial Buildings
- PMGAA Planning Several Important Airfield Projects for 2024 - 2026

Executive Director's Report
August 2024

Virgin Galactic Completes New Spaceship Manufacturing Facility at Gateway Airport

Financial Snapshot

OPERATING INCOME	(Preliminary) June		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY23	FY24	
Revenues	$2,422,091	$2,799,114	**$377,023**	$29,581,494	$31,399,432	**$1,817,938**
Less Expenses	$2,489,015	$2,909,508	**$420,493**	$25,690,223	$27,273,700	**$1,583,477**
Operating Income *(Before Depreciation)*	**($66,924)**	**($110,394)**	**($43,470)**	**$3,891,271**	**$4,125,732**	**$234,461**

Investment Fund Balances: As of June, the Local Governmental Investment Pool (LGIP) 700 = $6,478,464; Wells Fargo; Collateralized Money Market = $9,675,332 and Commercial/Paper Brokered CD's = $51,940,465; Total $68,094,261. PMGAA invests in fixed rate instruments.

Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) reported a preliminary net operating loss of $110,394 for the month of June 2024, compared to a loss of $66,924 in June last year. Aeronautical revenues increased by 18% compared to June 2023, including a 55% increase in fuel sales. Non-aeronautical revenues increased by 11% in June 2024, led by a 17% increase in parking revenues due to increased parking volume.

Fiscal Year End 2024 (FYE24) preliminary operating results are $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.

Preliminary operating expenditures for June 2024 increased by 17% and totaled $2,909,508. The increase is attributed to an increase in cost of goods sold (aviation fuel), increased personnel costs (three payrolls in the month), and an increase in contractual services.

Preliminary FYE24 operating expenditures are 6% above FYE23, and 3% under FY24 PMGAA Budget.

Active/Pending Solicitations

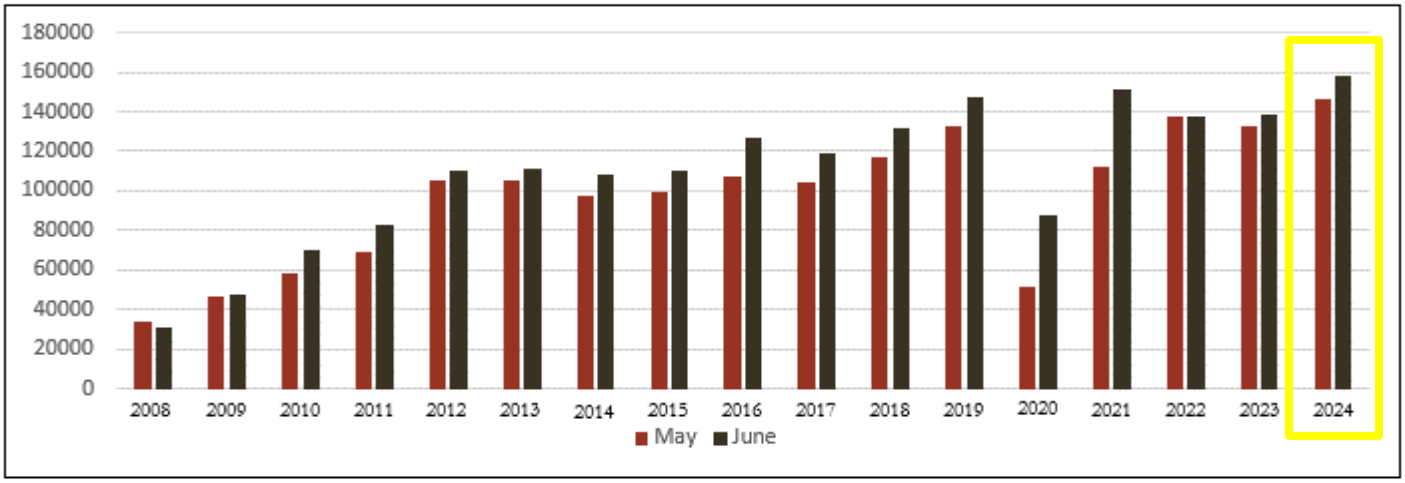
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	August 2024
Request for Proposals	2024-015-RFP	Airport Common Use System	August 2024
Invitation for Bid	2024-018-IFB	New Airport Entrance Monument	August 2024
Request for Qualifications	2025-001-RFQ	CMAR for Baggage Make-up	October 2024

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2025-002-RFP	7,000 Gallon Aircraft Refueler	August 2024
Request for Qualifications	2025-003-RFQ	South Ramp Aeronautical Development	September 2024

Airport Operations

Gateway Airport Reports Record Passenger Activity in Both May and June 2024



More and more greater Phoenix residents and sun-seeking visitors are discovering the ease, convenience, and value of using Gateway Airport when they travel. The Airport set new passenger activity records in both May and June this year.

In May, the Airport welcomed 146,384 total passengers, a more than 10% increase over last May. In June, 158,512 total passengers passed through the Airport, an almost 15% increase compared to June 2023.

Gateway Airport had its second-best year ever in FY24, with 1,839,977 total passengers using the Airport during the 12-month reporting period.

PASSENGER COUNTS		June		% Change	FYTD		% Change
		2023	2024		FY23	FY24	
Passengers	TOTAL	138,363	158,512	15%	1,917,911	1,839,977	-4%
	Deplaned	66,711	75,146	13%	959,674	917,822	-4%
	Enplaned	71,652	83,366	16%	958,237	922,155	-4%
Allegiant	Scheduled	138,152	158,377	15%	1,796,807	1,802,251	0%
Swoop	Scheduled	0	0	0%	44,778	0	-100%
Sun Country	Scheduled	211	135	-36%	33,039	37,726	14%
WestJet	Scheduled	0	0	0%	11,372	0	-100%
Flair	Scheduled	0	0	0%	31,521	0	-100%
Swift	Charter	0	0	0%	394	0	-100%

OPERATIONS	June		% Change	FYTD		% Change
	2023	2024		FY23	FY24	
Air Carrier	818	1,349	65%	11,965	13,098	9%
Military	231	167	-28%	3,559	2,976	-16%
General Aviation	21,094	25,061	19%	231,857	284,222	23%
TOTAL	**22,143**	**26,577**	**20%**	**247,381**	**300,296**	**21%**

U.S. Forest Service – Mesa Tanker Base Remains Busy this Fire Season

Extremely dry conditions have kept the brave men and women of the U.S. Forest Service very busy this summer protecting Arizonans and their property from dangerous and destructive wildfires. The team at Gateway Airport is proud to play a small role in their heroic efforts, providing fuel for their firefighting apparatus and other support services on the ground.

PMGAA would like to acknowledge the dedication of the U.S. Forest Service and their contract partners and thank them for keeping Arizona safe. **THANK YOU!**

Community Noise Report

CALLERS	June		FYTD	
	2023	2024	FY23	FY24
Total	5	8	141	194

AIRCRAFT TYPE	June		FYTD	
	2023	2024	FY23	FY24
	Callers	Callers	Callers	Callers
Commercial	2	3	80	84
GA Total	3	5	36	52
Helicopter	0	0	0	25
Military	0	0	25	33
Total	5	8	141	194

PMGAA received communications from a total of eight individuals regarding aircraft noise issues during the month of June 2024, compared to five individuals last June.

LOCATION	June		FYTD	
	2023	2024	FY23	FY24
Mesa	2	4	62	72
Gilbert	2	3	53	60
Gold Canyon	0	0	2	1
Queen Creek	1	0	18	41
Queen Valley	0	0	2	8
Apache Junction	0	0	4	0
San Tan Valley	0	0	0	1
Chandler	0	0	0	1
Florence	0	1	0	3
Goodyear	0	0	0	2
Phoenix	0	0	0	2
Tempe	0	0	0	3
TOTAL	5	8	141	194

Gateway Aviation Services

Fueling and servicing aircraft during the hot summer months is physically and mentally challenging. PMGAA would like to recognize the hard-working men and women on the Gateway Aviation Service Team. You're the Best!

PMGAA pumped approximately 1.61MM gallons of aviation fuel during the month of June 2024, a 23% increase to the 1.32MM gallons dispensed last June.

FUEL (Gallons)	June			FYTD		
	2023	2024	% Change	FY23	FY24	% Change
AvGas	35,762	45,135	26%	470,399	468,793	-1%
Retail Jet A	56,717	66,936	18%	788,319	789,133	0%
Contract	322,883	385,544	19%	3,496,979	3,555,672	2%
Commercial	895,442	1,114,940	25%	11,948,340	12,587,756	5%
Cargo	4,504	2,415	-46%	1,088,936	265,610	-76%
TOTAL	**1,315,308**	**1,614,970**	**23%**	**17,792,973**	**17,663,964**	**-1%**

Business Development

SkyBridge Arizona Completes Two 250,000 Sq. Ft. Industrial Buildings

SkyBridge Arizona 250,000 Sq. Ft. Building Exterior

SkyBridge Arizona 250,000 Sq. Ft. Building Interior

SkyBridge Arizona (SkyBridge) is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. To date, SkyBridge has constructed a 53,000 sq, ft. industrial building, an 82,500 sq. ft. hangar, and various roadways and utility infrastructure across the site. SkyBridge has now completed two large 250,000 sq. ft. flex industrial buildings and is marketing them as both single user and multi-tenant facilities. The two large buildings have dramatically changed the landscape at the south end of the Airport.

Virgin Galactic Completes New Spaceship Manufacturing Facility at Gateway Airport

Space tourism pioneer, Virgin Galactic, has received Certificates of Occupancy (COs) from the City of Mesa for their two large facilities located on the north end of the Airport – a 36,000 sq. ft. hangar that will be home to the "mothership", Eve, and a 115,200 sq. ft. final assembly facility where they will begin assembling Delta spaceships in Q1 2025.

PMGAA would like to welcome Virgin Galactic to the Gateway Airport family!

Community and Government Relations

Queen Creek Mayor Julia Wheatley Elected PMGAA Board Chairwoman

Each June, the Mayors or elected officials assigned to the PMGAA Board of Directors from the five Member Communities – Mesa, Gila River Indian Community, Gilbert, Queen Creek, and Apache Junction – elect a Chair and other leadership positions from amongst themselves to serve the Board during the Authority's next fiscal year. **For FY25, Queen Creek Mayor Julia Wheatley is the PMGAA Board Chairwoman, Gila River Indian Community Lt. Governor Regina Antone is Vice Chair, Mesa Mayor John Giles is Secretary, and Gilbert Mayor Brigette Peterson is Treasurer.**

PMGAA staff greatly appreciates the leadership, guidance, and support received from the PMGAA Board and Gateway Senior Staff.

Engineering and Planning

Old Air Traffic Control Tower Removed from Airfield

The old air traffic control tower, constructed in 1970 as part of a multi-tower military base air traffic control system, has been removed from Gateway Airport's airfield. The tower was too short, its cab too small, and the aging facility was extremely expensive to maintain.

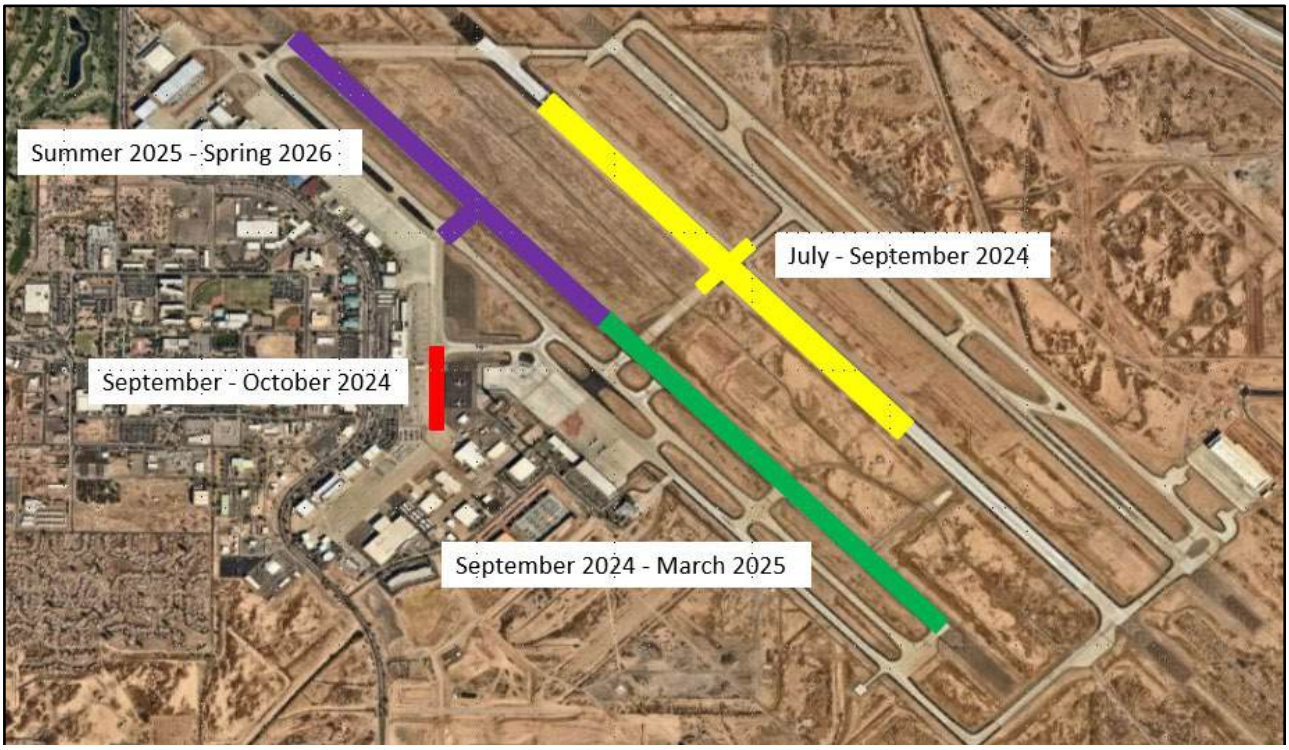
PMGAA would like to thank its valued partners at the Federal Aviation Administration for their continued strong financial and operational support of Gateway Airport. PMGAA could not maintain and improve the Airport's facilities and infrastructure without federal grant funding for projects.

PMGAA Planning Several Important Airfield Projects for 2024 - 2026

Three 10,000-ft. runways are impressive airfield infrastructure for an airport that welcomes approximately two-million total passengers each year. Maintaining Gateway Airport's airfield can be both challenging and expensive.

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. This summer, 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, Gateway Airport will reconstruct the northern half of Runway 12R-30L in mid-2025 and into 2026.



PMGAA Team Member Spotlight

Employee Name: **Gabi Spiering**
Employee Title: **Badging Specialist**
PMGAA Department: **Operations, Security, and Maintenance**
Years with PMGAA: **10 Months**

What are your job responsibilities for PMGAA? I recently became a badging specialist! I execute a variety of administrative and clerical tasks, making sure everyone who comes through our doors is properly vetted and credentialed. I help maintain TSA databases and am currently in the process of learning fuel handling permits, but I'll be assisting in the execution of those as well!

What is your most memorable Gateway Airport moment Although I have many memorable Gateway moments, one of my most loved would have to be seeing the exact plane my dad used to fly almost 25 years ago! It was a C5 Galaxy that he flew out of Travis Air Force Base while my mom was still pregnant with me. He even remembered the tail number!

What is something people may not know about you I am a retired Air Force brat! Because of this, I have lived in eight different places including Europe for three years. This instilled a love for traveling (and airplanes) from a very young age.

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | June 18, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, June 18, 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 Chip Wilson, Apache Junction
Lt. Governor Regina Antone, Gila River Indian Community
Mayor Julia Wheatley, Queen Creek
Mayor John Giles, Mesa
Mayor Brigette Peterson, Gilbert
Councilmember Jim Waring, Phoenix*
** 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

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

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Call to the Public**
   There were no public comments.

5. **City of Phoenix Remarks** – Chad Makovsky, Aviation Director, Phoenix Sky Harbor Airport

   June 18, 2024 marks the final PMGAA Board meeting for the City of Phoenix as a member community of the Phoenix-Mesa Gateway Airport Authority. On behalf of the City of Phoenix and the Aviation Department, Director Makovsky expressed his sincere appreciation for the collaboration with PMGAA over the last 18 years and presented a token of appreciation to Director O'Neill.

   Mayor Giles commented on the City of Phoenix's departure from PMGAA. The Authority appreciates and values the 18-year partnership with the City of Phoenix that brought resources and aviation experience to the Authority. A framed photograph of Phoenix-Mesa Gateway Airport was presented to Director Makovsky as a token of remembrance for the City of Phoenix's time on the Authority.

6. **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-to-Date 2024 (FYTD) Net Operating Income is $4,236,125.
   - Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) welcomed 146,384 commercial passengers in May 2024. This is a new May record!
   - Gateway Airport is experiencing an increase in FY24 non-airline revenue – parking, rental cars, food, beverage, and retail. May 2024 non-airline revenue is $720,825 compared to $650,890 in

DRAFT

May 2023. FYTD24 non-airline revenue is $8,034,242 compared to $7,830,178 during the same time period in FYTD23.

- Gateway Tomorrow Executive Summary for the Eastside Terminal Planning Study is available for distribution to key stakeholders and member communities. It is an informative summary of what to expect over the next 10, 15, 20, 30-year planning horizon. The purpose of the Study was to identify the important elements that must be included in a future, demand-driven commercial passenger terminal complex located on the east side of the Airport.
- U.S. Forest Service's wildfire season in AZ started slow, but in May and June, the Forest Service has been extremely active.
- Gateway Senior Staff recently toured the Virgin Galactic Hangar and Manufacturing Facility, the Gulfstream West Coast Service Center, and the two industrial building in SkyBridge Arizona. A similar tour will be scheduled for the PMGA Board of Directors later this summer.
- Virgin Galactic intends to house "the mothership" in a 58,000 sq. ft. hangar and assemble up to six spaceships each year in a 125,000 sq. ft. manufacturing facility. The spaceships will be transported to New Mexico by the mothership for their space tourism launch activities. The two-building complex is scheduled to be operational in the summer of 2024.
- Gulfstream Aerospace is completing the 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 scheduled to be operational in the summer of 2024. Landscaping is going in at the front of the facility and the framework for the hangar doors is being completed.
- SkyBridge Arizona has completed the construction of two 250,000 sq. ft. flex industrial buildings designed to accommodate single and multi-tenant users. They are working with SRP to ensure enough power to energize both buildings. Tenant inquiries are being fielded for one or both of these facilities.
- The horizontal infrastructure is going in and the roadways are being laid out in the Gateway East Master Development project. The first tenant in this development is XNRGY Climate Systems. Since their ground-breaking event on April 16th, the walls have gone vertical on their 275,000 sq. ft. facility.
- 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. This project is currently undergoing a planning review with the City of Mesa and anticipates breaking ground in August.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. The monument design is complete. A contractor will be selected in July.
- For the next several years, PMGAA's construction focus will shift to three airfield improvement projects – a mill and overlay of Runway 30C-12C, reconstruction of Runway 30L-12R, and reconstruction of a portion of Taxiway Whiskey. The timeframe for the Center Runway 12C-30C mill and overlay project is June through August 2024. The runway will be closed while the mill and overlay takes place. The Airport has two other 10,000-foot runways and will maintain normal operations during the project. Thanks to continued support from the FAA, the reconstruction of Runway 12R-30L has been consolidated into two years. Phase I, will begin in September 2024. This important infrastructure project totals approximately $45MM.
- Ten airport-owned buildings have reached the end of their useful life. Due to their age and deteriorated condition, they are being taken down this summer.

- An RFP will be issued to find a developer to re-develop a ten-acre aeronautical site cleared by the demolition of some of the outdated buildings.

7. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **May 21, 2024**.

   b) **Resolution No. 24-23 –** 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 for FY25 effective July 1, 2024, in an amount not to exceed $115,000.

   c) **Resolution No. 24-24 –** Authorizing the purchase of janitorial supplies from **Network Services Company** in partnership with **Waxie Sanitary Supply** for FY25, in an amount not to exceed $138,000.

   d) **Resolution No. 24-25 –** Authorizing the purchase of Jet A fuel and 100LL Avgas from **Ascent Aviation** for Airport Authority resale in the amount of $4,968,000.

   e) **Resolution No. 24-26 –** 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 $633,651. This amount will provide fuel for the 2025 fiscal year.

   f) **Resolution No. 24-27 –** Authorizing the purchase of services with **U.S. Customs & Border Protection (USCBP)** for the fiscal year of 2024 with costs estimated to be approximately $312,550.

Mayor Julia Wheatley moved to approve the Consent Agenda.
Mayor Brigette Peterson seconded the motion.
The motion was carried unanimously.

Consideration and Approval of:

8. **Resolution No. 24-28 –** Authorizing an Intergovernmental Agreement (IGA) with the **City of Mesa** for Aircraft Rescue and Firefighting (ARFF) Maintenance Services, effective July 1, 2024, through June 30, 2027, with costs estimated to be approximately $120,000.

Mayor Brigette Peterson moved to approve Resolution No. 24-28.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

9. **Resolution No. 24-29 –** Authorizing the Intergovernmental Agreement (IGA) with the **City of Mesa** for Dedicated Law Enforcement Services (LEO), for five years effective July 1, 2024 in an amount not to exceed $4,629,451.

Mayor Brigette Peterson moved to approve Resolution No. 24-29.
Mayor Julia Wheatley seconded the motion.
The motion was carried unanimously.

10. **Election of Chair and Vice Chair**

    Mayor Brigette Peterson motioned to nominate Mayor Julia Wheatley to become Chair and Lt. Governor Regina Antone to become Vice Chair.
    Mayor John Giles seconded the motion.
    The motion was carried unanimously.

11. **Election of Secretary and Treasurer**

    Lt. Governor Regina Antone motioned to nominate Mayor John Giles to become Secretary and Mayor Brigette Peterson to become Treasurer.
    Mayor Julia Wheatley seconded the motion.
    The motion was carried unanimously.

12. **Board Member Comments/Announcements.**
    Executive Director O'Neill conveyed appreciation on behalf of the Authority for Mayor Wilson's outstanding vision and leadership as PMGAA's Chairman of the Board of Directors during FY24.

13. **Next Meeting: Tuesday, August 20, 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 9:35 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-30

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Baggage Claim 2 Canopy Project Construction Services – KEAR Civil Corporation – CIP 1267**
Date:	**August 20, 2024**

Proposed Motion

To approve 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.

Narrative

Due to the tremendous growth in passenger flight activity over the past few years, a number of improvements have been completed to increase the capacity of our baggage claim handling systems. With these improvements in place, it has been determined that we need to construct a shade canopy over the Baggage Claim 2 area in order to protect our equipment from the intense sun, and to provide a safer work environment for the contracted employees who are moving baggage from the carts to the baggage belts.

KEAR will perform and provide Construction Services for the Baggage Claim 2 Canopy Project. This project will include a new 24'-6" x 72'-4" steel shade structure covering the easterly conveyor belt, along with an electrical component to provide adequate lighting under the canopy.

The Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the Strategic Alliance for Volume Expenditures (S.A.V.E.) which allows the Airport to utilize existing contracts entered into by other S.A.V.E. members. The City of Flagstaff executed contract (#TER-2021-070-AG1) with KEAR Civil Corporation (KEAR) for Job Order Contracting Services. Due to this alliance, PMGAA and KEAR will utilize the terms and conditions of the City of Flagstaff contract #TER-2021-070-AG1, including pricing that was competitively bid. This contract is available upon request.

Fiscal Impact

This project is included in the FY25 Capital Budget, utilizing PMGAA non-grant funding under CIP 1267.

Attachment: Authorization of Services

RESOLUTION NO. 24-30

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
KEAR, AOS 20240250 25-01

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and KEAR Civil Corporation, 22555 N. 20th Avenue, Phoenix, AZ 85024 ("KEAR"), authorizes KEAR to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Baggage Claim 2 Canopy Project - CIP 1267.

2. **SCOPE OF WORK**: Perform and provide Construction Services for the Baggage Claim 2 Canopy Project. This project will include a new 24'-6" x 72'-4" steel shade structure covering the easterly conveyor belt, along with an electrical component to provide adequate lighting under the canopy.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed One hundred sixty-one thousand, five hundred eighty-nine dollars and fifty cents ($161,589.50), with PMGAA non-grant funding under CIP 1267, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this Agreement is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this Agreement for the goods and/or services to be provided hereunder, PMGAA may terminate this Agreement by providing notice to KEAR of the lack of the availability of funds. If PMGAA terminates this Agreement due to lack of funding availability, PMGAA agrees to reimburse KEAR for work that has been authorized by PMGAA, completed, and in compliance with the Construction Proposal, prior to PMGAA's termination notice under this clause. KEAR acknowledges and agrees that the source of funding for this Agreement is PMGAA funds made available and that this Agreement, its approval, and continuation, may be contingent on the availability of those funds being made by PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement-to-Use 20240250 dated June 4, 2024.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

   ☑ Construction Proposal submitted by KEAR dated July 30, 2024.

PMGAA and KEAR acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR KEAR Civil Corporation:

By: Mike Fossett

Print: Mike Fossett

Title: President

Date: August 1, 2024

Phoenix-Mesa Gateway Airport

Phoenix-Mesa Gateway Airport
East Bag Drop Canopy

Construction Proposal

Submitted July 30, 2024

KEAR CIVIL CORP

KEAR Civil Corporation
22555 N. 20th Ave
Phoenix, AZ 85027

www.kearcorp.com

AZROC: A-231544

Phoenix-Mesa Gateway East Bag Drop Canopy

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Appendix 1 – P6 Schedule

22555 N 20TH AVENUE
PHOENIX, ARIZONA 85027

PHONE (623) 580-1100
FAX (623) 580-1101

WWW.KEARCORP.COM

Phoenix Mesa Gateway Airport Authority (PMGAA)

Fuel Farm Enabling Construction Manager @ Risk Project

Date: July 30, 2024

1. Project Description and Scope of Work

This GMP has been assembled for the construction of 1 Baggage Drop Canopy Project at Phoenix-Mesa Gateway Airport. The project provides overhead canopy and lighting on existing foundations.

The fabrication and initial coating of the canopy structure will take place off-site. After fabrication and coating has been completed, the structure will be installed on existing foundations. KEAR Civil Corp will provide General Conditions.

The following work packages were prepared for this project:

- Canopy Fabrication, Coating and Installation Bid Package
- Electrical Bid Package

2. Proposal Summary Sheet

Project: PMGAA East Bag Drop Canopy
Project #:
Dwgs: 3-Jul-24
Submitted: 7/30/2024

Phoenix-Mesa Gateway Airport

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	SUBTOTAL
	GENERAL REQUIREMENTS				
1	Badging	1	EA	$ 500	$ 500
2	Barricades	1	EA	$ 600	$ 600
3					$ -
	SITE CONSTRUCTION				
4	Canopy Fab & Install - Woody's Metal Fab	1	LS	$ 93,541	$ 93,541
5	Electrical Package - Rural Electric	1	LS	$ 18,838	$ 18,838
6	KCC Support	1	LS	$ 11,630	$ 11,630
	ALLOWANCES				
A1				$ -	$ -
A3					$ -
	SUBTOTAL				**$ 125,108.52**
GMP SUMMARY					
A.	C.O.W. (L,M,S,E)				$ 125,108.52
	Indirect Costs			Rate	
B.	CMAR Contingency				$ -
C.	Construction Fee			8.3%	$ 13,350.00
D.	General Conditions				$ 17,014.48
D1.	Payment & Performance Bond	$ 1,632.00		1.00%	Included in D above
D2.	Insurance	$ -		0.00%	Included in D above
E.	Sales Tax 65% of 8.3%	5.39%		5.39%	$ 6,116.50
			F. TOTAL GMP		**$ 161,589.50**
			G. Owner's Contingency		$ -
			H. Contract Amount		$ 161,589.50

3. General Conditions

Project: PMGAA East Bag Drop Canopy
Project #: 0
Dwgs: 3-Jul-24
Submitted: 30-Jul-24

Phoenix-Mesa Gateway Airport

GENERAL CONDITIONS

DIV	DESCRIPTION	QTY	UNIT	UNIT COST	SUBTOTAL	NOTES
D1- Payment & Performance Bonds						
1	P&P Bond Fee	1	LS	$ 1,632.00	$ 1,632.00	
D2- Insurance						
2	Insurance (.98%)	1	LS	$ -	$ -	
3	Builder's Risk	1	LS	$ -	$ -	
KCC Project Management & Staff						
4	Project Manager	1	LS	$ 2,239.60	$ 2,239.60	
5	Project Superintendent	1	LS	$ 9,006.36	$ 9,006.36	
6	Project Engineer	1	LS	$ 1,697.52	$ 1,697.52	
7	Management Vehicles & Fuel	1	LS	$ 1,439.00	$ 1,439.00	
Safety						
8	Safety Equipment & PPE	1	LS	$ 800.00	$ 800.00	
9	Safety Supplies	1	LS	$ 200.00	$ 200.00	
	General Condition Totals:				**$ 17,014.48**	

4. Plans and Specifications

While creating this proposal the following documents were provided by PMGAA and referenced:

1. Project Plan Set -Final Plans - Olsson Dated July 3, 2024- 9 Pages

DRAWINGS

SHEET NUMBER	SHEET NAME	DATE
A1	Access Sheet	7/3/2024
C1	Cover Sheet	7/3/2024
S1	General Notes	7/3/2024
S2	Framing Plan	7/3/2024
S3	Canopy Details	7/3/2024
E1	Electrical Legend	6/28/2024
E2	Electrical Site Plan	6/28/2024
E3	Photometric Plan	6/28/2024
E4	Panel Schedule and Light Fixture Details	6/28/2024

SPECIFICATIONS – Included on plans

5. Clarifications and Assumptions

Contractual Clarifications & Assumptions

1. Builder's Risk insurance costs are not included.
2. We have included AZ TPT State tax.

Schedule Clarifications & Assumptions

1. Pricing is based on our schedule and used as the basis for calculating GC costs.

Technical Clarifications & Assumptions

The costs included in this GMP are reflective of the design based off the Project Final contract design documents referenced in Section 5.

Exclusions

- Builders Risk/All Risk
- Seismic Calculations
- Asbestos, lead and all hazardous/impacted remediation transportation and disposal
- 3rd party NACE/AMPP inspections
- Lightning protection system, including counterpoise system and Fire alarm system.
- Coring and imaging.
- Lighting controls.
- Special wage requirements.
- Premium time and/or shift differentials.
- Testing of existing foundations

Clarifications

- Laydown and office use at Fuel Farm

6. Project Schedule Narrative

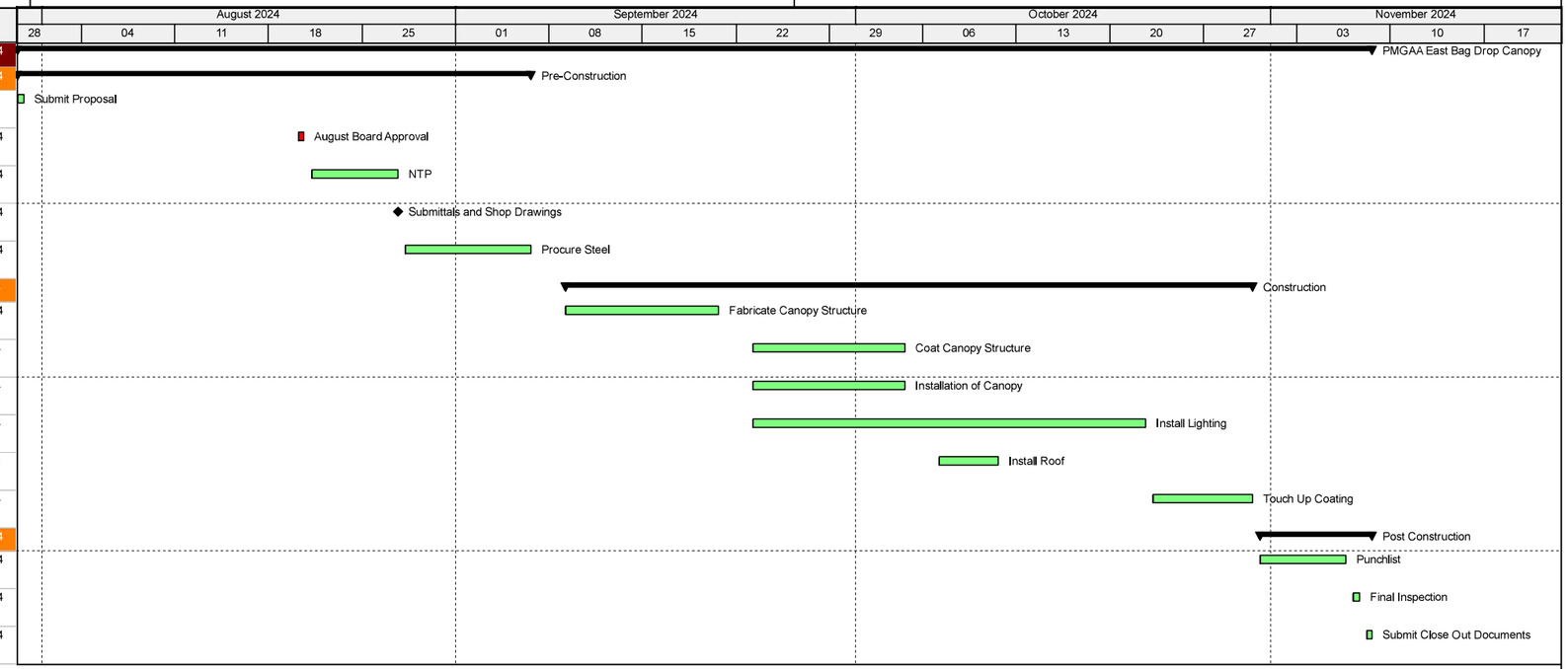
KEAR has completed the Project Final Design CPM schedule which is attached as Appendix 2 to this report. This schedule outlines the preconstruction, submittal/procurement, construction and closeout phases of the project. The schedule is based on the final design. KEAR will use Primavera P6 scheduling software to manage the schedule. Monthly updates to the schedule will be made available throughout the project life cycle.

Key Milestones in the CPM Schedule

- August PMGAA Board of Directors Approval – August 20, 2024
- NTP – August 27, 2024
- Fabricate and Coat Steel - May 31, 2023
- Deliver Canopies – September 23, 2024
- Onsite Erection and Roof – October 11, 2024
- Electrical Onsite – October 22, 2024
- Beneficial Use – October 30, 2024

Phoenix Mesa Gateway Airport
East Bag Drop Canopy 85212

Activity ID	Activity Name	Activity % Complete	Original Duration	Start	Finish
PMGAA East Bag Drop Canopy			68	30-Jul-24	08-Nov-24
Pre-Construction			26	30-Jul-24	06-Sep-24
A1000	Submit Proposal	0%	1	30-Jul-24	30-Jul-24
A1010	August Board Approval	0%	1	20-Aug-24*	20-Aug-24
A1020	NTP	0%	5	21-Aug-24	27-Aug-24
A1030	Submittals and Shop Drawings	0%	0		27-Aug-24
A1130	Procure Steel	0%	5	28-Aug-24	06-Sep-24
Construction			35	09-Sep-24	30-Oct-24
A1040	Fabricate Canopy Structure	0%	10	09-Sep-24	20-Sep-24
A1050	Coat Canopy Structure	0%	10	23-Sep-24	04-Oct-24
A1060	Installation of Canopy	0%	10	23-Sep-24	04-Oct-24
A1080	Install Lighting	0%	20	23-Sep-24	22-Oct-24
A1070	Install Roof	0%	5	07-Oct-24	11-Oct-24
A1090	Touch Up Coating	0%	5	23-Oct-24	30-Oct-24
Post Construction			7	31-Oct-24	08-Nov-24
A1100	Punchlist	0%	5	31-Oct-24	06-Nov-24
A1110	Final Inspection	0%	1	07-Nov-24	07-Nov-24
A1120	Submit Close Out Documents	0%	1	08-Nov-24	08-Nov-24



Actual Work
Remaining Work
Critical Remaining Work
Milestone
Summary

TASK filter: All Activities
Data Date: 30-Jul-24
Print Date: 30-Jul-24

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Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-31

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**New Airport Entrance Monument Construction Services – RCI Property Enterprises, LLC – CIP 1268**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

Due to the continued growth and evolution of the Phoenix-Mesa Gateway Airport (PMGA), staff has determined that a New Airport Entrance Monument, that properly reflects the modern character of the Airport, needs to be constructed.

RCI will provide construction services to create a New Airport Entrance Monument. The project will include removing the existing monument and sculptures on the east and west sides of Sossaman Road, at the intersection of Ray Road, grading, landscaping, irrigation, proper signage, lighting and electrical work, along with the construction of a Concrete Masonry Unit (CMU) wall with a steel structure.

The Invitation for Bid (IFB), Solicitation 2024-018-IFB was issued on June 11, 2024, and advertised in the Arizona Business Gazette on 6/13, 6/20, 6/27, and 7/4/24; it was also posted on the AzAA, ACI-NA, SWAAAE, and Phoenix-Mesa Gateway Airport Authority Websites. In addition, the IFB was emailed to a list of 111 prospective firms. The bid opening was held on July 18, 2024, and three (3) bids were received. After review of the bids, RCI was determined to have submitted the lowest, responsive bid.

RCI Property Enterprises, LLC	**$ 916,669.46**
Builders Guild, Inc.	$2,387,071.37
Basalt Building Group, LLC	$1,236,080.20

Fiscal Impact

This project is included in the FY25 Capital Budget, utilizing PMGAA non-grant funding under CIP 1268.

Attachment: Construction Contract

RESOLUTION NO. 24-31

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

CONSTRUCTION CONTRACT

A. EFFECTIVE DATE:

This Contract is entered into by and between the Owner and the Contractor for construction of the Project and shall be effective as of the date signed by Owner**.**

B. OWNER:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

5835 South Sossaman Road
Mesa, AZ 85212
Phone: 480.988.7600
Fax: 480.988.7641

C. CONTRACTOR:

RCI Property Enterprises, LLC
PO Box 5588
Scottsdale, AZ 85261
540.314.5447

D. DESIGN ENGINEER:

EPS Group, Inc.
1130 N. Alma School Road, #120
Mesa, AZ 85201
480.503.2250

RESIDENT ENGINEER

Phoenix-Mesa Gateway Airport Authority
5835 South Sossaman Road
Mesa, AZ 85212
480.988.7600

E. PROJECT:

New Airport Entry Monuments
Authority Project No. 1268

F. WORK TO BE PERFORMED:

The intent of the *New Airport Entry Monument* project is to remove the existing monument and sculptures on the east and west sides of Sossaman Road south of Ray Road and construct new modern Airport Entry Monuments utilizing the construction documents. Project will include grading, landscaping, irrigation, and electrical work along with construction of a Concrete Masonry Unit (CMU) wall with a steel structure on the east and west sides of Sossaman Rd at the intersection of Ray Rd and Sossaman Rd.

G. RECITALS:

The Owner intends to construct the Airport Entry Monuments with CMU block, cast-in-place concrete, steel structures, desert vegetation, lighting, and other items as necessary for the full and efficient use of the project in connection with Phoenix-Mesa Gateway Airport located in Mesa, Arizona. The Owner desires to contract for certain construction services and materials, and the Contractor desires to provide construction services and materials.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and Contractor agree as follows:

H. AGREEMENTS:

ARTICLE 1 THE CONTRACT

The Contract consists of (1) this Construction Contract, (2) The Bidding Requirements and Agreement Documents, (3) the General Conditions to the Construction Contract, (4) the Federal Contract Provisions, (5) Special Provisions, (6) Drawings, Technical Specifications and other documents or amendments referenced in Article 7 of the Construction Contract, and (7) any amendments or modifications to the foregoing documents, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract").

ARTICLE 2 THE WORK

The Contractor shall execute the entire work described in the Contract and all work reasonably inferable as necessary to produce the results intended by the Contract.

ARTICLE 3 CONTRACT TIME

3.1 The Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the work is not Substantially Completed or Finally Completed within the times specified below.

3.2 The Contractor shall achieve Substantial Completion (as defined in Section 9.8.1 of the General Conditions of the Construction Contract and evidenced by a Certificate of Substantial

Completion) of the Base Bid (Schedule I) no later than a total of **90 Calendar Days** from the date of issuance of the Notice to Proceed.

3.3 Final Acceptance of the work shall occur not more than thirty (30) calendar days after the Substantial Completion date.

3.4 The parties acknowledge and agree that it would be extremely difficult and impracticable to ascertain the damages that the Owner would incur should the Contractor fail to achieve, (1) Substantial Completion of the work by the milestone completion date(s), or (2) Final Acceptance of the work, as specified in this Article 3. Accordingly, if the Contractor fails to achieve (1) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as specified in this Article 3, the Contractor shall be liable for and shall pay to the Owner liquidated damages for each calendar day of delay until the Contractor achieves (l) Partial Acceptance, (2) Substantial Completion, or (3) Final Acceptance of the work as the case may be. The liquidated damages shall be as follows:

The following Liquidated Damages apply:

1. Substantial Completion of Base Bid (90 Calendar Days) – $570 per Day

The following Liquidated Damages will also apply:

1. Final Completion within thirty (30) Calendar Days of Substantial Completion of the project – $570 per Day

The Owner shall have the right to retain any liquidated damages from payments due Contractor.

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of Nine Hundred Sixteen Thousand Six Hundred Sixty-Nine Dollars and Forty-Six Cents ($916,669.46), subject to the additions and deductions as provided in the Contract.

4.2 Unit prices are set forth in the Bid Proposal attached hereto as Schedule I in Exhibit A. The unit prices include (l) all materials, equipment, labor, delivery, installation, overhead, profit, taxes, bond, insurance, and commissions, and (2) any other costs or expenses in connection with or incidental to the performance of that portion of the work to which such unit prices apply.

ARTICLE 5 PROGRESS PAYMENTS

Progress payments will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 6 FINAL PAYMENT

Final payment will be made in accordance with Article 9 of the *General Conditions* to the Construction Contract.

ARTICLE 7 CONTRACT DOCUMENTS

7.1 The Contract, except for modifications issued after the effective date of the Construction Contract, consists of the following documents:

7.1.1 The *Construction Contract*.
7.1.2 The Bidding Requirements and Agreement Documents
7.1.3 The *General Conditions* to the Construction Contract.
7.1.4 The *Special Provisions* to the Construction Contract.
7.1.5 The Federal Contract Provisions.
7.1.6 Plans, Specifications and Addenda attached.
7.1.7 Bid Documents as follows:

A. Bid Proposal Cover Sheet signed and dated July 17, 2024.

B. Contractor Statutory Bid Bond dated July 18, 2024.

C. Contractor Bid Proposal dated July 17, 2024.

D. Bidder Identity submitted with Bid.

E. Certified Copy of Resolution of Board of Directors dated ___N/A____.

F. Bidder Acknowledgements signed and dated July 17, 2024.

G. Certificate of Insurability dated July 17, 2024.

H. Non-Collusion Bidding Certification signed by and dated July 17, 2024.

I. Standard Certifications signed by and dated July 17, 2024.

J. Bidders Qualification Statement dated July 17, 2024.

K. Subcontractor List – Base Bid, Schedule I – signed and dated July 17, 2024.

7.1.8 Amendments or modifications to the Contract, if any, to which the parties may agree during Contract performance.

7.2 There are no Contract Documents other than those listed above in this Article 7. The Contract Documents may only be amended, modified, or supplemented as provided in the *General Conditions*.

7.3 The Contract Documents are complementary, and a requirement called for by one is as binding as if called for by all. In resolving conflicts, if any, the Contract Documents shall be given the precedence that the Engineer determines is consistent with their intent and that will produce the intended result. When not in contradiction with this priority, the Contract Documents shall be given precedence in the order in which they are listed in this Article 7.

ARTICLE 8 MISCELLANEOUS

8.1 If any provision(s) of the Contract is/are invalid, illegal or unenforceable, all other provisions of the Contract shall nevertheless remain in full force and effect. If any Contract provision is

inapplicable to any person or circumstance, that provision shall nevertheless remain applicable to all other persons and circumstances.

8.2 It is Contractor's and Owner's intent that all provisions of law required to be inserted or referenced in the Contract Documents shall be incorporated into them. If any provision of law is not inserted or referenced in the Contract Documents, or is inserted or referenced in improper form, the provision shall be considered inserted or referenced in proper form at no increase in Contract Price or Contract Time.

8.3 Contractor shall not sell, assign, transfer or otherwise convey any of its rights and shall not delegate any of its duties under this Contract without Owner's prior express written consent. In its sole discretion Owner may refuse to consent to any proposed assignment or delegation. Any attempted sale, assignment, transfer, conveyance or delegation in violation of this Paragraph 8.3 shall be void and shall relieve Owner of any further liability under the Contract Documents. If Owner consents in writing to an assignment, unless specifically stated to the contrary in the consent, the assignment shall not release or discharge Contractor from any duty or responsibility set forth in the Contract Documents.

8.4 Nothing contained in the Contract shall in any manner authorize, empower, or constitute Contractor, its subcontractors, or suppliers as agent(s) of Owner, authorize or empower Contractor, its subcontractors, or suppliers to assume or create any obligation or responsibility whatsoever, express or implied, on behalf of or in the name of Owner or authorize or empower Contractor, its subcontractors or suppliers to bind Owner in any manner or to make any representation, warranty, covenant, agreement, or commitment on Owner's behalf. Contractor shall perform all work under this Contract as an independent contractor. Only Owner of this Contract shall have rights to enforce any changes to this Contract.

8.5 This Contract shall be binding on Owner and Contractor and all of their respective successors, heirs, legal representatives, and, if Owner has consented to an assignment or delegation as provided in Paragraph 8.3, assigns and delegates.

8.6 This Contract supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire, integrated agreement between the parties with respect to the work to be performed under the Contract Documents.

8.7 This Contract shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to any rules governing conflict of laws.

8.8 The approval and continuation of this Contract is subject to the availability of funds either provided to, made available to, or appropriated by the Owner for this purpose. In the event that funds are not available or appropriated for the Owner's payment requirements under this contract for the goods and/or services to be provided hereunder, the Owner may terminate this contract by providing notice to the Contractor of the lack of the availability of funds.

[Signatures on following page]

Executed as of the Effective Date.

CONTRACTOR
RCI Property Enterprises, LLC
An Arizona Limited Liability Company

By: RCI Property Enterprises, LLC.

Name: Jon Richmond

Title: President

Date: 7/29/2024

OWNER
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority authorized
by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-32

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Runway 12R-30L Reconstruction Phase 1, Construction Manager at Risk Construction Services – Pulice Construction, Inc. – CIP 1072**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, Runway 12R-30L has deteriorated to a pavement condition requiring extensive repairs and it has been recommended that a full reconstruction must be done to improve the pavement and subgrade strength. Runway 12R-30L is PMGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

Pulice Construction, Inc. is currently providing pre-construction services as the CMAR for the Runway 12R-30L Construction Project. This project will include the demolition of existing pavement, earthwork, new Portland Cement Concrete Pavement, taxiway, and shoulder pavement, crushed Aggregate Base, Cement-Treated Base, Lime-Treated Subgrade, new pavement markings, crack seal, seal coat and airfield electrical.

The Notice of Request for Qualifications (RFQ), Solicitation 2024-016-RFQ for Runway 12R-30L Reconstruction was issued on January 18, 2024, and advertised in the Arizona Business Gazette on 1/18, 1/25, 2/01 and 2/08/24; it was also posted on the AzAA, ACC, ACI-NA, SWAAAE and FAA Matchmaker Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFQ was emailed to a list of 111 prospective firms and included ACDBE/DBE outreach. PMGAA Staff received six (6) Statements of Qualifications. Upon conclusion of interviews with four of the firms, the Evaluation Panel selected Pulice Construction, Inc., as the CMAR firm that best satisfied the requirements, based on the qualifications of the firm, project team experience, project understanding, approach to performing the required services, and DBE outreach.

Fiscal Impact

This project is included in the FY25 Capital Budget utilizing FAA, ADOT and PMGAA Matching non-grant funds under CIP 1072.

Attachment(s): CMAR Construction Services Contract

RESOLUTION NO. 24-32

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

DIVISION I

Runway 12R – 30L Reconstruction Phase 1

CONSTRUCTION MANAGER AT RISK (CMAR) CONSTRUCTION SERVICES CONTRACT

Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ
FAA AIP No. 3-04-0078-059-2024
FAA AIP No. 3-04-0078-060-2024
ADOT Project No. TBD

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Phoenix Mesa Gateway Airport Authority

Construction Manager at Risk
Construction Services
Project No.: 1072

THIS CONTRACT is made and entered into by and between the Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the state of Arizona, hereinafter called "Owner" and the "Construction Manager at Risk" or "CMAR" designated below, Individually, each is a "Party" and collectively, the "Parties", and shall be effective as of the date signed by Owner.

NOW, THEREFORE, intending to be legally bound and for valuable consideration, the receipt and sufficiency of which are acknowledged, the Owner and CMAR agree as follows:

ARTICLE 1 – PARTICIPANTS AND PROJECT

Owner:
Phoenix-Mesa Gateway Airport Authority
Project Manager: Rich Adams
Telephone: 480-988-7617
Fax: 480-99-2315
E-mail: radams@gatewayairport.com

CMAR:
Pulice Construction, Inc.
Project Manager: Jeff Gergal
Telephone: 858.525.3901
Email: jgergal@pulice.com

PROJECT DESCRIPTION: Runway 12R – 30L Reconstruction Phase 1

PROJECT LOCATION: Phoenix Mesa Gateway Airport
Mesa, AZ 85212

ARTICLE 2 – CONTRACT DOCUMENTS

2.1 CONTRACT DOCUMENTS

The Contract between the Owner and CMAR shall consist of the following Contract Documents. Notwithstanding Article 50-04 of the General Provisions, should any of the Contract Documents conflict with each other, the conflict will be resolved by using the following order of precedence:

1. Any amendments or modifications to the Contract Documents in reverse chronological order, including (a) a written amendment signed by both parties, (b) a Change Order, (c) a Change Directive, (d) Supplementary Instructions, or (e) a written order for a minor change in the work (collectively the "Contract");
2. Exhibit A to the CMAR Construction Contract, Accepted GMP/Price Proposal and Project Schedule – the "Basis of GMP" and "Basis of Schedule";
3. The Guaranteed Maximum Price Proposal sections outside of item (2) above;
4. The General Conditions to the CMAR Contract;
5. The CMAR Construction Services Contract and all of its Exhibits;
6. The General Provisions to the CMAR Contract;
7. The Special Provisions to the CMAR Contract;
8. Federal Contract Provisions
9. Drawings;
10. Specifications;
11. The Request for Qualifications requirements, documents, and exhibits (#2024-016-RFQ), and CMAR's submittal to such solicitation dated February 6, 2024;
12. Any other Contract Documents.

2.3 PROJECT SPECIFIC CONDITIONS

If there are any additional conditions that apply to this Project, they are set forth in the attached Exhibit A, and are incorporated herein.

2.4 PROJECT PLANS AND SPECIFICATIONS

A detailed list of the Plans and Specifications for this Project are set forth in the attached Exhibit B.

ARTICLE 3 – PRE-CONSTRUCTION SERVICES

Although CMAR has performed Pre-Construction Services pursuant to a separate Contract between Owner and CMAR, the completion, quality and accuracy of those services and the deliverables provided by Owner thereunder directly impact CMAR's performance of its obligations under this Contract. Therefore, all of CMAR's obligations, duties, and warranties in relation to Pre-Construction Services and deliverables survive completion of the Pre-Construction Services Contract and are incorporated herein. Any breach of any of CMAR's duties, obligations, or warranties under the Pre-Construction Services Contract shall likewise be considered a breach of this Contract.

ARTICLE 4 – CONSTRUCTION SERVICES

4.1 GENERAL

4.1.1 CMAR agrees at its own cost and expense, to do all work necessary and required to fully, timely and properly complete the construction of the Project in strict accordance with the Contract Documents in a good and workmanlike manner, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified, and within the Project Schedule included in Exhibit A of this Contract.

4.1.2 CMAR shall provide all of the labor and materials and perform the Work in accordance with the General Conditions and General Provisions. Some but not all of the major components of the Construction Services and the corresponding subsections of Section 3 & 4 of the General Conditions are set forth below.

4.1.3 At all times relevant to the Contract and performance of the Work, the CMAR and its subcontractors shall fully comply with all Laws, Regulations, or Legal Requirements applicable to Owner, the Project and the Contract.

4.1.4 CMAR has been selected to perform the Work herein, in part, because of the skills and expertise of the key firms, team members and individuals (collectively, "CMAR's Key Personnel") that are listed in Exhibit F and that are consistent with the Statement of Qualification (SOQ) dated February 6, 2024. CMAR shall perform the Work under this Contract using CMAR's Key Personnel. CMAR's Key Personnel shall not be removed or replaced during the term of the Contract without prior written consent of PMGAA. PMGAA recognizes that CMAR's Key Personnel may leave the employ of CMAR for reasons beyond CMAR's control. Whenever practicable, CMAR shall give PMGAA at least 14 calendar days' notice prior to the departure of any of CMAR's Key Personnel from the Project. PMGAA shall have the right to approve or reject any replacements for CMAR's Key Personnel when personnel leave that are beyond the control of the CMAR. When within CMAR's control, CMAR's failure to use CMAR's Key Personnel to perform the Work under the Contract without PMGAA's prior written consent will be a material breach and grounds for suspension or termination for cause of this Contract by PMGAA.

Without limitation of the foregoing, in the event CMAR removes any Key Personnel without the consent of PMGAA, which shall not unreasonably be withheld, CMAR shall deduct and/or reimburse all cost and expense charged to PMGAA, whether included in CMAR's general conditions or otherwise, and including any markups thereon, for any replacement personnel who are not approved by PMGAA. Notwithstanding any provisions herein to contrary, PMGAA shall have audit rights to CMAR's records with respect to verifying such costs, expenses and markups for purposes of deduction and/or reimbursement.

4.1.5 CMAR will comply with all terms and conditions of the General Conditions, General Provisions, Special Provisions, Federal Provisions, as well as the Owner's published Rules & Regulations and Minimum Standards (Exhibit E).

4.1.6 In the event of a conflict between this Contract and the General Conditions, General Provisions, Special Provisions or any exhibit hereto or appendix thereto, the terms of this Contract shall control, but nothing in this contract shall be construed so as to either (i) Violate any term or condition of the Owner's published Rules & Regulations or Minimum Standards; or (ii) Violate Owner's mandatory subordination to its federal obligations, pursuant to Federal Aviation Administration ("FAA") Policies (2009) (including, but not limited to § 1.1, § 1.5, § 12.3, §10, § 14.1, *et. seq*.) and federal statutory authority, including, but not limited to, 49 U.S.C. §40103(a) (establishes the federal government's total dominance over the airspace of the United States, including, U.S. airports).

4.1.7 **Ownership of Work Product.** Notwithstanding anything to the contrary in this Contract, all Work Product prepared or otherwise created in connection with the performance of this Contract, including the Work, are to be and remain the property of Owner. For purposes of this provision, "Work Product" shall include all designs, drawings, plans, specifications, ideas, renderings and other information or matter, in whatever form created (e.g., electronic or printed) and in all media now known or hereinafter created. All Work Product shall be considered Work Made for Hire as defined in the United States Copyright Act 17 U.S.C. § 101 (Copyright Act). If for any reason any such Work is found not to be a work for hire, CMAR hereby transfers and assigns ownership of the copyright in such Work to Owner. The rights in this section are exclusive to Owner in perpetuity.

4.2 CMAR's PRE-CONTRACT AND PRE-WORK DELIVERABLES

The CMAR will provide the insurance and bond(s) requirements in accordance with Article 11 of the General Conditions prior to any work commencing.

CMAR will obtain and pay for all permits necessary for the work.

4.3 PRE-CONSTRUCTION CONFERENCE

CMAR shall attend the Pre-Construction Conference.

4.4 PERFORMANCE OF THE WORK (INCLUDING FIELD MEASUREMENTS, SUBCONTRACTORS, AND SUPPLIERS)

CMAR shall perform the Work in accordance with the General Conditions.

4.5 CONTROL OF THE PROJECT SITE

CMAR shall control and maintain the Project Site in accordance with the General Conditions.

4.6 PROJECT SAFETY

CMAR shall implement and enforce Project safety in accordance with Article 10 of the General Conditions.

4.7 MATERIALS QUALITY, SUBSTITUTIONS AND SHOP DRAWINGS

CMAR shall provide materials testing and submit substitute materials and Shop Drawings in accordance with Article 3 of the General Conditions.

4.8 PROJECT RECORD DOCUMENTS

CMAR shall maintain and make available the Project Record Documents in accordance with Article 3.12 of the General Conditions.

4.9 WARRANTY AND CORRECTION OF DEFECTIVE WORK

CMAR shall provide warranties and correct defective Work in accordance with Article 3.6 of the General Conditions.

ARTICLE 5 – OWNER RESPONSIBILITIES

5.1 Owner shall have the responsibilities, and provide the information specified in, and subject to the conditions set forth throughout the Contract Documents.

5.2 Additional information to be provided by Owner, if any, is listed below:

Final contract documents, including, but not limited to General Conditions, General Provisions, Special Provisions, applicable as-built drawings, stamped Construction Documents and Technical Specifications.

ARTICLE 6 – CONTRACT TIME

Contract Duration is 240 calendar days

6.1 CONTRACT TIME

6.1.1 The Contract Time shall start with the Notice to Proceed ("NTP") and end with Substantial Completion as set forth in Article 6.3 below. The Notice to Proceed cannot be issued prior to the approval and acceptance by Owner of the GMP.

6.1.2 CMAR agrees that it will commence performance of the Work and complete the Project through both Substantial Completion within the Contract Time.

6.1.3 Time is of the essence of this Contact, for the Project, and for each phase and/or designated Milestone thereof.

6.2 PROJECT SCHEDULE

The Project Schedule approved as part of the GMP Proposal and incorporated herein as part of the attached Exhibit A shall be updated and maintained throughout CMAR's performance under this Contract in accordance with Article 3 of the General Conditions.

6.2.1 Failure on the part of CMAR to adhere to the approved Project Schedule will be deemed a material breach and sufficient grounds for termination for cause of this Contract by Owner.

6.3 SUBSTANTIAL COMPLETION

Substantial Completion shall be achieved not later than the Substantial Completion Date set forth in the Accepted Project Schedule. Substantial Completion shall be determined in accordance with Article 9.8 of the General Conditions.

6.4 FINAL COMPLETION AND FINAL ACCEPTANCE

6.4.1 Final Completion will be obtained within the time period set forth in the Accepted Project Schedule.

6.4.2 Final Completion will be determined, and a Final Acceptance will be issued, pursuant to Article 9.9 of the General Conditions.

6.5 LIQUIDATED DAMAGES

6.5.1 **Substantial Completion Liquidated Damages.** For the same reason set forth in Article 6.1.3 above, Owner and CMAR further agree that if CMAR fails to achieve Substantial Completion of the work within the time set forth in Article 6.3 above, Owner shall be entitled to retain or recover from CMAR, as liquidated damages and not as a penalty, the following per diem amounts (which the Parties agree is a reasonable approximation of any resulting damages) commencing from the actual date of Substantial Completion:

$2000 per calendar day.

6.5.2 Owner may deduct liquidated damages described in this Article 6.5 above from any unpaid amounts then or thereafter due CMAR under this Agreement. Any liquidated damages not so deducted from any unpaid amounts due CMAR shall be payable to Owner at the demand of Owner, together with interest from the date of the demand at the highest lawful rate of interest payable by CMAR.

ARTICLE 7 – CONTRACT PRICE

7.1 CONTRACT PRICE

7.1.1 In exchange for CMAR's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, Owner will pay CMAR the "Contract Price" which:

The sum of the CMAR's Fee and reimbursable Cost of the Work, which the CMAR guarantees will not exceed the GMP set forth in Exhibit A, in the amount of $18,595,906. Costs which would cause the GMP to be exceeded shall be paid by CMAR without reimbursement from Owner.

7.1.2 The Contract Price is all-inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes any type necessary to fully, properly and timely perform and construct the Work encompassed in attached Exhibit A.

7.1.3 The contract price may only be changed as set forth in the Contract Documents.

7.1.4 Only costs specifically designated as reimbursable costs are eligible for payment by Owner or may be charged against the Contract Price. All other costs will not be paid by Owner and shall not be chargeable against the Contract Price.

7.1.5 For Contract Amendments, Change Orders, or Job Orders reimbursable costs shall be determined pursuant to MAG Specifications 109.5.

7.2 ALLOWANCES

Not Used.

7.3 CONTINGENCY

Not Used.

7.4 FINAL PAYMENT

If the Contract Price is based upon a GMP, as a further condition precedent to Final Payment by Owner, Contractor must submit to the Project Manager a complete final accounting of the Actual Reimbursable Cost of the Work, including all such documentation (including, without limitation, invoices, subcontracts, subcontractor change orders, purchase orders, records of payment, etc.) as Owner may require, to establish whether the payments made to Contractor equal, exceed, or are less than the Actual Reimbursable Cost of the Work to date.

Any excess payments by Owner, as determined by the Project Manager, shall be deducted from the one-half retention payment to be made to Contractor, and any additional excess amounts paid to Contractor shall be refunded by Contractor to Owner. Disputes relating to the Final Cost of the Work shall be subject to Owner's audit rights under Article 13.13 of the General Conditions and 7.5 below, and the dispute resolution process under Article 4 of the General Conditions.

7.5 OPEN BOOK

On any GMP-based or Change Order, Owner may attend any and all meetings or discussions pertaining to the Project, including bid openings, and shall have access to all books, invoices, accounts, memoranda, correspondence, and written communications or records of any kind pertaining to the Project, including without limitation, those stored in electronic format.

ARTICLE 8 – PAYMENT

Payments shall be made to CMAR in accordance with Article 9 of the General Conditions and Article 7 above.

ARTICLE 9 – CHANGES TO THE CONTRACT

Changes to the Contract may be made in strict accordance with Article 7 of the General Conditions.

ARTICLE 10 – SUSPENSION AND TERMINATION

This Contract may be suspended and/or terminated in accordance with Article 14 of the General Conditions.

ARTICLE 11 – INSURANCE AND BONDS

11.1 CMAR shall provide insurance at the times and in the amounts in accordance with Article 11 of the General Conditions to the CMAR Contract. CMAR shall provide proof of such insurance and all required endorsements in forms acceptable to Owner prior to commencing any Work under this Contract.

11.2 CMAR shall provide performance and payment bonds to Owner at the times and in the amounts in accordance with Article 11 of the General Conditions and A.R.S. § 34-610(A).

11.3 Failure to provide proof of insurance and the required endorsements, or the required bonds, in forms acceptable to Owner will be material breach and grounds for termination for cause of this Contract by Owner.

ARTICLE 12 – INDEMNIFICATION

CMAR shall have and assume the indemnity obligations set forth in Article 3 of the General Conditions.

ARTICLE 13 – DISPUTE RESOLUTION

Any claims or disputes relating to this Contract shall be resolved according to the dispute resolution process set forth in Article 4 of the General Conditions.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

The miscellaneous provisions set forth in Article 13 of the General Conditions shall apply to this Contract.

IN WITNESS WHEREOF, the parties hereto executed this Contract through their duly authorized representatives and bind their respective entities as of the effective date.

"OWNER"
PHOENIX MESA GATEWAY AIRPORT AUTHORITY,
a joint powers airport authority, authorized by the State of Arizona

By: _____
J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

"CMAR"
Pulice Construction, Inc., an Arizona Corporation

By: _____

Title: President

Date: 07/18/2024

EXHIBIT A – ACCEPTED GMP/PRICE PROPOSAL AND PROJECT SCHEDULE (Under Separate Cover)

All terms and conditions are set forth in the Contract. Any terms and conditions and/or exceptions noted in the CMAR's proposal, GMP, or other documents do not apply unless agreed to in this Contract or an approved addendum.

EXHIBIT B – PROJECT TECHNICAL SPECIFICATIONS & PHASE 1 PROJECT PLANS (Under Separate Cover)

1. **All Technical Specifications**
2. **Construction Plans**

EXHIBIT C – REQUIRED FORMS

STATUTORY PERFORMANCE BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal, and the _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee, dated the _____ day of _____, 202_ to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ; CMAR Services for Runway 12R-30L Reconstruction (Authority Project No. 1072),** which is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the Surety, and during the life of any guaranty required under the contract, and also performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment to reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 202__.

_____	_____
AGENCY OF RECORD, STATE OF ARIZONA	**PRINCIPAL**
	BY: _____
_____	_____
AGENCY ADDRESS	TITLE:
	_____
	SURETY
	BY: _____
	TITLE: _____

BOND NUMBER: _____ ATTACH SURETY POWER OF ATTORNEY

STATUTORY PAYMENT BOND

PURSUANT TO TITLE 34, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES

KNOW ALL MEN BY THESE PRESENTS:

That, _____, (hereinafter called the Principal), as Principal and _____, a corporation duly organized under the laws of the State of _____, with its principal office in the City of _____, (hereinafter called the Surety), as Surety, are held and firmly bound unto Phoenix-Mesa Gateway Airport Authority, Maricopa County, Arizona (hereinafter called the Obligee), in the amount of _____ _____($_____), for the payment of which the Principal and Surety bind themselves and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee, dated the ____day of _____ ____, 202__ to construct the following projects under the **Authority Solicitation No. 2024-016-RFQ ; CMAR Services for a Runway 12R-30L Reconstruction (Authority Project No. 1072),** which contract is hereby referred to and made a part of this bond as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statues, to the same extent as if they were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____, 202__.

_____ _____

AGENCY OF RECORD, STATE OF ARIZONA **PRINCIPAL**

BY: _____

_____ _____

AGENCY ADDRESS TITLE:

_____

SURETY

BY: _____

TITLE: _____

BOND NUMBER: _____ **ATTACH SURETY POWER OF ATTORNEY**

NOTICE OF INTENT TO AWARD CMAR CONTRACT

Date
Pulice Construction, Inc.

Attn:

Re: Runway 12R-30L Reconstruction Phase 1
Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ

Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona (Owner), has considered the Statement of Qualifications (SOQ) submitted and interview performed (if applicable) by your firm for the above described WORK in response to the Advertisement for SOQ's dated January 18, 2024. You are hereby notified that you are to be awarded this CMAR Contract by Phoenix-Mesa Gateway Airport Authority on August 20, 2024, in the amount of $18,595,906. You are required by the Terms and Conditions of this solicitation to execute the CMAR Contract and to furnish Contractor's Performance and Payment Bonds and submit the appropriate Certificate(s) of Insurance within fifteen (15) calendar days from this Notice.

If you fail to execute the CMAR Contract, furnish the required bonds, and submit Insurance Certificate(s) within Fifteen (15) calendar days from the date of this Notice, the Owner will consider this as a forfeiture of your consideration to be selected as CMAR. The Owner will be entitled to such other rights as may be granted by law.

A pre-construction meeting will be scheduled by your Project Manager at a later date and will be held in the Phoenix-Mesa Gateway Airport Authority Board Room, 5835 South Sossaman Road, Mesa.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the Phoenix-Mesa Gateway Airport Authority.

Dated this _____ day of _____, 202__.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Title: _____

ACCEPTANCE OF NOTICE:

Receipt of the above NOTICE OF AWARD is hereby acknowledged.

By: _____

Title: _____

Subscribed and sworn before me this _____day of _____, 202__.

NOTARY PUBLIC My Commission Expires

NOTICE TO PROCEED

Date

Pulice Construction, Inc.

Attn: Jeff Gergal

Re: Runway 12R-30L Reconstruction Phase 1
Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ

Dear Mr. Gergal

You are unconditionally authorized to proceed with the above-referenced project effective the date of this letter. The contract time is 250 calendar days. All work shall be performed strictly in accordance with the Contract Documents, including all project schedule requirements.

Your contact for this project is Rich Adams, phone no. 480-988-7655 and all project communications should be directed to him. If the preconstruction conference has not already occurred, he will contact you shortly about scheduling it.

Remember, the Owner must approve *in writing* any and all changes in the project scope of work before you start work on the change.

Phoenix-Mesa Gateway Airport Authority looks forward to a successful project with your firm.

Sincerely,

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

Authorized Representative

APPLICATION AND CERTIFICATE FOR PAYMENT

Runway 12R-30L Reconstruction Phase 1
Authority Solicitation No. 2024-016-RFQ
Authority Project No. 1072

CONSULTANT: _____

CMAR: _____

Application No. _____ Period From: _____ To: _____

Application is made for payment, as shown below, and on the attached Construction Progress Estimate Form, in accordance with the Contract Documents:

Original GMP: $_____

Approved Change Orders and Dates:

Change Order No.1	Date_____	$_____
Change Order No.2	Date_____	$_____
Change Order No.3	Date_____	$_____

Total Change Orders Approved to Date: $_____

Adjusted GMP $_____

Total Amount Due to Date
(from attached Construction Progress Estimate) $_____

Less Previous Certificates for Payment $_____

Current Payment Due $_____

Retainage _____% $_____

Total Earned Less Retainage $_____

Notice to Proceed Date_____ Date of Substantial Completion _____

Time Used _____% Complete _____%

CHANGE ORDER

PROJECT: CMAR Services for Runway 12R-30L Reconstruction Phase 1 CHANGE ORDER NO: _ _

Authority Project No. 1072
Authority Solicitation No. 2024-016-RFQ

TO CMAR: Pulice Construction, Inc.
8660 E. Hartford Drive, #305
Scottsdale, AZ 85255

CONTRACT NO: _____
CONTRACT DATE: _____, 202___

The Contract is changed as follows. CMAR shall provide all labor, materials, equipment, services, transportation, utilities, and facilities to perform all of the following changes*: [describe].*

This Change Order shall constitute a final settlement of all matters relating to the change in the work that is the subject of the Change Order, including but not limited to all direct or indirect costs associated with such change, all delay and disruption costs, any impact such change may have on unchanged work, and any and all adjustments to the Contract Sum or the Contract Time. This Change Order supersedes all prior reservations stated or implied.

Not Valid until signed by the Owner, Engineer, and CMAR.

The original ***Contract Sum*** was.....$_____
Net change by previously authorized Change Orders.....$_____
The ***Contract Sum*** prior to this Change Order was.....$_____
The ***Contract Sum*** will be **increased** [or **decreased**] by this Change Order.....$_____
The new ***Contract Sum*** including this Change Order is.....$_____

The Contract Time will be ***unchanged*** [or ***increased/decreased by _____ calendar days***.]

The Substantial Completion date for base contract work is ***unchanged*** [or ***changed to _____, 202__***.]

[CMAR],

By_____Date_____

It's_____

Engineer Name

By_____Date_____

It's_____

Owner

By _____Date___

It's_____

CERTIFICATE OF SUBSTANTIAL COMPLETION

(To be completed by Owner/Engineer)

I hereby certify that _____ has substantially completed
(Name of CMAR)
the work under the following project:

Runway 12R-30L Reconstruction Phase 1
Authority Solicitation No. 2024-016-RFQ
Authority Project No. 1072

in accordance with the contract documents and bid specifications, and all activities required by the Contractor under the Contract have been substantially completed as of _____ (date).

Firm Name: _____

By: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

CERTIFICATE OF FINAL COMPLETION

(To be Completed by CMAR and Owner)

Runway 12R-30L Reconstruction Phase 1
Authority Solicitation No. 2024-016-RFQ
Authority Project No. 1072

I hereby certify that all goods and/or services required by **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY,** have been delivered in accordance with the Contract Documents and Specifications, and all activities required by the CMAR under the Contract have been completed, including all items on the final punch list, including administrative items, as of _____ (date).

Firm Name: _____

Principal: _____
(Name)

_____
(Title)

_____ _____
(Signature) (Date)

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY has performed a final inspection of Owner's CMAR Services for Construction of **Runway 12R-30L Reconstruction**, **Owner Project Number 1072**, and find that to the best of our knowledge and belief, the work on this project has been completed in accordance with all Contract documents**.**

The date of final completion for this project is _____, 20___

Phoenix-Mesa Gateway Airport Authority

By: _____

Date: _____

FINAL
CMAR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

Runway 12R-30L Reconstruction Phase 1
Authority Solicitation No. 2024-016-RFQ
Authority Project No. 1072

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of $_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, ENGINEER,** the OWNER's **DESIGNATED CONSTRUCTION ADMINISTRATOR**, their employees, agents or representatives, against any and all liens, claims of liens, suits, actions, damages, charges and expenses whatsoever, which said OWNER and Engineer may suffer arising out of the failure or the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____day of_____, 202__.

_____
CMAR

_____
By:

STATE OF ARIZONA)
) ss
COUNTY OF)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____, 202__.

_____
(Notary Public)

_____
(My Commission Expires)

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN UPON PAYMENT (CMAR)

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **CMAR Services for Runway 12R-30L Reconstruction Phase 1*, Authority Project No. 1072,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202_____.

_____
Company Name

By _____

_____
(Title)

CONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON PAYMENT
(SUB-CONTRACTOR / SUPPLIER)

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to _____ (CMAR) for the construction of the ***Runway 12R-30L Reconstruction Phase 1, Authority Project No. 1072***, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, upon receipt of a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

UNCONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON PAYMENT
(CMAR)

WHEREAS, the undersigned, _____ (CMAR) has furnished labor, materials, and services and/or equipment for the construction of the **CMAR Services for Runway 12R-30L Reconstruction Phase 1, *Authority Project No. 1072,*** at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the Owner payable to the CMAR in the sum of $ _____, said sum representing full and final payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United States of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this final payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____day of _____, 202_____.

_____
Company Name

By _____

_____
(Title)

UNCONDITIONAL
FULL RELEASE OF ALL CLAIMS AND WAIVER OF LIEN
UPON PAYMENT
(SUB-CONTRACTOR / SUPPLIER)

WHEREAS, the undersigned, _____ (Sub-contractor) has furnished labor, materials, and services and/or equipment to _____ (CMAR) for the construction of the ***Runway 12R-30L Reconstruction Phase 1, Authority Project No. 1072***, at the Phoenix-Mesa Gateway Airport, Maricopa County, State of Arizona, on the Property of the Phoenix-Mesa Gateway Airport Authority, Mesa, Arizona.

NOW, THEREFORE, the undersigned, has been paid and has received a check from the CMAR payable to the Sub-contractor in the sum of $ _____, said sum representing payment for the above-mentioned labor, materials, services and/or equipment, does hereby waive and release any and all liens, claims of lien, and demands whatsoever that now exist or may hereafter accrue against the Owner and the Property on account of labor and materials furnished by the undersigned.

The undersigned warrants that all materials and labor placed by the undersigned in the Project are free from any claims, liens, or encumbrances and that all bills and obligations incurred for labor, taxes, withholding taxes based on payroll and payable to the United State of America or State of Arizona, premiums under a voluntary disability insurance policy, if any, carried with a private insurer, and payments to all union health, welfare, pension, apprentice training and vacation funds applicable for workmen employed on the above-described Project, in connection with the work of improvement on the Project, have been paid in full. The undersigned warrants that all subcontractors and material-men that may have delivered materials and performed work upon the Property for the Project have been fully paid or will be paid from monies received from this payment. The undersigned shall and does hereby indemnify, save, and hold harmless the Owner and CMAR from all claims, damages, liens and losses, including all costs, professional fees, and reasonable attorney's fees, which the Owner may suffer by reason of filing of any claims, notices, liens or encumbrances, or the failure of the undersigned to obtain cancellation and discharge thereof.

DATED this _____ day of _____, 202 __.

_____
Company Name

By _____

_____
(Title)

EXHIBIT D – DEFINITIONS

Allowance – A specific amount for a specific item of Work, if any, that Owner agrees has not been sufficiently designed, detailed, or selected (including design changes from 90% to 100% as authorized by and at the discretion of the Owner) at the time the Contract Price is agreed to for Contractor to provide a definitive price. Allowances shall be treated in accordance with Article 7.2 above.

Baseline Cost Model – A breakdown and estimate of the scope of the Project developed by CMAR.

CMAR or Construction Manager at Risk – The person or firm selected by Owner to provide pre-construction and/or construction services as detailed in a Construction Manager at Risk Contract with Owner. The term "Contractor" includes CMAR under both Pre-Construction and Construction Services Contracts.

CMAR Fee or Contractor's Fee – An agreed to percentage in an accepted GMP that represents the Contractor's fee for performance of the Work.

Contract Documents – Where compensation under the Contract is based upon a GMP accepted by Owner, the term "Contract Documents" also includes the accepted GMP Proposal.

Contract Price – Where compensation under the Contract based upon a GMP accepted by Owner, the term "Contract Price" refers to the GMP.

Cost-Based Contract, Change Order, or Job Order – A Contract, Change Order, or Job Order where the Contract Price is based upon the actual cost of performing the Work, subject to the terms of the Contract Documents. These would include those generally referred to as "Cost of the Work plus a Fee with a GMP," "Time and Materials," or "Cost Plus a Fee."

Cost of the Work – The direct costs necessarily incurred by Contractor in the proper, timely, and complete performance on the Work. The Cost of the Work shall include only those costs set forth in Article 7 above.

Deliverables – The work products prepared by Contractor in performing the scope of work described in the Contract. Some of the major deliverables to be prepared and provided by Contractor during pre-construction may include but are limited to: the Baseline Cost Model and Schedule that validate Owner's plan and budget, Construction Management Plan, Detailed Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, Detailed Cost Estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor agreements, Subcontractor bid packages, Supplier agreements, Constructability Review, Cost Control Log, Traffic control and phasing plans and others as indicated in this Contract or required by the Project Team.

Pre-Construction Services Contract – The Contract entered into between Owner and the CMAR for Pre-Construction Services to be provided by the CMAR, including, without limitation, the generation of a GMP Proposal. If the GMP Proposal is accepted by Owner and a CMAR Contract is entered into between Owner and CMAR, the duties, obligations and warranties of the CMAR under the Pre-Construction Services Contract survive and are incorporated into the resulting CMAR Contract.

Pre-Construction Services – The services to be provided under a Pre-Construction Services Contract.

Detailed Project Schedule – The Detailed Project Schedule developed by the CMAR for the review and approval of the Owner.

GMP Plans and Specifications – The plan and specifications upon which the Guaranteed Maximum price Proposal is based.

GMP Proposal – The proposal of Contractor submitted for the entire Work and/or portion (phases) of the Work.

Guaranteed Maximum Price or GMP – The Guaranteed Maximum Price set forth in the Contract.

EXHIBIT E – OWNER'S PUBLISHED RULES AND REGULATIONS AND MINIMUM STANDARDS

CMAR agrees to comply with Phoenix-Mesa Gateway Airport Authority's (Owner's) published Rules and Regulations and Minimum Standards as amended from time to time.

1. Rules & Regulations (link)

https://www.gatewayairport.com/policiesdocumentsandforms

2. Minimum Standards (link)

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT F – CMAR'S KEY PERSONNEL

See following pages

SECTION D

KEY PROJECT TEAM EXPERIENCE & QUALIFICATIONS

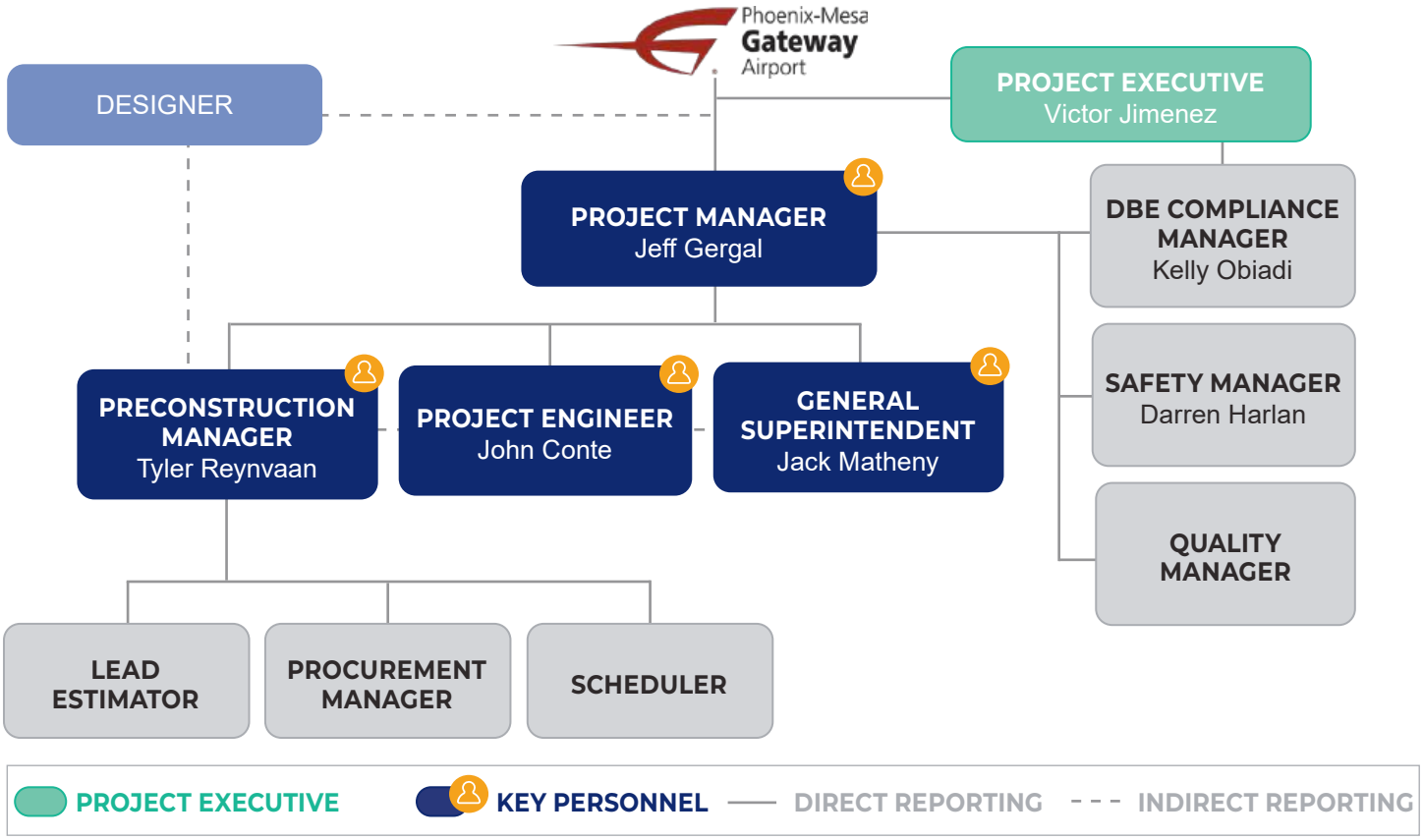
D-a. Key Team Member Positions

Our experience in delivering CMAR projects allows us to confidently identify the key positions required to successfully deliver the Project. **Figure D.2** on the following page includes each of our team member's role within the firm, and the key benefits they will bring to the Runway 12R-30L Project.

D-b. Organizational Chart

The organizational chart in **Figure D.1** illustrates how our team is organized to provide the highest service level during both preconstruction and construction. The key and support personnel shown here are dedicated to the Project from preconstruction through construction and closeout. Pulice promotes best practices, identifies systems for safety, quality, and project controls; and develops a unified team dedicated to project success. Resumes for key personnel are located in **Tab I - Appendices**.

Figure D.1 *Organizational Chart*



D-c. Key Team Member's Role and Benefits

Figure D.2 provides each key person's role within the company, their key highlights, and their role and responsibilities for this Project. Resumes for each proposed team member are included in **Tab I - Appendices**.

Our proposed team reflects all critical areas of expertise and experience needed to perform the tasks described in the Request for Qualifications (RFQ). Our key personnel identified in **Figure D.2** bring in-depth understanding of the CMAR process, a history of working together for PMGAA, and proven success addressing the unique challenges associated with working in an active airport environment.

Figure D.2 *Key Personnel*

ROLE WITH FIRM | KEY BENEFITS	ROLE/RESPONSIBILITIES FOR THIS PROJECT
PROJECT MANAGER - JEFF GERGAL	
» Project Manager for Pulice Construction » Served as Project Manager on the Alpha Apron IV, Taxiway K, Taxiway C, and Ellsworth Channel Projects » 42 years managing heavy civil transportation projects » OSHA 30-Hour Training » ATTSA Traffic Control Supervisor » Worked with John, Jack, and Jason on Taxiway C and with John, Jack, and Jason on Taxiway K	Jeff brings over 40 years of heavy civil construction experience, including estimating and project management of heavy civil transportation projects. Jeff is responsible for overall project performance, including assigning the necessary resources to deliver the Project in accordance with PMGAA's goals. He will work with Tyler during preconstruction to ensure constructability, and serve as our main point of contact.
PRECONSTRUCTION MANAGER - TYLER REYNVAAN	
» Operations Manager for Pulice Construction » 17 years managing heavy civil transportation projects » Manages the Pulice estimating team and works with project teams and estimators to develop GMPs » OSHA 30-Hour Training	Tyler manages preconstruction activities to assure deliverables are produced on-time and are of high quality. He will coordinate directly with PMGAA and the designer to develop pricing templates. Tyler will lead the GMP development process and support Jeff in identifying and mitigating risk.
PROJECT ENGINEER - JOHN CONTE	
» Project Engineer for Pulice Construction » Served as Project Engineer on the Alpha Apron IV, Taxiway K, Taxiway C, and Ellsworth Channel Projects » OSHA 30-Hour Training » NCEES FE Certified » Delivered Ellsworth Channel with Jeff and Taxiways C and K with Jeff, Jack, and Jason	John has more than eight years of construction experience, including production and quantity tracking, estimating, quality control reporting, document control, and production specification compliance. John will work with Jeff and Tyler during preconstruction and construction to assist in GMP development, risk mitigation, schedule development/ assurance, and subcontractor selection.
GENERAL SUPERINTENDENT - JACK MATHENY	
» Civil Superintendent for Pulice Construction » 30 years in heavy civil transportation » OSHA 30-Hour Training » Civil Superintendent on Alpha Apron IV, Taxiways C and K, and Ellsworth Channel alongside Jeff and John	Jack brings over 30 years of experience in the supervision and construction of heavy civil projects. Jack will support the preconstruction team by analyzing risk, performing constructability reviews, and identifying innovation opportunities. He will oversee the baseline schedule and ensure the work is planned with the necessary safety measures.
PAVING FOREMAN - JASON LOPEZ	
» Foreman for McNeil Brothers » More than 20 years of heavy civil/paving experience » Successfully delivered Taxiways C and K with Jeff, John, and Jack	During preconstruction, Jason will support Jack by planning work and performing constructability reviews. During construction, he will be responsible for leading concrete and asphalt operations.

D-d. Team Experience Working Together

Pulice and our subcontractor, McNeil Brothers, work together on a daily basis, making a unified team approach second nature to our business. As demonstrated in **Figure D.2**, Pulice is proposing a team of individuals that have not only worked together, but have all been part of the project teams that have successfully executed our prior work at PMGAA. Our team's history working together ensures PMGAA that we will utilize the strengths of our respective team members to self perform a majority of the work and successfully address the challenges associated with this Project.

D-e. Steps to Ensure Key Personnel Remain on the Project

Pulice is fully committed to the success of this Project. Our team has collaborated throughout this SOQ phase to ensure we efficiently and effectively perform the work. Our team will not be impacted by other ongoing projects in Arizona, and the key personnel we have assigned will be available to complete this Project within the allotted time frame. The current commitments of our team will allow them to successfully transition to this Project immediately upon NTP to begin preconstruction services.

Our core team of individuals will be involved from project kick-off through closeout. Tyler, Jeff, and John will lead preconstruction services, and will have the option to engage Jack and Jason as needed, to leverage their discipline expertise.

During construction, Jeff and John will work with the superintendents to ensure all ideas and VE enhancements captured during preconstruction are carried into construction, and Jim will continue to assist the team in keeping the project on schedule and within budget.

The continuity in our team between preconstruction and construction provides assurance to PMGAA that all innovation and schedule enhancement developed during preconstruction are executed during construction.

PULICE BENEFIT

Our team has experience working with PMGAA and understands the Authority's needs and processes. We are committed to partnering with Authority to find the best possible solutions, to maximizing funding, and to developing/refining the schedule as necessary to phase work in a manner that is advantageous to the Authority.

D-f. Proposed Subcontractors and Method of Selection

With our more than 65 years contracting projects in the valley, Pulice has an exceptional history working with subcontractors, including Small and/or Disadvantaged Business Enterprises (S/DBEs). Our subcontractor selection process is based on both qualifications and best value.

All subcontractors will be selected using a best value determination based on a demonstrated level of competence and price for each work package. Early in preconstruction, interested firms will be asked to complete a prequalification package that will be scored to ensure that they meet all quality, safety, and schedule requirements for their scope of work.

No subcontractors will be chosen based on price alone, and PMGAA will have approval of each selected subcontractor. This approach benefits the overall Project by capitalizing upon the unique skills and experiences of subcontracted team members to help optimize design while reducing cost, material and equipment, schedule, and safety risks from the Project.

Early Engagement

Our process to select subcontractors and suppliers early in the preconstruction phase will help confirm the design considers material/equipment availability and risk mitigation. Subcontractors will be engaged in preconstruction and will participate by evaluating costs, providing conceptual and detailed estimates, scheduling, and implications of alternative design systems and materials.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-33

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Runway 12R-30L Reconstruction, Construction Administration Services – Kimley-Horn & Associates – CIP 1072**
Date:	**August 20, 2024**

Proposed Motion

To approve 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.

Narrative

Due to the continued commercial aircraft usage and the age of the pavement, Runway 12R-30L has deteriorated to a pavement condition requiring extensive repairs and it has been recommended that a full reconstruction must be done to improve the pavement and subgrade strength. Runway 12R-30L is PMGAA's longest runway at 10,401 feet long and 150 feet wide and is primarily used for commercial service aircraft operations.

The Construction Administration Services will consist of construction support and observation of the reconstruction of a portion of the Runway 12R-30L Portland Cement Concrete (PCC) pavement section, including Asphalt Concrete (AC) pavement shoulder improvements, electrical/signage upgrades, grading and drainage improvements, and pavement marking of the entire runway and portions of the affected adjacent taxiway network.

In 2024, a Request for Qualifications, 2024-005-RFQ, for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement, C-20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Construction Administration Services for the Runway 12R-30L Reconstruction project. The cost for these services was negotiated based upon the agreement fee schedule at a cost not to exceed $747,486.83.

Fiscal Impact

This project is included in the FY25 Capital Budget utilizing FAA, ADOT and PMGAA Matching non-grant funds under CIP 1072.

Attachment(s): Authorization of Services

RESOLUTION NO. 24-33

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20240076 25-01

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Runway 12R-30L Reconstruction Project CIP 1072.

2. **SCOPE OF WORK**: Perform and provide Construction Administration Services for the Runway 12R-30L Reconstruction Project. The Construction Administration Services will consist of construction support and observation of the reconstruction of a portion of the Runway 12R-30L Portland Cement Concrete (PCC) pavement section, including Asphalt Concrete (AC) pavement shoulder improvements, electrical/signage upgrades, grading and drainage improvements, and pavement marking of the entire runway and portions of the affected adjacent taxiway network.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed Seven hundred forty-seven thousand, four hundred eighty-six dollars and eighty-three cents ($747,486.83), utilizing FAA, ADOT and PMGAA Matching non-grant funds under CIP 1072, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this contract is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this contract for the goods and/or services to be provided hereunder, PMGAA may terminate this contract by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this contract may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this contract, its approval, and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement 20240076 dated December 19, 2023.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal dated May 2024.

PMGAA and Kimley-Horn & Associates acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: [signature]

Print: Sterling Margetts

Title: Sr. Vice President

Date: 7/23/24

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-34

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Technology Refresh – Desktop Computers and Laptops Phase 2, CIP 1288**
Date:	**August 20, 2024**

Proposed Motion
To authorize the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $112,234.

Narrative

The Phoenix-Mesa Gateway Airport Authority's (PMGAA's) Information Technology Service (ITS) Department ensures the Airport's operation, compliance, and disaster recovery functionality relative to information technology industry standards. FY25 is slated to continue with prior fiscal years practice of desktop computer and laptop refresh replacement program per a pre-established schedule. Desktop computers and laptops are necessary components and play a vital role in business technology. As part of the strategic direction of the Airport, increased attention and commitment is being placed on providing essential technology systems and services to ensure cost effective support operations.

As a qualified member of the Arizona Department of Administration State Procurement Office (ADSPO), PMGAA is able to procure goods and services under state contracts that have been competitively bid. The State has currently contracted with Dell for computer hardware and support under contract CTR068890. It is under this contract that PMGAA will procure the desktops and laptops as well as the installation equipment. This contract is available upon request.

Fiscal Impact
This purchase is included in the FY25 Capital Improvement Projects and is funded under CIP 1288.

Attachment(s)
Quote

RESOLUTION NO. 24-34

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $112,234.00;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the procurement of Desktop Computers and Laptops from Dell Marketing, L.P. (Dell) in an amount not to exceed $112,234.00 This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **Aug. 31, 2024**.

You can download a copy of this quote during checkout.

Place your order

Quote No.	**3000179556405.2**	Sales Rep	Robert Johnson
Total	**$112,233.65**	Phone	(800) 456-3355, 80000
Customer #	22980627	Email	Robert.Johnson8@Dell.com
Quoted On	Aug. 01, 2024	**Billing To**	PAYABLE ACCOUNTS PHOENIX-MESA GATEWAY AIRPORT 5835 S SOSSAMAN RD MESA, AZ 85212-6014
Expires by	Aug. 31, 2024		
Contract Name	Dell NASPO Computer Equipment PA - Arizona		
Contract Code	C000001124007		
Customer Agreement #	23026 / CTR068890		
Deal ID	27381062		

Message from your Sales Rep

Please use the Order button to securely place the order with your preferred payment method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Robert Johnson

Shipping Group

Shipping To

BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method

Standard Delivery

Product	Unit Price	Quantity	Subtotal
Precision 3460 Small Form Factor	**$1,368.51**	**29**	**$39,686.79**
Mobile Precision 3590	**$1,671.84**	**34**	**$56,842.56**
Dell Thunderbolt 4 Dock- WD22TB4	**$223.12**	**34**	**$7,586.08**
Dell Pro Wireless Keyboard and Mouse KM5221W	**$36.24**	**34**	**$1,232.16**

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Subtotal:	**$105,347.59**
Shipping:	**$0.00**
Non-Taxable Amount:	**$22,382.89**
Taxable Amount:	**$82,964.70**
Estimated Tax:	**$6,886.06**
Total:	**$112,233.65**

Special pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Shipping Group Details

Shipping To

BRIAN WALLACE
PHOENIX-MESA GATEWAY AIRPORT
5835 S SOSSAMAN RD
MESA, AZ 85212
(480) 988-7600

Shipping Method

Standard Delivery

	Unit Price	Quantity	Subtotal
Precision 3460 Small Form Factor	**$1,368.51**	**29**	**$39,686.79**

Estimated delivery if purchased today:
Aug. 16, 2024
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
Precision 3460 SFF CTO BASE	210-BCTU	-	29	-
Intel Corei5 14th Gen 14600 (24 MB cache, 14 cores, 20 threads, 2.7 GHz to 5.2 GHz, 65W)	338-CPNX	-	29	-
HEATSINK for 65W CPU	412-AAZQ	-	29	-
Windows 11 Pro, English, French, Spanish	619-AQLP	-	29	-
Activate Your Microsoft 365 For A 30 Day Trial	658-BCSB	-	29	-
Intel Management Engine with vPro	631-ADHJ	-	29	-
Intel Rapid Storage Technology Driver, Precision 3460	409-BCWM	-	29	-
32 GB: 2 x 16 GB, DDR5, 5600MT/s, SO-DIMM, ECC	370-BBXZ	-	29	-
Intel Integrated Graphics only	490-BBBS	-	29	-
C1 SSD Boot + SSD	449-BBYR	-	29	-
Integrated Intel SATA Controller	403-BBCE	-	29	-
M.2 256GB PCIe NVMe Class 35 Solid State Drive	400-BNBY	-	29	-
Thermal Pad for 3460 SFF SSD	412-AAZZ	-	29	-
No Hard Drive	400-AKZR	-	29	-
No Hard Drive	400-AKZR	-	29	-
No Hard Drive	400-AKZR	-	29	-
No Hard Drive	400-AKZR	-	29	-
8x DVD+/-RW 9.5mm Slimline Optical Disk Drive	429-ABFH	-	29	-
Bezel ODD	429-ABKH	-	29	-
CMS Essentials DVD no Media	658-BBTV	-	29	-
No SATA RAID	780-BBCJ	-	29	-
Precision 3460 SFF with 300W (80 Plus Platinum) PSU, RPL-R compatible	321-BKYG	-	29	-
No Media Card Reader	385-BBBL	-	29	-
No Additional Network Card Selected (Integrated NIC included)	555-BBJO	-	29	-
Internal Wi-Fi Antenna	555-BHHG	-	29	-
Intel Wi-Fi 6/6E (6GHz) AX211 2x2 Bluetooth 5.3 Wireless Card	555-BHHI	-	29	-

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Dell Pro Wireless Keyboard and Mouse - KM5221W - English - Black	580-AJJG	-	29	-
Mouse included with Keyboard	570-AADI	-	29	-
ENERGY STAR Qualified	387-BBLW	-	29	-
EPEAT 2018 Registered (Gold)	379-BDZB	-	29	-
Dell Precision TPM	340-ACBY	-	29	-
WLAN Intel AX211 wireless card driver	555-BHPO	-	29	-
SERI Guide (ENG/FR/Multi)	340-AGIK	-	29	-
Quick Setup Guide, Precision 3460	340-CYUT	-	29	-
Shipping Material (DAO)	340-CBUU	-	29	-
Shipping Material	340-CQYR	-	29	-
Precision 3460 Plat Reg Label DAO	389-ECXZ	-	29	-
Intel Core i5 vPro Enterprise Processor Label	389-EDDQ	-	29	-
Internal Speaker	520-AARD	-	29	-
Additional Software	658-BFRV	-	29	-
System Power Cord C13 (US 125V, 15A)	450-AHDU	-	29	-
Custom Configuration	817-BBBB	-	29	-
Dell Limited Hardware Warranty Plus Service	997-2808	-	29	-
ProSupport Plus: 7x24 Technical Support, 4 Years	997-2860	-	29	-
ProSupport Plus: Keep Your Hard Drive, 4 Years	997-2869	-	29	-
ProSupport Plus: Accidental Damage Service, 4 Years	997-2878	-	29	-
ProSupport Plus: Next Business Day Onsite, 4 Years	997-6821	-	29	-
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	-	29	-

	Unit Price	Quantity	Subtotal
Mobile Precision 3590	**$1,671.84**	**34**	**$56,842.56**

Estimated delivery if purchased today:
Aug. 21, 2024
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
Dell Mobile Precision Workstation 3590	210-BLMZ	-	34	-
Intel Core Ultra 5 125H vPro Essentials (18 MB cache, 14 cores, 18 threads, up to 4.50 GHz, 28W)	379-BFPP	-	34	-
Windows 11 Pro, English, Brazilian Portuguese PT-BR, French, Spanish	619-ARSB	-	34	-
Intel Core Ultra 5 125H Processor and Intel Integrated Graphics	329-BKDM	-	34	-
Intel vPro Management Disabled	631-BBWP	-	34	-
Activate Your Microsoft 365 For A 30 Day Trial	658-BCSB	-	34	-
Intel Graphics or Intel Arc Pro Graphics	490-BKBZ	-	34	-
15.6" FHD 1920x1080, 60Hz, 250 nits, Non-Touch, FHD HDR IR Camera, Mic, WLAN	391-BJCF	-	34	-
FHD HDR IR Camera, ExpressSign-In, No Intelligent Privacy, TNR, Camera Shutter, Microphone	319-BBKH	-	34	-
32 GB: 1 x 32 GB, DDR5, 5600 MT/s, non-ECC	370-BBYG	-	34	-
256GB, M.2 2230, Gen4 PCIe NVMe, SSD, Class 35	400-BRHV	-	34	-

No Additional Hard Drive	401-AAGM	-	34	-
English US backlit AI hotkey keyboard with numeric keypad, 99-key	583-BLNH	-	34	-
Single Pointing, No Security	346-BKTS	-	34	-
Intel AX211, 2x2 MIMO, 2400 Mbps, 2.4/5/6 GHz, Wi-Fi 6/6E (WiFi 802.11ax), Bluetooth	555-BKND	-	34	-
3 Cell, 42WHr, Long Lifecycle Battery, 3-year warranty	451-BDBM	-	34	-
65W AC adapter, USB Type-C, EcoDesign	492-BDMN	-	34	-
ENERGY STAR Qualified	387-BBLW	-	34	-
EPEAT 2018 Registered (Gold)	379-BDZB	-	34	-
E4 Power Cord 1M for US	537-BBDO	-	34	-
SERI Guide (ENG/FR/Multi)	340-AGIK	-	34	-
Intel AX211 WLAN Driver	555-BKQC	-	34	-
Packaging for 65W Adapter	340-DQMR	-	34	-
Custom Configuration	817-BBBB	-	34	-
Intel® Core™ Ultra 5 non-vPro Processor Label	340-DMPY	-	34	-
Dell Additional Software	658-BFPP	-	34	-
Quick setup guide for world wide	340-DMRZ	-	34	-
ProSupport Plus: Accidental Damage Service, 4 Years	997-1069	-	34	-
ProSupport Plus: Keep Your Hard Drive, 4 Years	997-1091	-	34	-
Dell Limited Hardware Warranty Plus Service	997-1129	-	34	-
ProSupport Plus: 7x24 Technical Support, 4 Years	997-1137	-	34	-
ProSupport Plus: Next Business Day Onsite, 4 Years	997-6067	-	34	-
Thank you for choosing Dell ProSupport Plus. For tech support, visit www.dell.com/contactdell or call 1-866-516-3115	997-8367	-	34	-
Intel(R) Rapid Storage Technology Driver	409-BCXX	-	34	-

	Unit Price	Quantity	Subtotal
Dell Thunderbolt 4 Dock- WD22TB4	**$223.12**	**34**	**$7,586.08**

Estimated delivery if purchased today:
Aug. 07, 2024
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
BASE,DS,WD22TB4 US 180W	210-BDQH	-	34	-
Advanced Exchange Service, 3 Years	872-8550	-	34	-
Dell Limited Hardware Warranty	872-8557	-	34	-

	Unit Price	Quantity	Subtotal
Dell Pro Wireless Keyboard and Mouse KM5221W	**$36.24**	**34**	**$1,232.16**

Estimated delivery if purchased today:
Aug. 07, 2024
Contract # C000001124007
Customer Agreement # 23026 / CTR068890

Description	SKU	Unit Price	Quantity	Subtotal
Dell Pro Wireless Keyboard and Mouse - KM5221W	580-AJIS	-	34	-

Subtotal:	**$105,347.59**
Shipping:	**$0.00**
Estimated Tax:	**$6,886.06**
Total:	**$112,233.65**

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier´s affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

^DELL BUSINESS CREDIT (DBC): Offered to business customers by WebBank, who determines qualifications for and terms of credit. Taxes, shipping and other charges are extra and vary. The Total Minimum Payment Due is the greater of either $20 or 3% of the New Balance shown on the statement rounded up to the next dollar, plus all past due amounts. Dell and the Dell logo are trademarks of Dell Inc.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Resolution 24-35

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**CIP 0965- Wheel Loader Replacement**
Date:	**August 20, 2024**

Proposed Motion
To authorize 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.

Narrative
Phoenix Mesa Gateway Airport Authority's Airfield Maintenance Department utilizes a wheel loader for heavy equipment functions including airfield erosion repairs, relocation and dispensing of bulk raw materials (dirt/asphalt debris/aggregate), and relocation of concrete barriers throughout the Airport property as needed.

The Airport's existing loader, a 1994 John Deere unit has reached the end of its useful life cycle along with increasing maintenance costs. The replacement unit, a 2024 Hyundai HL955A, provides increased operator efficiency, lower operating costs, modern safety features such as operator protections from heat/cold, and improved environmental compliance.

PMGAA is a member of the Sourcewell cooperative organization. Under Sourcewell, Earhart, through Bingham Equipment, in partnership with Hyundai, was awarded Contract #011723-HCE and it is through this selection that PMGAA will utilize Earhart to purchase the wheel loader. This contract is available upon request. The not to exceed amount includes City of Mesa Use Tax.

Fiscal Impact
This purchase is included in the FY25 capital budget and is funded with non-grant funds as CIP 0965.

Attachment(s)
Quote

RESOLUTION NO. 24-35

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Earhart
Tractor and Equipment Company

4350 S. Palo Verde Blvd
Tucson, Arizona 85714
Phone (520) 889-6396
www.earhartequipment.com
Remit to: 1655 South Country Club Dr., Mesa, AZ 85210

Ship to:
IN STORE PICKUP

Invoice to:
PHX-Mesa Gateway Airport
5835 S Sossaman Rd
Mesa AZ 85212

Branch		
14 - Earhart		
Date	Time	Page
06/06/2024	14:33:11 (O)	1
Account No.	Phone No.	Quote No.
WILLI023	4809887600	03 002445
Ship Via	Purchase Order	
Our Truck	QUOTE ONLY	
	999	
		Salesperson
Shaun Spilsbury		1SD

Sales Quote

Description ** Q U O T E ** EXPIRY DATE: 08/31/2024 Amount

Stock #: 108482 Serial #: HHKHNL50VL0000807 190516.90
New HU HL955A
New Hyundai HL955A Wheel Loader
Hyundai Wheel Loader with Werkbrau bucket attached
****

HL955	Wheel Loader		$342,100.00
LB09	3.7 Yard Bucket		$10,650.00
CW12	Heavier Counterweight		$5,230.00
XFR6	Front Diff Lock/Rear Conv Axle		$2,850.00
LT28	20.5 R25 L3 Tires		$6,650.00
LV02	3rd Spool Valve		$1,630.00
LQ02	ISO (Volvo) Coupler		$11,120.00
HB11	Extra Piping 3rd Spool		$1,790.00
LF01	Ride Control		$2,730.00
EB01	Additional Cab Lights		$610.00
LM01	Rear Fenders		$3,450.00
Sub Total			$388,810.00
Sourcewell Discount		51%	<198,293.10>
Total			$190,516.90

****
All Pricing Is In Accordance With Sourcewell Contract
#011723-HCE. Inbound Freight and PDI have been added below.
****
****
Thank You For The Opportunity
Shaun Spilsbury
Municipal/Government Sales
602-980-5671
****

THANK YOU

Sale Total: 190516.90

Miscellaneous Charges/Credits
==========

EQUIPMENT DELIVERY CHARGE Qty: 1 Price: 7000.00 7000.00

SIGNED X _____

SIGNED X _____

The buyer represents that he owns the above Trade-in equipment free and clear of any encumbrance except that indicated payable to:_____
_____,
in the amount of: _____

SIGNED X _____
If other than the purchaser, signer represents he is an agent of and authorized to sign for purchaser.

STATEMENT CONCERNING WARRANTIES
Except for expressed warranties made by the manufacturer of goods, THERE ARE NO WARRANTIES, EXPRESSED STATUTORY OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MECHANTABILITY, WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE THEREOF. No warranty whatsoever is made on any used, second-hand, altered or rebuilt goods. Such goods are sold "AS IS".

Earhart
Tractor and Equipment Company

4350 S. Palo Verde Blvd
Tucson, Arizona 85714
Phone (520) 889-6396
www.earhartequipment.com
Remit to: 1655 South Country Club Dr., Mesa, AZ 85210

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Branch		
14 - Earhart		
Date	Time	Page
06/06/2024	14:33:11 (O)	2
Account No.	Phone No.	Quote No.
WILLI023	4809887600	03 002445
Ship Via	Purchase Order	
Our Truck	QUOTE ONLY	
	999	
		Salesperson
Shaun Spilsbury		1SD

Sales Quote

Description	** Q U O T E **	EXPIRY DATE: 08/31/2024	Amount
LABOR SALES	1	4500.00	4500.00

Subtotal:	202016.90
AZ STATE TAX:	10668.95
PIMA County:	952.58
Quote Total:	213638.43

Authorization: _____

THANK YOU

SIGNED X _____

SIGNED X _____

The buyer represents that he owns the above Trade-in equipment free and clear of any encumbrance except that indicated payable to:_____
_____,
in the amount of: _____

SIGNED X _____
If other than the purchaser, signer represents he is an agent of and authorized to sign for purchaser.

STATEMENT CONCERNING WARRANTIES
Except for expressed warranties made by the manufacturer of goods, THERE ARE NO WARRANTIES, EXPRESSED STATUTORY OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MECHANTABILITY, WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE THEREOF. No warranty whatsoever is made on any used, second-hand, altered or rebuilt goods. Such goods are sold "AS IS".

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-36

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**SkyBridge Arizona Master Lease Adjustment Amendment – Termination of SkyB Lot 118-A Development Lease and return to Master Lease**
Date:	**August 20, 2024**

Proposed Motion

To authorize the termination of the SkyB Lot 118-A Development Lease and to concurrently return Lot 118-A to the Master Lease Agreement.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Lease Agreement on April 1, 2018, for the approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). The Master Lease transferred leasehold control of the Property to SkyBridge but did not convey vertical development rights. As part of the Master Lease, PMGAA and SkyBridge agreed to "spin out" property from the Master Lease into Development Leases as projects became ready for vertical development.

The Development Lease for Lot 118-A was approved on May 16, 2023. SkyBridge had proposed to build two buildings collectively consisting of 5,529 SF on approximately 2.11 acres however that project is no longer moving forward. SkyBridge has requested to terminate the Development Lease for Lot 118-A and have Lot 118-A restored to the Master Lease. Once returned to the Master Lease, the Rentable Premises is 12,966,281.2 square feet.

Agreement and Rate

With the Termination of the Lot 118-A Development Lease and in accordance with Section 2.2.1 of the Lease, Lessee shall pay to Lessor an amount equal to the Base Rent that would have otherwise been due and payable for the Development Parcel commencing with the date the Development Parcel was removed from the Master Lease and ending with the date of Lessee's election to terminate the Development Lease. The parties agree that amount is THREE THOUSAND FOUR HUNDRED FORTY-SIX DOLLARS AND 40/100 CENTS ($3,446.40). In addition, Lessee shall reimburse Lessor for reasonable negotiation costs and expenses. The parties agree that amount is SEVEN HUNDRED SIXTY-FIVE DOLLARS ($765.00). Both are payable within TEN (10) days after execution.

Attachment(s)

Termination Agreement Lot 118-A Development Lease; Master Lease Adjustment Amendment

RESOLUTION NO. 24-36

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the termination of the SkyB Lot 118-A Development Lease and to concurrently return Lot 118-A to the Master Lease Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the termination of the SkyB Lot 118-A Development Lease and to concurrently return Lot 118-A to the Master Lease Agreement. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

TERMINATION AGREEMENT

(Lot 118-A Development Lease)

THIS TERMINATION AGREEMENT ("**Termination Agreement**") by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**") and **SKYB LOT 118 LLC**, an Arizona limited liability company ("**Lessee**") is effective as of the 1st day of September, 2024 ("**Termination Date**").

RECITALS:

A. Lessor and Lessee entered into that certain Development Lease, dated effective June 1, 2023 ("**Lease**") with respect to the Premises (known as Lot 118-A) as described in the Lease.

B. Lessee now desires to terminate the Lease, and Lessor desires to accept the surrender of the Premises and terminate the Lease, all on the terms and conditions set forth in this Termination Agreement.

AGREEMENT:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

2. Termination of Lease. Lessor and Lessee hereby acknowledge and agree that as of the Termination Date, the Lease and every provision thereof shall terminate and be of no further force or effect. As of the Termination Date, neither Lessor nor Lessee shall have any rights, obligations and/or liabilities under the Lease unless such right, obligation, or liability expressly survives the termination of the Lease pursuant to the terms of the Lease. All rents and other charges, if any, paid pursuant to the Lease, shall be paid and prorated as of the Termination Date.

3. Binding Effect; Counterparts. This Termination Agreement may be executed in any number of counterparts and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

4. Applicable Law. This Termination Agreement shall be construed in accordance with the laws of the State of Arizona.

5. Effectiveness of Agreement. If, concurrently with execution of this Termination Agreement, Lessor and Mesa Skybridge LLC, an Arizona limited liability company, do not mutually execute an Adjustment Amendment to Master Lease to reinclude Lot 118-A in the Master Lease dated April 1, 2018 between Lessor and Mesa SkyBridge LLC, this Termination Agreement shall be null and void.

[*Remainder of Page Left Intentionally Blank*]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Termination Agreement as of the Termination Date.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

J. Brian O'Neill, A.A.E.
Executive Director/CEO

LESSEE:

SKYB LOT 118 LLC, an Arizona Limited Liability Company

By: _____

Felipe Monroy Torres
Manager

ADJUSTMENT AMENDMENT TO MASTER LEASE

(Reincluding Lot 118-A)

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is effective as of the 1st day of September, 2024 by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 (as amended, "**Lease**") covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. In accordance with the Lease, Development Parcel Lot 118-A was removed from the Lease and subjected to Development Lease No. 007 dated effective June 1, 2023, and Development Lease No. 007 is being terminated concurrently herewith by mutual agreement of the parties thereto by a Termination Agreement dated effective as of September 1, 2024.

C. The Parties desire to modify the Lease to reinclude Development Parcel Lot 118-A as part of the Property in accordance with Section 2.2.1 of the Lease.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Base Rent Payment. Within TEN (10) days after the effective date hereof, Lessee shall pay to Lessor an amount equal to the Base Rent that would have otherwise been due and payable for Development Parcel Lot 118-A in accordance with the Lease commencing with the date Development Parcel Lot 118-A was initially removed from the Property in accordance with Section 2.1 of the Lease and ending with the date of termination of Development Lease No. 007. The Parties agree that such amount is THREE THOUSAND FOUR HUNDRED FORTY-SIX DOLLARS AND 40/100 CENTS ($3,446.40).

3. Reimbursement. Within TEN (10) days after the effective date hereof, Lessee shall reimburse Lessor for any and all reasonable Development Lease negotiation costs and expenses. The Parties agree that such amount is SEVEN HUNDRED SIXTY-FIVE DOLLARS ($765.00).

4. Property Adjustment. Development Parcel Lot 118-A, as described in **EXHIBIT A**, is hereby added to the Lease and to the Rentable Premises of the Property. As of the date of this Amendment, after adding Lot 118-A to the Lease, the Rentable Premises is 12,966,281.2 square feet.

5. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

6. Effectiveness of Agreement. If, concurrently with execution of this Amendment, Lessor and SkyB Lot 118 LLC, an Arizona limited liability company, do not execute the Termination Agreement referenced in Recital B above, this Amendment shall be null and void.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

J. Brian O'Neill, A.A.E.
Executive Director/CEO

LESSEE:

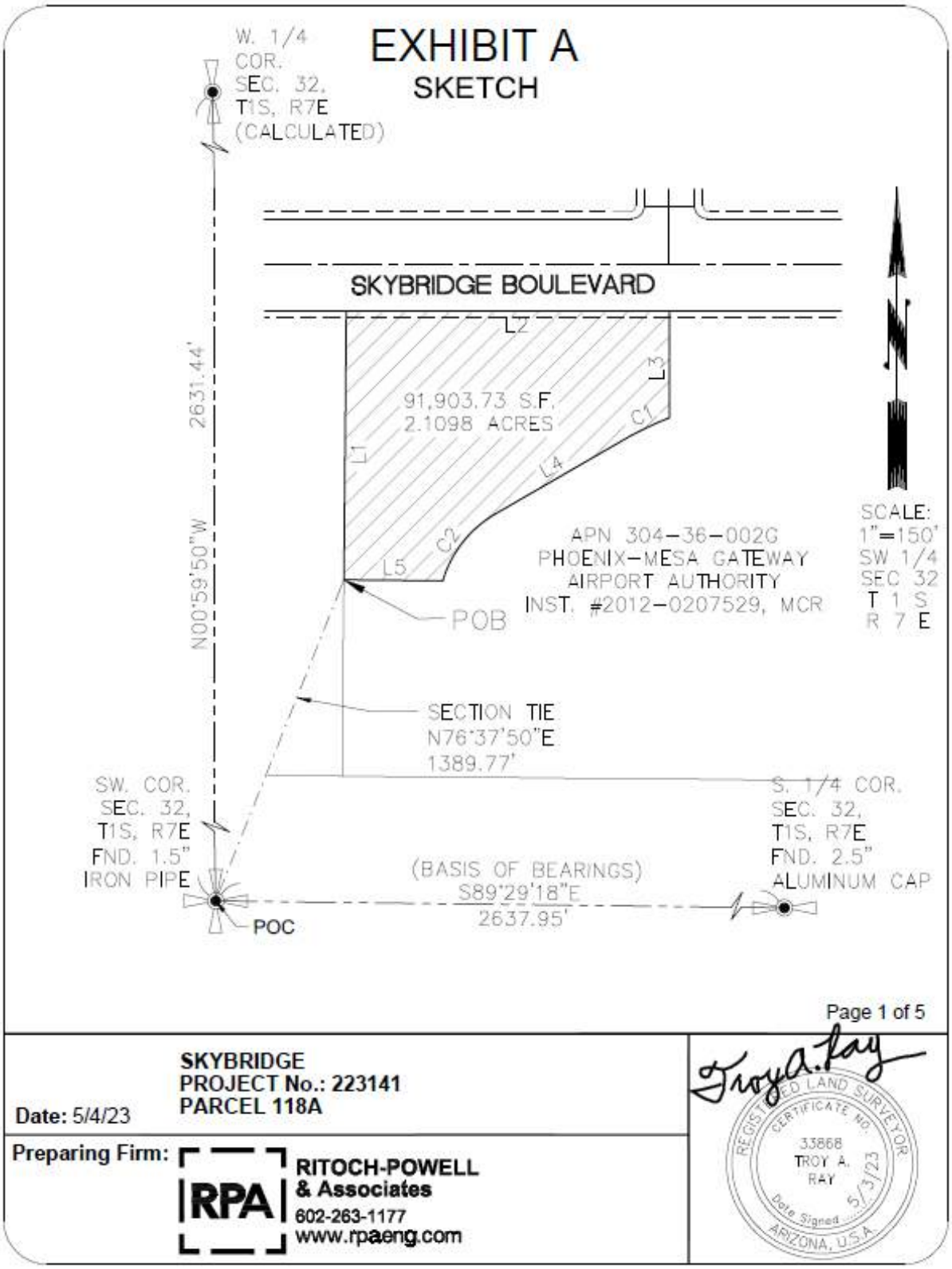
MESA SKYBRIDGE LLC, an Arizona limited liability company

By: _____

Felipe Monroy Torres
CEO

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY



4863-3941-1394

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
TABLES

LINE TABLE		
LINE	BEARING	LENGTH
L1	N0°30'21"E	319.69'
L2	N90°00'00"W	384.85'
L3	S0°00'00"E	126.86'
L4	S60°00'00"W	174.82'
L5	N89°29'39"W	117.84'

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	CHD BRNG
C1	8°27'37"	420.00'	62.02'	S64°13'49"W
C2	43°31'43"	136.49'	103.70'	S38°14'11"W

Page 2 of 5

SKYBRIDGE
PROJECT No.: 223141
PARCEL 118A

Date: 5/4/23

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

Troy A. Ray

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 5/3/23
ARIZONA, U.S.A.

4863-3941-1394

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX-MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NUMBER 2012-0207529, MARICOPA COUNTY RECORDS (MCR) AND AS SHOWN ON THAT ALTA/NSPS LAND TITLE SURVEY PREPARED BY HUNTER ENGINEERING STAMPED AND SIGNED BY JERRY D. HEATH JR. ON 4/30/2018 AND LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (FND 1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" AL CAP) BEARS SOUTH 89 DEGREES 29 MINUTES 18 SECONDS EAST A DISTANCE OF 2637.95 FEET;

THENCE NORTH 76 DEGREES 37 MINUTES 50 SECONDS EAST, A DISTANCE OF 1389.77 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 30 MINUTES 21 SECONDS EAST A DISTANCE OF 319.69 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF SKYBRIDGE BOULEVARD;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID RIGHT-OF-WAY LINE , A DISTANCE OF 384.85 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 126.86 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, FROM WHICH THE RADIUS POINT BEARS SOUTH 21 DEGREES 32 MINUTES 23 SECONDS EAST;

THENCE SOUTHWESTERLY 62.02 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT , HAVING A RADIUS OF 420.00 FEET, THROUGH A CENTRAL ANGLE OF 8 DEGREES 27 MINUTES 37 SECONDS AND A CHORD BEARING SOUTH 61 DEGREES 13 MINUTES 49 SECONDS WEST;

THENCE SOUTH 60 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 174.82 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT FROM WHICH THE RADIUS POINT BEARS SOUTH 29 DEGREES 59 MINUTES 58 SECONDS EAST;

THENCE SOUTHWESTERLY 103.70 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 136.49 FEET, THROUGH A CENTRAL ANGLE OF 43 DEGREES 31 MINUTES 43 SECONDS AND A CHORD BEARING SOUTH 38 DEGREES 14 MINUTES 11 SECONDS WEST;

THENCE NORTH 89 DEGREES 29 MINUTES 39 SECONDS WEST, A DISTANCE OF 117.84 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 91,903.73 SQUARE FEET OR 2.1098 ACRES OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD.

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS SOUTH 89 DEGREES 29 MINUTES 18" SECONDS EAST FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA AS DETERMINED BY GPS DATA COLLECTION PERFORMED IN THE FIELD.

Page 3 of 5

SKYBRIDGE
PROJECT No.: 223141
PARCEL 118A

Date: 5/4/23

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

Troy A. Ray

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 5/3/23
ARIZONA, U.S.A.

4863-3941-1394

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
CLOSURE

SEGMENT #1 : LINE

COURSE: N0° 30' 21"E LENGTH: 319.69'
NORTH: 834842.2223' EAST: 776965.6902'

SEGMENT #2 : LINE

COURSE: N90° 00' 00"E LENGTH: 384.85'
NORTH: 834842.2223' EAST: 777350.5402'

SEGMENT #3 : LINE

COURSE: S0° 00' 00"E LENGTH: 126.86'
NORTH: 834715.3623' EAST: 777350.5402'

SEGMENT #4 : CURVE

LENGTH: 62.02' RADIUS: 420.00'
DELTA: 8°27'37" TANGENT: 31.07'
CHORD: 61.96' COURSE: S64° 13' 49"W
COURSE IN: S21° 32' 23"E COURSE OUT: N30° 00' 00"W
RP NORTH: 834324.6937' EAST: 777504.7416'
END NORTH: 834688.4244' EAST: 777294.7416'

SEGMENT #5 : LINE

COURSE: S60° 00' 00"W LENGTH: 174.82'
NORTH: 834601.0144' EAST: 777143.3431'

SEGMENT #6 : CURVE

LENGTH: 103.70' RADIUS: 136.49'
DELTA: 43°31'43" TANGENT: 54.49'
CHORD: 101.22' COURSE: S38° 14' 11"W
COURSE IN: S29° 59' 58"E COURSE OUT: N73° 31' 41"W
RP NORTH: 834482.8099' EAST: 777211.5869'
END NORTH: 834521.5111' EAST: 777080.6986'

Page 4 of 5

SKYBRIDGE
PROJECT No.: 223141
PARCEL 118A

Date: 5/4/23

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

Troy A. Ray

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 5/3/23
ARIZONA, U.S.A.

4863-3941-1394

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A
CLOSURE (CONTINUED)

SEGMENT #7 : LINE

COURSE: N89° 29' 39"W LENGTH: 117.84'
NORTH: 834522.5514' EAST: 776962.8632'

PERIMETER: 1289.77'
AREA: 91,903.73 SQ. FT. (2.1098 ACRES)
ERROR CLOSURE: 0.0081 COURSE: N34° 54' 24"W
ERROR NORTH: 0.00667 EAST: -0.00466

PRECISION 1: 159230.86

Page 5 of 5

SKYBRIDGE
PROJECT No.: 223141
PARCEL 118A

Date: 5/4/23

Preparing Firm: RPA **RITOCH-POWELL & Associates**
602-263-1177
www.rpaeng.com

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33868
TROY A.
RAY
Date Signed 5/3/23
ARIZONA, U.S.A.

4863-3941-1394

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-37

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Mesa SkyBridge, LLC – Adjustment Amendment Master Lease Phase 1 Right of Way**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Lease Agreement on April 1, 2018 for approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). SkyBridge is responsible for delivering 100% of the Horizontal Improvements needed to support the Project. In accordance with Section 2.4 of the Master Lease Agreement, public streets or other public improvements that are constructed by SkyBridge and are inspected and approved by the City of Mesa, may be removed from the Master Lease.

SkyBridge has completed Phase 1 of the infrastructure improvements and on March 14, 2024, the City of Mesa was granted a permanent easement for public utilities, facilities, and right-of-way. Approximately 518,511.26 square feet of the Property incorporates roadway and utility improvements that serve the property. PMGAA Staff recommends approving the Adjustment Amendment to the Master Lease to remove the 518,511.26 square feet comprising Skybridge Boulevard, International Way and Peak Air Circle, from the Property listed in the Master Lease. Once removed from the Master Lease, the Rentable Premises is 12,447,769.9 square feet.

Attachment(s)

Master Lease Adjustment Amendment

RESOLUTION NO. 24-37

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

ADJUSTMENT AMENDMENT TO MASTER LEASE

(Removing SkyBridge Blvd., International Way and Peak Air Circle)

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is effective as of the 1st day of September, 2024 by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 (as amended, "**Lease**") covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. The Parties desire to modify the Lease to remove certain portions of the Property which have been improved with a public street other public improvement inspected and approved by the City, in accordance with Section 2.4 of the Lease.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Property Adjustment. The portion of the Property comprising Skybridge Boulevard, International Way, and Peak Air Circle, as described in **EXHIBIT A,** is hereby removed from the Lease, the Property, and from the Rentable Premises. As of the date of this Amendment, after removing Skybridge Boulevard, International Way, and Peak Air Circle from the Lease, the Rentable Premises is 12,447,769.9 square feet.

3. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment delivered electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

J. Brian O'Neill, A.A.E.
Executive Director/CEO

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By: _____

Felipe Monroy Torres
CEO

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

#2024 0150

Unofficial
20Document

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Yo

When Recorded Return To:

City of Mesa
Real Estate Services/Engineering
P.O. Box 1466
Mesa, Arizona 85251-1466

For Recorder's Use

EASEMENT FOR PUBLIC UTILITIES, FACILITIES AND ROADWAY PURPOSES

For valuable consideration, PHOENIX MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority, formerly known as, WILLIAMS GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority ("GRANTOR") hereby grants to the CITY OF MESA, a municipal corporation, ("GRANTEE") its successors, and assigns, a permanent easement for public utilities, facilities, and right-of-way, for the following purposes, namely: The right to enter upon the hereinafter described land and grade, regrade, level, fill, drain, pave, elevate, build, maintain, repair and rebuild including changing the grade, a road or highway, including incidental purposes consistent therewith, together with such bridges, culverts, ramps and cuts together with said public utilities and facilities as may be necessary, on, over, under, and across the ground embraced within the easement situated in the City of Mesa, County of Maricopa, State of Arizona, and described as follows:

SEE EXHIBIT "A" ATTACHED

To have and to hold the easement for Public Utilities, Facilities, and Roadway purposes unto the CITY OF MESA and unto its successors and assigns forever, together with the right of ingress and egress to permit the economical operation and maintenance of such public roadway and all incidents thereto, and for installation, maintenance and repair of the utility facilities, together with the right to authorize, permit, and license the use thereof for utilities, telecommunications or other public purposes not inconsistent with its primary use as a roadway and public utilities and facilities easement.

By signature below, the CITY OF MESA accepts the easement and agrees to undertake operation and maintenance of its utilities and the roadway, including without limitation, installation, maintenance, repair and replacement of all pavement surfaces, installation, maintenance, repair and replacement of traffic management devices, and provision of emergency response and traffic control enforcement, all as deemed necessary in the sole discretion of the CITY OF MESA for the duration of the easement. The CITY OF MESA shall be solely responsible for the foregoing operation and maintenance and all other matters pertaining to its utilities, facilities, and the roadway.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

The easement includes the right to cut back and trim such portion of the branches and tops of the trees now growing or that may hereafter grow upon the above described premises, as may extend over the right-of-way, so as to prevent the same from interfering with the efficient maintenance and operation of the public roadway.

There is reserved to GRANTOR and its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the right-of-way, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace of the Phoenix Mesa Gateway Airport.

The CITY OF MESA shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the premises, or any other obstruction, that exceeds the height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the airport control tower.

In the event the right, privilege and easement herein granted shall be abandoned and permanently cease to be used for the purposes herein granted all rights herein granted shall cease and revert to GRANTOR, its heirs or assigns.

Dated this 14th day of March, 2024.

GRANTOR:

Unofficial Document

PHOENIX MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority, formerly known as, WILLIAMS GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____
Name: J. Brian O'Neill
Title: Executive Director /CEO

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 14th day of March, 2024, by J. Brian O'Neill, the Executive Director /CEO of Phoenix Mesa Gateway Airport Authority, on behalf of the Airport Authority.

_____
Notary Public (signature)

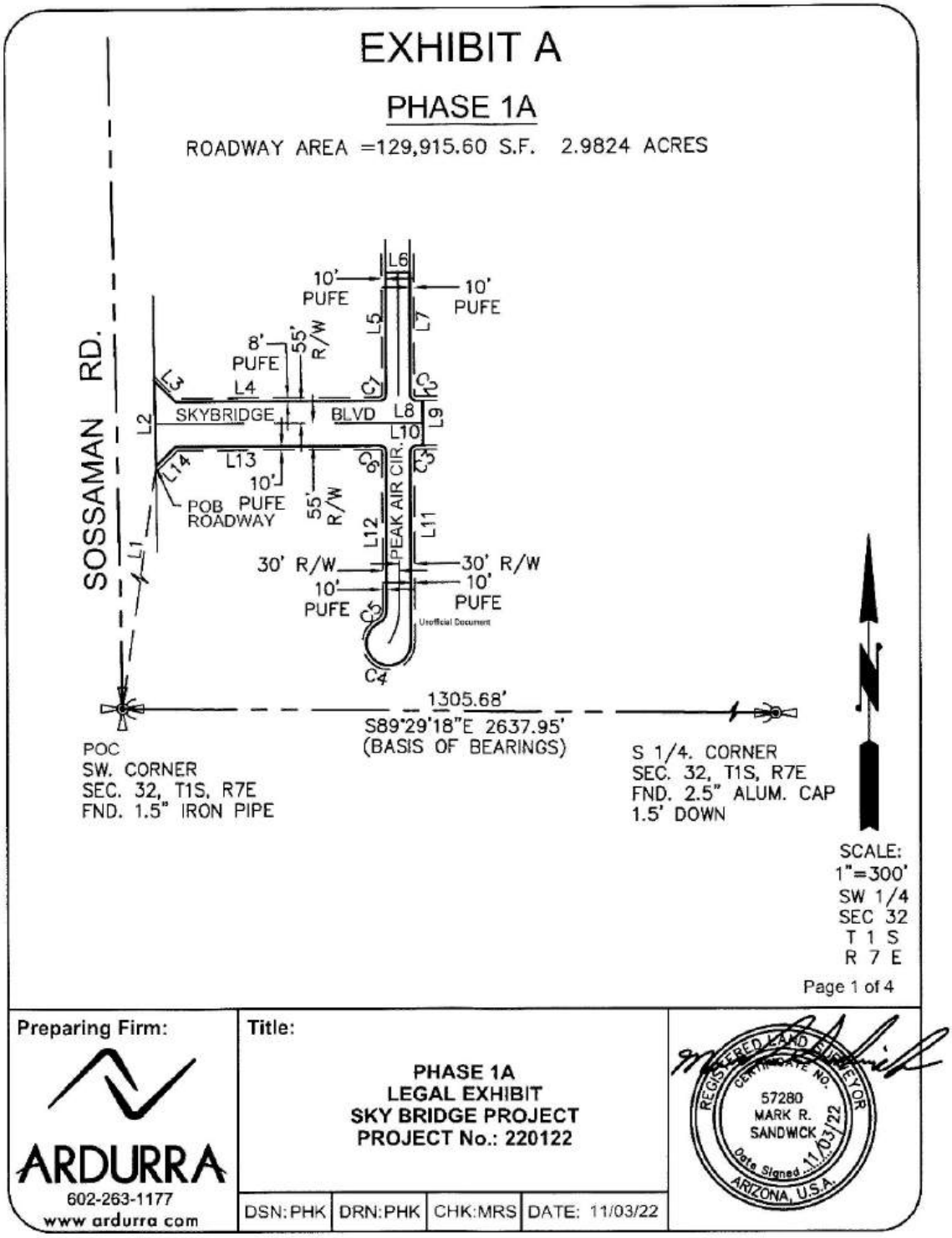
My Commission Expires 9/12/2027

MISTY JOHNSON
Notary Public - Arizona
Pinal County
Commission # 653784
My Comm. Expires Sep 12, 2027

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336



4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

LINE TABLE					
LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N08°09'06"E	599.17'	L8	N90°00'00"E	16.00'
L2	N00°45'31"W	208.60'	L9	S00°00'00"E	110.00'
L3	S45°00'00"E	71.66'	L10	N90°00'00"W	16.00'
L4	N90°00'00"E	504.79'	L11	S00°00'00"E	466.87'
L5	N00°00'00"W	298.56'	L12	N00°00'00"E	386.25'
L6	N90°00'00"E	60.00'	L13	N90°00'00"W	504.79'
L7	S00°00'00"E	298.56'	L14	S45°00'00"W	67.75'

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	CHORD BRG
C1	90°00'00"	15.00'	23.56'	21.21'	N45°00'00"E
C2	90°00'00"	15.00'	23.56'	21.21'	S45°00'00"E
C3	90°00'00"	15.00'	23.56'	21.21'	S45°00'00"W
C4	243°36'44"	55.00'	233.85'	93.48'	N58°11'38"W
C5	63°36'44"	35.00'	38.86'	36.89'	N31°48'22"E
C6	90°00'00"	15.00'	23.56'	21.21'	N45°00'00"W

Unofficial Document

Page 2 of 4

Preparing Firm:

ARDURRA

602-263-1177

www.ardurra.com

Title:

PHASE 1A
LEGAL EXHIBIT
SKY BRIDGE PROJECT
PROJECT No.: 220122

DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX–MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012–0207529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N08°09'06"E A DISTANCE OF 599.17 FEET TO THE POINT OF BEGINNING;

THENCE N00°45'31"W A DISTANCE OF 208.60 FEET;

THENCE S45°00'00"E A DISTANCE OF 71.66 FEET;

THENCE N90°00'00"E A DISTANCE OF 504.79 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING OF N45°00'00"E;

THENCE N00°00'00"W A DISTANCE OF 298.56 FEET;

THENCE N90°00'00"E A DISTANCE OF 60.00 FEET;

Unofficial Document

THENCE S00°00'00"E A DISTANCE OF 298.56 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING OF S45°00'00"E;

THENCE N90°00'00"E A DISTANCE OF 16.00 FEET;

THENCE S00°00'00"E A DISTANCE OF 110.00 FEET;

THENCE N90°00'00"W A DISTANCE OF 16.00 FEET;

THENCE 23.56 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A RADIUS OF 15.00 THROUGH A CENTRAL ANGLE 90°00'00", CHORD BEARING S45°00'00"W;

Page 3 of 4

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www ardurra com	PHASE 1A LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122				REGISTERED LAND SURVEYOR CERTIFICATE NO. 57280 MARK R. SANDWICK Date Signed 11/03/22 ARIZONA, U.S.A.
	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22	

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

THENCE S0°00'00"E A DISTANCE OF 466.87 FEET;

THENCE 233.85 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 55.00 FEET THROUGH A CENTRAL ANGLE OF 243°36'44" AND A CHORD BEARING OF N58°11'38"W TO THE BEGINNING OF REVERSE CURVATURE;

THENCE 38.86 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 35.00 THROUGH A CENTRAL ANGLE 63°36'44", CHORD BEARING N31°48'22"E;

THENCE N00°00'00"E A DISTANCE OF 386.25 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING OF N45°00'00"W;

THENCE N90°00'00"W A DISTANCE OF 504.79 FEET;

THENCE S45°00'00"W A DISTANCE OF 67.75 FEET TO THE POINT BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 129,915.60 SQ. FT. (2.9824 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

Unofficial Document

Page 4 of 4

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www.ardurra.com	PHASE 1A LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

North: 834794.3099' East: 775695.7230'

Segment #1 : Line
Course: N0° 45' 31"W Length: 208.60'
North: 835002.8916' East: 775692.9612'

Segment #2 : Line
Course: S45° 00' 00"E Length: 71.66'
North: 834952.2203' East: 775743.6325'

Segment #3 : Line
Course: N90° 00' 00"E Length: 504.79'
North: 834952.2203' East: 776248.4225'

Segment #4 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: N45° 00' 00"E
Course In: N0° 00' 00"E Course Out: N90° 00' 00"E
RP North: 834967.2203' East: 776248.4225'
End North: 834967.2203' East: 776263.4225'

Segment #5 : Line
Course: N0° 00' 00"W Length: 298.56'
North: 835265.7803' East: 776263.4225'

Segment #6 : Line
Course: N90° 00' 00"E Length: 60.00'
North: 835265.7803' East: 776323.4225'

Unofficial Document

Segment #7 : Line
Course: S0° 00' 00"E Length: 298.56'
North: 834967.2203' East: 776323.4225'

Segment #8 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: S45° 00' 00"E
Course In: N90° 00' 00"E Course Out: S0° 00' 00"E
RP North: 834967.2203' East: 776338.4225'
End North: 834952.2203' East: 776338.4225'

Segment #9 : Line
Course: N90° 00' 00"E Length: 16.00'
North: 834952.2203' East: 776354.4225'

Segment #10 : Line
Course: S0° 00' 00"E Length: 110.00'
North: 834842.2203' East: 776354.4225'

Segment #11 : Line
Course: N90° 00' 00"W Length: 16.00'
North: 834842.2203' East: 776338.4225'

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

Segment #12 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: S45° 00' 00"W
Course In: S0° 00' 00"E Course Out: N90° 00' 00"W
RP North: 834827.2203' East: 776338.4225'
End North: 834827.2203' East: 776323.4225'

Segment #13 : Line
Course: S0° 00' 00"E Length: 466.87'
North: 834360.3503' East: 776323.4225'

Segment #14 : Curve
Length: 233.85' Radius: 55.00'
Delta: 243°36'44" Tangent: 88.68'
Chord: 93.48' Course: N58° 11' 38"W
Course In: N90° 00' 00"W Course Out: N26° 23' 16"W
RP North: 834360.3503' East: 776268.4225'
End North: 834409.6197' East: 776243.9781'

Segment #15 : Curve
Length: 38.86' Radius: 35.00'
Delta: 63°36'44" Tangent: 21.71'
Chord: 36.89' Course: N31° 48' 22"E
Course In: N26° 23' 16"W Course Out: N90° 00' 00"E
RP North: 834440.9729' East: 776228.4225'
End North: 834440.9729' East: 776263.4225'

Unofficial Document

Segment #16 : Line
Course: N0° 00' 00"E Length: 386.25'
North: 834827.2229' East: 776263.4225'

Segment #17 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: N45° 00' 00"W
Course In: N90° 00' 00"W Course Out: N0° 00' 00"E
RP North: 834827.2229' East: 776248.4225'
End North: 834842.2229' East: 776248.4225'

Segment #18 : Line
Course: N90° 00' 00"W Length: 504.79'
North: 834842.2229' East: 775743.6325'

Segment #19 : Line
Course: S45° 00' 00"W Length: 67.75'
North: 834794.3164' East: 775695.7260'

Perimeter: 3376.79' Area: 129,915.60 Sq. Ft.
(2.9824 Acres)
Error Closure: 0.0072 Course: N24° 27' 41"E
Error North: 0.00655 East: 0.00298

Precision 1: 468,997.22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

EXHIBIT A

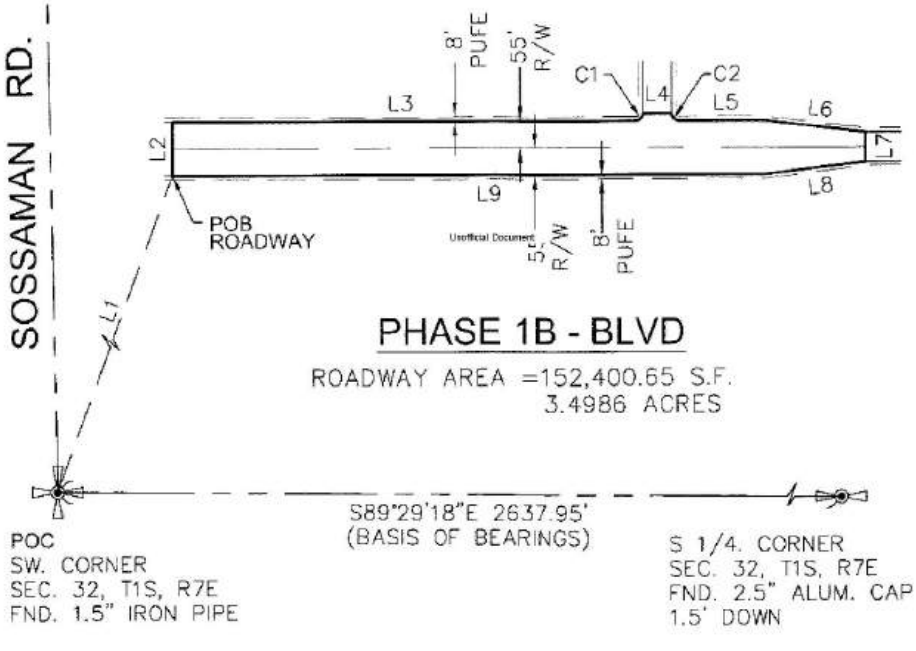
LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

LINE TABLE					
LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N49°14'20"E	981.80'	L6	S83°08'47"E	209.50'
L2	N00°00'00"E	110.00'	L7	S00°00'00"E	60.00'
L3	N90°00'00"E	951.12'	L8	S83°08'47"W	209.50'
L4	N90°00'00"E	60.00'	L9	N90°00'00"W	1215.67'
L5	N90°00'00"E	174.55'			

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	CHORD BRG
C1	90°00'00"	15.00'	23.56'	21.21'	N45°00'00"E
C2	90°00'00"	15.00'	23.56'	21.21'	S45°00'00"E



Page 1 of 3

Preparing Firm:

ARDURRA

602-263-1177

www ardurra com

Title:

PHASE 1B - BLVD
LEGAL EXHIBIT
SKY BRIDGE PROJECT
PROJECT No.: 220122

DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/28/22

REGISTERED LAND SURVEYOR
CERTIFICATE No.
57280
MARK R. SANDWICK
Date Signed 11/28/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX –MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012–0207529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N49°14'20"E A DISTANCE OF 981.80 FEET TO THE POINT OF BEGINNING;

THENCE N0°00'00"E A DISTANCE OF 110.00 FEET;

THENCE N90°00'00"E A DISTANCE OF 951.12 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING OF N45°00'00"E;

THENCE N90°00'00"E A DISTANCE 60.00 FEET TO THE BEGINNING OF A NON–TANGENT CURVE TO THE LEFT FROM WHICH THE RADIUS POINT BEARS N90°00'00"E;

THENCE 23.56 FEET ALONG THE ARC OF SAID NON–TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET, THROUGH A CENTRAL ANGLE 90°00'00", CHORD BEARING OF S45°00'00"E;

Unofficial Document

THENCE N90°00'00"E A DISTANCE OF 174.55 FEET;

THENCE S83°08'47"E A DISTANCE OF 209.50 FEET;

THENCE S00°00'00"E A DISTANCE OF 60.00 FEET;

THENCE S83°08'47"W A DISTANCE OF 209.50 FEET;

THENCE N90°00'00"W A DISTANCE OF 1215.67 FEET TO THE POINT BEGINNING.

Page 2 of 3

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www.ardurra.com	PHASE 1B - BLVD LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/28/22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R. SANDWICK
Date Signed 11/28/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

THE ABOVE DESCRIBED PARCEL CONTAINS 152,400.65 SQ. FT. (3.4986 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

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Page 3 of 3

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www.ardurra.com	PHASE 1B - BLVD LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122				REGISTERED LAND SURVEYOR CERTIFICATE NO. 57280 MARK R. SANDWICK Date Signed 11/28/22 ARIZONA, U.S.A.
	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/28/22	

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

North: 834842.2193' East: 776354.4197'

Segment #1 : Line
Course: N0° 00' 00"E Length: 110.00'
North: 834952.2193' East: 776354.4197'

Segment #2 : Line
Course: N90° 00' 00"E Length: 951.12'
North: 834952.2193' East: 777305.5397'

Segment #3 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: N45° 00' 00"E
Course In: N0° 00' 00"E Course Out: N90° 00' 00"E
RP North: 834967.2193' East: 777305.5397'
End North: 834967.2193' East: 777320.5397'

Segment #4 : Line
Course: N90° 00' 00"E Length: 60.00'
North: 834967.2193' East: 777380.5397'

Segment #5 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'00" Tangent: 15.00'
Chord: 21.21' Course: S45° 00' 00"E
Course In: N90° 00' 00"E Course Out: S0° 00' 00"E
RP North: 834967.2193' East: 777395.5397'
End North: 834952.2193' East: 777395.5397'

Unofficial Document

Segment #6 : Line
Course: N90° 00' 00"E Length: 174.55'
North: 834952.2193' East: 777570.0897'

Segment #7 : Line
Course: S83° 08' 47"E Length: 209.50'
North: 834927.2191' East: 777778.0927'

Segment #8 : Line
Course: S0° 00' 00"E Length: 60.00'
North: 834867.2191' East: 777778.0927'

Segment #9 : Line
Course: S83° 08' 47"W Length: 209.50'
North: 834842.2188' East: 777570.0897'

Segment #10 : Line
Course: N90° 00' 00"W Length: 1215.67'
North: 834842.2188' East: 776354.4197'

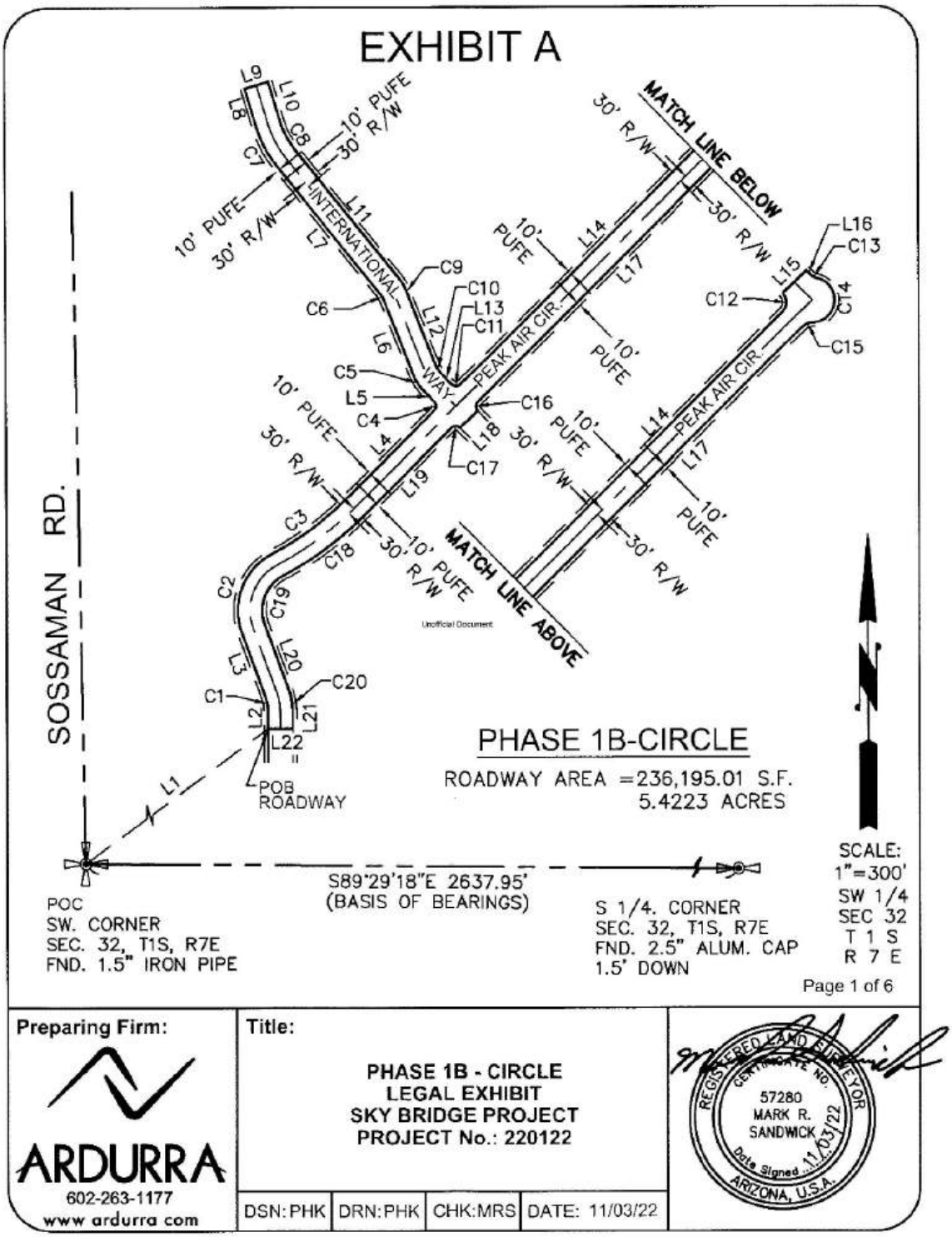
Perimeter: 3037.46' Area: 152,400.65 Sq. Ft.
(3.4986 Acres)
Error Closure: 0.0005 Course: S0° 00' 00"E
Error North: −0.00054 East: 0.00000

Precision 1: 6,074,920.00

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336



4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

LINE TABLE					
LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	N31°30'39"E	1248.72'	L12	S21°37'50"E	193.20'
L2	N00°00'00"E	44.94'	L13	S44°34'50"E	34.70'
L3	N20°11'49"W	169.18'	L14	N45°25'29"E	1739.03'
L4	N45°25'29"E	306.99'	L15	N45°34'58"E	79.97'
L5	N44°34'50"W	34.70'	L16	S45°11'20"E	16.37'
L6	N21°37'50"W	193.20'	L17	S45°25'29"W	1749.43'
L7	N39°05'42"W	398.25'	L18	S45°25'39"W	60.00'
L8	N16°55'01"W	99.37'	L19	S45°25'29"W	307.00'
L9	N73°06'25"E	60.00'	L20	S20°11'49"E	169.18'
L10	S16°55'01"E	99.35'	L21	S00°00'00"E	44.94'
L11	S39°05'42"E	398.25'	L22	N90°00'00"W	60.00'

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD	CHORD BRG
C1	20°11'49"	95.00'	33.49'	33.31'	N10°05'55"W
C2	82°39'21"	155.00'	223.61'	204.71'	N21°07'51"E
C3	17°01'55"	770.00'	228.89'	228.05'	N53°56'34"E
C4	90°00'19"	15.00'	23.56'	21.21'	N00°25'19"E
C5	22°57'00"	130.00'	52.07'	51.72'	N33°06'20"W
C6	17°27'53"	70.00'	21.34'	21.25'	N30°21'46"W
C7	22°10'41"	280.00'	108.38'	107.71'	N28°00'22"W
C8	22°10'41"	220.00'	85.16'	84.63'	S28°00'22"E
C9	17°27'53"	130.00'	39.63'	39.47'	S30°21'46"E
C10	22°57'00"	70.00'	28.04'	27.85'	S33°06'20"E
C11	89°59'41"	15.00'	23.56'	21.21'	S89°34'41"E
C12	89°55'34"	32.00'	50.22'	45.23'	N00°27'42"E
C13	28°11'12"	32.00'	15.74'	15.58'	S64°25'55"E
C14	168°29'58"	55.00'	161.75'	109.45'	S05°43'28"W
C15	45°12'16"	32.00'	25.25'	24.60'	S67°22'19"W
C16	90°00'19"	15.00'	23.56'	21.21'	S00°25'19"W
C17	89°59'41"	15.00'	23.56'	21.21'	N89°34'41"W
C18	17°01'55"	830.00'	246.73'	245.82'	S53°56'34"W
C19	82°39'21"	95.00'	137.05'	125.47'	S21°07'51"W
C20	20°11'49"	155.00'	54.64'	54.36'	S10°05'55"E

Unofficial Document

Page 2 of 6

Preparing Firm:

ARDURRA

602-263-1177

www ardurra com

Title:

PHASE 1B - CIRCLE
LEGAL EXHIBIT
SKY BRIDGE PROJECT
PROJECT No.: 220122

DSN: PHK	DRN: PHK	CHK: MRS	DATE: 1103/22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

A PARCEL OF LAND BEING A PORTION OF THAT TRACT AS CONVEYED TO PHOENIX –MESA GATEWAY AIRPORT AUTHORITY BY DEED OF RECORD IN INSTRUMENT NO. 2012–0207529, MARICOPA COUNTY RECORDS AND LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, CITY OF MESA, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 32 (1.5" IRON PIPE) FROM WHICH POINT THE SOUTH QUARTER CORNER THEREOF (2.5" ALUMINUM CAP 1.5' BELOW GROUND) BEARS S89°29'18"E A DISTANCE OF 2637.95 FEET;

THENCE N31°30'39"E A DISTANCE OF 1248.72 FEET TO THE POINT OF BEGINNING;

THENCE N00°00'00"E A DISTANCE OF 44.94 FEET;

THENCE 33.49 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 95.00 FEET THROUGH A CENTRAL ANGLE OF 20°11'49" AND A CHORD BEARING OF N10°05'55"W;

THENCE N20°11'49"W A DISTANCE OF 169.18 FEET;

THENCE 223.61 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET THROUGH A CENTRAL ANGLE OF 82°39'21" AND A CHORD BEARING OF N21°07'51"E TO THE BEGINNING OF REVERSE CURVATURE;

THENCE 228.89 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 770.00 FEET THROUGH A CENTRAL ANGLE OF 17°01'55" AND A CHORD BEARING OF N53°56'34"E;

Unofficial Document

THENCE N45°25'29"E A DISTANCE OF 306.99 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'19" AND A CHORD BEARING OF N00°25'19"E;

THENCE N44°34'50"W A DISTANCE OF 34.70 FEET;

THENCE 52.07 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 130.00 FEET THROUGH A CENTRAL ANGLE OF 22°57'00" AND A CHORD BEARING OF N33°06'20"W;

THENCE N21°37'50"W A DISTANCE OF 193.20 FEET;

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www ardurra com	PHASE 1B - CIRCLE LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122				REGISTERED LAND SURVEYOR CERTIFICATE NO. 57280 MARK R. SANDWICK Date Signed 11/03/22 ARIZONA, U.S.A.
	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22	

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

THENCE 21.34 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET THROUGH A CENTRAL ANGLE OF 17°27'53" AND A CHORD BEARING OF N30°21'46"W;

THENCE N39°05'42"W A DISTANCE OF 398.25 FEET;

THENCE 108.38 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 280.00 FEET THROUGH A CENTRAL ANGLE OF 22°10'41" AND A CHORD BEARING OF N28°00'22"W;

THENCE N16°55'01"W A DISTANCE OF 99.37 FEET;

THENCE N73°06'25"E A DISTANCE OF 60.00 FEET;

THENCE S16°55'01"E A DISTANCE OF 99.35 FEET;

THENCE 85.16 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 220.00 FEET THROUGH A CENTRAL ANGLE OF 22°10'41" AND A CHORD BEARING OF S28°00'22"E;

THENCE S39°05'42"E A DISTANCE OF 398.25 FEET;

THENCE 39.63 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 130.00 FEET THROUGH A CENTRAL ANGLE OF 17°27'53" AND A CHORD BEARING OF S30°21'46"E;

Unofficial Document

THENCE S21°37'50"E A DISTANCE OF 193.20 FEET;

THENCE 28.04 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 70.00 FEET THROUGH A CENTRAL ANGLE OF 22°57'00" AND A CHORD BEARING OF S33°06'20"E;

THENCE S44°34'50"E A DISTANCE OF 34.70 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'41" AND A CHORD BEARING OF S89°34'41"E;

THENCE N45°25'29"E A DISTANCE OF 1739.03 FEET;

Page 4 of 6

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www.ardurra.com	PHASE 1B - CIRCLE LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

4893-1087-9170

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

THENCE 50.22 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE OF 89°55'34" AND A CHORD BEARING OF N00°27'42"E;

THENCE N45°34'58"E A DISTANCE OF 79.97 FEET;

THENCE S45°11'20"E A DISTANCE OF 16.37 FEET;

THENCE 15.74 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE OF 28°11'12" AND A CHORD BEARING OF S64°25'55"E, TO THE BEGINNING OF REVERSE CURVATURE;

THENCE 161.75 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 55.00 FEET THROUGH A CENTRAL ANGLE OF 168°29'58" AND A CHORD BEARING OF S5°43'28"W, TO THE BEGINNING OF REVERSE CURVATURE;

THENCE 25.25 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 32.00 FEET THROUGH A CENTRAL ANGLE OF 45°12'16" AND A CHORD BEARING OF S67°22'19"W;

THENCE S45°25'29"W A DISTANCE OF 1749.43 FEET;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 90°00'19" AND A CHORD BEARING OF S00°25'19"W;

Unofficial Document

THENCE S45°25'39"W A DISTANCE OF 60.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT FROM WHICH THE RADIUS POINT BEARS S00°25'19"W;

THENCE 23.56 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 15.00 FEET THROUGH A CENTRAL ANGLE OF 89°59'41" AND A CHORD BEARING OF N89°34'41"W;

THENCE S45°25'29"W A DISTANCE OF 307.00 FEET;

THENCE 246.73 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 830.00 FEET THROUGH A CENTRAL ANGLE OF 17°01'55" AND A CHORD BEARING OF S53°56'34"W, TO THE BEGINNING OF REVERSE CURVATURE;

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www.ardurra.com	PHASE 1B - CIRCLE LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122				REGISTERED LAND SURVEYOR CERTIFICATE NO. 57280 MARK R. SANDWICK Date Signed 11/03/22 ARIZONA, U.S.A.
	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22	

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

EXHIBIT A

THENCE 137.05 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 95.00 FEET THROUGH A CENTRAL ANGLE OF 82°39'21" AND A CHORD BEARING OF S21°07'51"W;

THENCE S20°11'49"E A DISTANCE OF 169.18 FEET;

THENCE 56.64 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET THROUGH A CENTRAL ANGLE OF 20°11'49" AND A CHORD BEARING OF S10°05'55"E;

THENCE S0°00'00"E A DISTANCE OF 44.94 FEET;

THENCE N90°00'00"W A DISTANCE OF 60.00 FEET TO THE POINT BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 236,195.01 SQ. FT. (5.4223 ACRES) OF LAND, MORE OR LESS, INCLUDING ANY EASEMENTS OF RECORD

THE BASIS OF BEARING FOR THE ABOVE DESCRIPTION IS S89°29'18"E FOR THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 1 SOUTH, RANGE 7 EAST OF THE GILA & SALT RIVER MERIDIAN AS CALCULATED FROM A PLSS SUBDIVISION RECORD OF SURVEY MARICOPA COUNTY GEODETIC DENSIFICATION AND CADASTRAL SURVEY (GDACS) RECORDED IN BOOK 609, PAGE 29, MARICOPA COUNTY RECORDS.

Unofficial Document

Preparing Firm:	Title:				
ARDURRA 602-263-1177 www ardurra com	PHASE 1B - CIRCLE LEGAL EXHIBIT SKY BRIDGE PROJECT PROJECT No.: 220122				REGISTERED LAND SURVEYOR CERTIFICATE NO. 57280 MARK R. SANDWICK Date Signed 11/03/22 ARIZONA, U.S.A.
	DSN: PHK	DRN: PHK	CHK: MRS	DATE: 11/03/22	

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

North: 835265.7811' East: 776263.4195'

Segment #1 : Line
Course: N0° 00' 00"E Length: 44.94'
North: 835310.7211' East: 776263.4195'

Segment #2 : Curve
Length: 33.49' Radius: 95.00'
Delta: 20°11'49" Tangent: 16.92'
Chord: 33.31' Course: N10° 05' 55"W
Course In: N90° 00' 00"W Course Out: N69° 48' 11"E
RP North: 835310.7211' East: 776168.4195'
End North: 835343.5197' East: 776257.5781'

Segment #3 : Line
Course: N20° 11' 49"W Length: 169.18'
North: 835502.2970' East: 776199.1690'

Segment #4 : Curve
Length: 223.61' Radius: 155.00'
Delta: 82°39'21" Tangent: 136.30'
Chord: 204.71' Course: N21° 07' 51"E
Course In: N69° 48' 11"E Course Out: N27° 32' 29"W
RP North: 835555.8105' East: 776344.6383'
End North: 835693.2454' East: 776272.9680'

Segment #5 : Curve
Length: 228.89' Radius: 770.00'
Delta: 17°01'55" Tangent: 115.30'
Unofficial Document
Chord: 228.05' Course: N53° 56' 34"E
Course In: N27° 32' 29"W Course Out: S44° 34' 23"E
RP North: 836375.9868' East: 775916.9282'
End North: 835827.4725' East: 776457.3282'

Segment #6 : Line
Course: N45° 25' 29"E Length: 306.99'
North: 836042.9321' East: 776676.0061'

Segment #7 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'19" Tangent: 15.00'
Chord: 21.21' Course: N0° 25' 19"E
Course In: N44° 34' 31"W Course Out: N45° 25' 10"E
RP North: 836053.6171' East: 776665.4784'
End North: 836064.1457' East: 776676.1623'

Segment #8 : Line
Course: N44° 34' 50"W Length: 34.70'
North: 836088.8613' East: 776651.8060'

Segment #9 : Curve
Length: 52.07' Radius: 130.00'
Delta: 22°57'00" Tangent: 26.39'
Chord: 51.72' Course: N33° 06' 20"W
Course In: N45° 25' 10"E Course Out: S68° 22' 10"W
RP North: 836180.1098' East: 776744.4004'
End North: 836132.1892' East: 776623.5550'

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

Segment #10 : Line
Course: N21° 37' 50"W Length: 193.20'
North: 836311.7840' East: 776552.3375'

Segment #11 : Curve
Length: 21.34' Radius: 70.00'
Delta: 17°27'53" Tangent: 10.75'
Chord: 21.25' Course: N30° 21' 46"W
Course In: S68° 22' 10"W Course Out: N50° 54' 18"E
RP North: 836285.9806' East: 776487.2669'
End North: 836330.1232' East: 776541.5940'

Segment #12 : Line
Course: N39° 05' 42"W Length: 398.25'
North: 836639.2056' East: 776290.4543'

Segment #13 : Curve
Length: 108.38' Radius: 280.00'
Delta: 22°10'41" Tangent: 54.88'
Chord: 107.71' Course: N28° 00' 22"W
Course In: N50° 54' 18"E Course Out: S73° 04' 59"W
RP North: 836815.7758' East: 776507.7627'
End North: 836734.3000' East: 776239.8790'

Segment #14 : Line
Course: N16° 55' 01"W Length: 99.37'
North: 836829.3700' East: 776210.9638'

Unofficial Document

Segment #15 : Line
Course: N73° 06' 25"E Length: 60.00'
North: 836846.8052' East: 776268.3748'

Segment #16 : Line
Course: S16° 55' 01"E Length: 99.35'
North: 836751.7543' East: 776297.2841'

Segment #17 : Curve

Length: 85.16' Radius: 220.00'
Delta: 22°10'41" Tangent: 43.12'
Chord: 84.63' Course: S28° 00' 22"E
Course In: N73° 04' 59"E Course Out: S50° 54' 18"W
RP North: 836815.7710' East: 776507.7642'
End North: 836677.0372' East: 776337.0219'

Segment #18 : Line
Course: S39° 05' 42"E Length: 398.25'
North: 836367.9548' East: 776588.1616'

Segment #19 : Curve
Length: 39.63' Radius: 130.00'
Delta: 17°27'53" Tangent: 19.97'
Chord: 39.47' Course: S30° 21' 46"E
Course In: S50° 54' 18"W Course Out: N68° 22' 10"E
RP North: 836285.9758' East: 776487.2684'
End North: 836333.8964' East: 776608.1138'

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

Segment #20 : Line
Course: S21° 37' 50"E Length: 193.20'
North: 836154.3016' East: 776679.3312'

Segment #21 : Curve
Length: 28.04' Radius: 70.00'
Delta: 22°57'00" Tangent: 14.21'
Chord: 27.85' Course: S33° 06' 20"E
Course In: N68° 22' 10"E Course Out: S45° 25' 10"W
RP North: 836180.1050' East: 776744.4018'
End North: 836130.9712' East: 776694.5433'

Segment #22 : Line
Course: S44° 34' 50"E Length: 34.70'
North: 836106.2556' East: 776718.8996'

Segment #23 : Curve
Length: 23.56' Radius: 15.00'
Delta: 89°59'41" Tangent: 15.00'
Chord: 21.21' Course: S89° 34' 41"E
Course In: N45° 25' 10"E Course Out: S44° 34' 31"E
RP North: 836116.7843' East: 776729.5836'
End North: 836106.0994' East: 776740.1113'

Segment #24 : Line
Course: N45° 25' 29"E Length: 1739.03'
North: 837326.6302' East: 777978.8727'

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Segment #25 : Curve
Length: 50.22' Radius: 32.00'
Delta: 89°55'34" Tangent: 31.96'
Chord: 45.23' Course: N0° 27' 42"E
Course In: N44° 34' 31"W Course Out: N45° 29' 55"E
RP North: 837349.4247' East: 777956.4136'
End North: 837371.8544' East: 777979.2371'

Segment #26 : Line
Course: N45° 34' 58"E Length: 79.97'
North: 837427.8236' East: 778036.3567'

Segment #27 : Line
Course: S45° 11' 20"E Length: 16.37'
North: 837416.2865' East: 778047.9701'

Segment #28 : Curve
Length: 15.74' Radius: 32.00'
Delta: 28°11'12" Tangent: 8.03'
Chord: 15.58' Course: S64° 25' 55"E
Course In: N39° 39' 41"E Course Out: S11° 28' 29"W
RP North: 837440.9211' East: 778068.3941'
End North: 837409.5607' East: 778062.0281'

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

Segment #29 : Curve
Length: 161.75' Radius: 55.00'
Delta: 168°29'58" Tangent: 546.18'
Chord: 109.45' Course: S5° 43' 28"W
Course In: S11° 28' 29"W Course Out: S0° 01' 33"E
RP North: 837355.6600' East: 778051.0867'
End North: 837300.6600' East: 778051.1115'

Segment #30 : Curve
Length: 25.25' Radius: 32.00'
Delta: 45°12'16" Tangent: 13.32'
Chord: 24.60' Course: S67° 22' 19"W
Course In: S0° 01' 33"E Course Out: N45° 13' 49"W
RP North: 837268.6600' East: 778051.1259'
End North: 837291.1963' East: 778028.4077'

Segment #31 : Line
Course: S45° 25' 29"W Length: 1749.43'
North: 836063.3662' East: 776782.2381'

Segment #32 : Curve
Length: 23.56' Radius: 15.00'
Delta: 90°00'19" Tangent: 15.00'
Chord: 21.21' Course: S0° 25' 19"W
Course In: S44° 34' 31"E Course Out: S45° 25' 10"W
RP North: 836052.6813' East: 776792.7658'
End North: 836042.1526' East: 776782.0818'

Unofficial Document

Segment #33 : Line

Course: S45° 25' 39"W Length: 60.00'
North: 836000.0440' East: 776739.3401'

Segment #34 : Curve
Length: 23.56' Radius: 15.00'
Delta: 89°59'41" Tangent: 15.00'
Chord: 21.21' Course: N89° 34' 41"W
Course In: S45° 25' 10"W Course Out: N44° 34' 31"W
RP North: 835989.5153' East: 776728.6561'
End North: 836000.2002' East: 776718.1284'

Segment #35 : Line
Course: S45° 25' 29"W Length: 307.00'
North: 835784.7336' East: 776499.4434'

Segment #36 : Curve
Length: 246.73' Radius: 830.00'
Delta: 17°01'55" Tangent: 124.28'
Chord: 245.82' Course: S53° 56' 34"W
Course In: N44° 34' 24"W Course Out: S27° 32' 29"E
RP North: 836375.9864' East: 775916.9315'
End North: 835640.0444' East: 776300.7146'

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

20240143336

Segment #37 : Curve
Length: 137.05' Radius: 95.00'
Delta: 82°39'21" Tangent: 83.54'
Chord: 125.47' Course: S21° 07' 51"W
Course In: S27° 32' 29"E Course Out: S69° 48' 11"W
RP North: 835555.8101' East: 776344.6415'
End North: 835523.0115' East: 776255.4830'

Segment #38 : Line
Course: S20° 11' 49"E Length: 169.18'
North: 835364.2342' East: 776313.8920'

Segment #39 : Curve
Length: 54.64' Radius: 155.00'
Delta: 20°11'49" Tangent: 27.61'
Chord: 54.36' Course: S10° 05' 55"E
Course In: S69° 48' 11"W Course Out: N90° 00' 00"E
RP North: 835310.7207' East: 776168.4228'
End North: 835310.7207' East: 776323.4228'

Segment #40 : Line
Course: S0° 00' 00"E Length: 44.94'
North: 835265.7807' East: 776323.4228'

Segment #41 : Line
Course: N90° 00' 00"W Length: 60.00'
North: 835265.7807' East: 776263.4228'

Perimeter: 7864.25' Area: 236,195.01 Sq. Ft.
(5.4223 Acres)
Error Closure: 0.0033 Course: S83° 14' 50"E
Error North: -0.00039 East: 0.00326

Precision 1: 2,383,115.15

Unofficial Document

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
57280
MARK R.
SANDWICK
Date Signed 11/03/22
ARIZONA, U.S.A.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-38

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**TWY Whiskey Rehabilitation – Authorization of Services with Nesbitt Contracting Company, Inc. – CIP 744**
Date:	**August 20, 2024**

Proposed Motion
To approve 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.

Narrative
Taxiway W is located east of the existing commercial aircraft ramp, and in a recent Pavement Condition Index (PCI) Report it showed that portions of the Taxiway are in Poor Condition.

The taxiway pavement needs rehabilitation with most of the effort needed to improve Section 20. This project will include slab replacement, full and partial depth repair, backer rod and joint sealant replacement, crack repair, and edge/corner spall repair.

The Invitation for Bid (IFB), Solicitation 2024-012-IFB, Taxiway Whiskey Rehabilitation, was issued on May 2, 2024, and advertised in the Arizona Business Gazette on 5/02, 5/09, 5/16, and 5/23/24. It was also posted on the AzAA, ACC, ACI-NA, and SWAAAE Websites as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the IFB was emailed to a list of 111 prospective firms. The bid opening was held on May 29, 2024, and 1 (one) bid was received.

Combs Construction Company, Inc. $3,987,862.23

The bid received from Combs substantially exceeded the project budget. Working with ADOT, it was determined that the use of a Job Order Contract (JOC) would be the best option, to maximize as much work as possible, within the allotted budget.

PMGAA is a member of the Strategic Alliance for Volume Expenditures allowing the Airport to utilize cooperative contracts from other Arizona public entities. Nesbitt was awarded a JOC through the City of Peoria. It is through this competitive selection that PMGAA will utilize Nesbitt for the Taxiway Whiskey Rehabilitation project. This contract is available upon request.

Fiscal Impact
This project is included in the FY25 capital budget utilizing ADOT Grant funding, and PMGAA matching funds under CIP 744.

Attachment(s): Authorization of Services

RESOLUTION NO. 24-38

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

AUTHORIZATION OF SERVICES
NESBITT CONTRACTING COMPANY INC., AOS 20250019 25-01

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Nesbitt Contracting Company, Inc., 100 Price Road, Tempe, AZ 85288, ("Nesbitt"), authorizes Nesbitt to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: TWY W Rehabilitation Project - CIP 744.

2. **SCOPE OF WORK**: Perform and provide Construction Services for the Taxiway W Rehabilitation Project. This project will consist of removing and replacing over 2,100 SY of broken PCC panels, repairing and sealing cracked and spalled panels, and restriping.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed One million, nine hundred thirty-seven thousand, eight hundred ninety-nine dollars and eighty-nine cents ($1,937,899.89), with ADOT Grant Funding, and PMGAA Matching Grant funds, under CIP 744, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this agreement is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this agreement for the goods and/or services to be provided hereunder, PMGAA may terminate this agreement by providing notice to Nesbitt of the lack of the availability of funds. Nesbitt acknowledges and agrees that one source of funding for this agreement may be funds made available from the Arizona Department of Transportation, and that this contract, its approval, and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement-to-Use 20250019 dated July 29, 2024.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

   ☑ Scope and Fee Proposal dated July 31, 2024.
   ☑ Exhibit 1, PMGAA Project Specific Terms
   ☑ Exhibit 2, PMGAA Safety and Security

PMGAA and Nesbitt acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Nesbitt Contracting Company, Inc.:

By: _____

Print: Aaron Lucchesi

Title: Vice President

Date: 7/31/2024

Nesbitt Contracting Co., Inc.
100 S. Price Rd.
Tempe, AZ 85288
ROC #074063A

Gateway Airport
Taxiway W Rehabilitation

Nesbitt Contact: Chuck Lumer
Phone: 602-309-3006
Date: 7/31/2024

Item No.	Description	Quantity	Unit	Unit Cost	Extended Amount
1	Contractor Surveying and Staking	1	LS	$ 37,000.00	$ 37,000.00
2	Location of Underground Utilities	1	LS	$ 3,000.00	$ 3,000.00
3	Airfield Safety and Security	1	LS	$ 162,000.00	$ 162,000.00
4	Contractor Quality Control Program (CQCP)	1	LS	$ 79,000.00	$ 79,000.00
5	Temporary Air and Water Pollution, Soil Erosion,	1	LS	$ 9,200.00	$ 9,200.00
6	Mobilization	1	LS	$ 105,733.90	$ 105,733.90
7	Pavement Removal (Portland Cement Concrete)	2250	SY	$ 120.00	$ 270,000.00
8	Over Excavation of Unsuitable Materials and Backfill	100	CY	$ 180.00	$ 18,000.00
9	Level and Compact Existing Crushed Aggregate Base	2250	SY	$ 21.00	$ 47,250.00
10	Concrete Pavement. Match Existing Depth (Varies)	2250	SY	$ 330.00	$ 742,500.00
11	Joint Seal Filler, 1/2-inch	2690	LF	$ 8.30	$ 22,327.00
12	Joint Seal Filler, 1-3/4-inch	860	LF	$ 46.00	$ 39,560.00
13	Joint Seal Filler, Edge Seal	220	LF	$ 8.30	$ 1,826.00
14	Reflective Yellow Taxiway Pavement Markings, Water	1480	SF	$ 2.50	$ 3,700.00
15	Non-Reflective Black Pavement Markings, Waterborne	950	SF	$ 1.40	$ 1,330.00
16	Pavement Marking Obliteration	2030	SF	$ 1.70	$ 3,451.00
17	Reflective White Vehicle Service Road Pavement Markings	390	SF	$ 2.50	$ 975.00
18	Temporary Reflective Yellow Taxiway Pavement Markings	510	SF	$ 2.00	$ 1,020.00
19	Temporary Non-Reflective Black Pavement Markings	1770	SF	$ 2.00	$ 3,540.00
	Total Direct Cost				$ 1,551,412.90
31	CONTRACTORS FEE (7.5%)	1	LS	$ 93,258.33	$ 93,258.33
32	PAYMENT AND PERFORMANCE BONDS (1%)	1	LS	$ 16,424.14	$ 16,424.14
33	INSURANCE (1%)	1	LS	$ 16,424.14	$ 16,424.14
34	SALES TAXES (5.395)	1	LS	$ 90,380.38	$ 90,380.38
				SUBTOTAL	**$ 1,767,899.89**
35	Joint Spall Repair, Corner Spall Repair, and/or Patch Repair Methacrylate, VSR Improvement				$ 170,000.00
				TOTAL	$ 1,937,899.89

CLARIFICATIONS:
Price is based on plans dated 4/30/24.
This Proposal is for Phase 1A, 1B, and 1C, PCCP removal and Replacement of 10.5" PCCP.
There is a scaling issue on sheets C5.1 thru C5.7. Nesbitt reserves the right to modify our quantities when corrected construction plans are issued.
Price is based on using ADOT Concrete Mix Design for 5000 psi concrete.
The above mix design will meet ADOT criteria and specifications for cement, additives, and aggregates. FAA concrete specifications do not apply.
Concrete for PCCP will be tested for compressive strength only. No flexural strength testing.
Green sawing will occur approximately 12 hours after concrete placement. Special consideration will be needed for Phase 1C green sawing.
Price is based on work hours for Phase 1A and 1B being unrestricted after barricades and temporary striping are in place.
Phase 1C work will be performed during the window from 12:00 AM to 5:00 AM.
Price Based on New PCCP at 10.5 inches thick with MAG ABC filler as necessary to achieve grade for new PCCP.
Price is based on Laydown area provided by PMGAA located at Velocity Way and South Taxiway Circle.
Temporary Striping to be performed with Qualified Airport Staffs prior to setting up low profile barricades.
Construction equipment will be left on-site for Phase 1A and Phase 1B. Construction equipment will be removed daily when constructing Phase 1C.
Dowel baskets will be 4.5" tall. Dowel baskets have a 4 to 5-week lead time.
Some weekend and potentially holiday work may be necessary to complete this project within the 64-calandar day window specified.
If the unsuitable material bid item is used, we will over-excavate as directed, haul off material, and replace it with compacted MAG ABC.
Existing PCCP to be removed will be topographed by survey prior to removal to capture the grades needed for PCCP replacement grades.

EXCLUSIONS:
Excludes full-time QC inspector. QC will be limited to material sampling, testing, and reporting.
Excludes any utility adjustments or utility relocations.
Excludes any removals not listed in the scope of work above.
Excludes having to work around or in conjunction with other contractors performing work not associated with the project.
Excludes PCCP repair of scuffing after Obliteration of temporary Striping.
Excludes any Landscape repair.
Excludes any AC removal.
Excludes and AC Paving , ABC under paving, Subgrade Prep associated with AC Paving.

Phoenix-Mesa Gateway Airport

Exhibit 1

Phoenix Mesa Gateway Airport Authority Project Specific Terms

Project: Taxiway Whiskey Rehabilitation, CIP 744

1. Phoenix Mesa Gateway Airport Authority (PMGAA) requires Nesbitt Contracting Company, Inc. (Nesbitt) to furnish Performance and Payment Bonds, each in an amount equal to one hundred percent (100%) of the work, to PMGAA. The Performance and Payment Bonds shall be submitted to PMGAA within ten (10) calendar days after execution by PMGAA of AOS #20250019 25-01.

2. Auto liability insurance covering all owned, hired and non-owned motor vehicles used in connection with the work being performed under AOS #20250019 25-01 with a combined single limit for Bodily Injury and Property Damage shall be no less than $5,000,000 per accident.

3. Peoria Ordinance No. 98-11 restricting outdoor construction to designated times shall not apply to AOS #20250019 25-01.

4. Retainage. Until the work is fifty (50) percent complete, PMGAA will retain ten (10) percent of the amount due Nesbitt on account of progress payments. When the contract is fifty (50) percent complete, one-half of the amount retained shall be paid to Nesbitt upon the Nesbitt's written request to PMGAA, provided the Nesbitt is making satisfactory progress on the work and there is no specific cause or claim requiring a greater amount to be escrow. At the time the work is fifty (50) percent complete and thereafter, five (5) percent of the amount of each progress payment will be retained unless PMGAA determines that the Contractor is not making satisfactory progress or is in default under the AOS. If PMGAA determines that Nesbitt is not making satisfactory progress or is in default under the AOS, PMGAA may continue or reinstate retainage of up to ten (10) percent for all progress payments made under the AOS subsequent to the determination. (Note that PMGAA will accept Deposits in Escrow in lieu of retention of partial payments).

5. PMGAA's representative for the above project shall be:

   John Burgmeier
   Project Coordinator
   5835 South Sossaman Road
   Mesa, AZ 85212
   480.988.7652

Phoenix-Mesa Gateway Airport

Exhibit 2

Phoenix Mesa Gateway Airport Authority Safety and Security

Project: Taxiway Whiskey Rehabilitation, CIP 744

1. Definitions

   a. Air Carrier Aircraft - An aircraft with a seating capacity of more than 30 passengers that is being operated by an air carrier.
   b. Air Carrier Operation - The takeoff and landing of an air carrier aircraft and includes the period of time from 15 minutes before and until 15 minutes after the takeoff or landing.
   c. Air Operations Area (AOA) - Air operations area, paved or unpaved, is any area of the airport used for or intended for landing, takeoff, or surface maneuvering of aircraft including its associated runway, taxiway, or apron.
   d. Airfield Operations Specialist – The Authority employee who monitors activities within the Airport Restricted Areas. Operations Specialists ensure a safe and secure operating environment is maintained on the airfield.
   e. Airport Marking Aids - Marking used on runway and taxiway surfaces to identify a specific runway, a runway threshold, a centerline, a hold line, etc. A runway should be marked in accordance with its present usage such as: visual, non-precision instrument, precision instrument.
   f. Construction - The presence and movement of construction-related personnel, equipment, and materials in any location that could infringe upon the movement of aircraft.
   g. Escort - person authorized by the Authority to accompany Contractor personnel within the Airport Restricted Area. The escort shall accompany or monitor the activities of an individual(s) in a manner sufficient to take responsive action in a sized area approved by the Engineer. A proper escort is defined as maintaining visual monitoring, within reasonable voice range and being able to react to the actions of those under escort.
   h. FAA - The Federal Aviation Administration, a branch of the U.S. Department of Transportation that regulates aviation and airport safety and certification.
   i. FDC – Fire Department Connection.
   j. FOD - Foreign Object Debris/Damage, meaning any object that is potentially hazardous to aircraft.
   k. General Aviation - That portion of civil aviation which encompasses all facets of aviation except air carriers holding a certificate of public convenience and necessity from a Civil Aeronautics Board and Large aircraft commercial operators.
   l. Haul Route - A specified path created for vehicles to maneuver within the Airport Restricted Area to/from a work site. Haul routes are subject to the approval of the Engineer in accordance with the contract documents.
   m. Instrument Landing System (ILS) – An electronic visual approach guidance system used by aircraft during landing operations.
   n. Movement Area - The runways, taxiways, and other areas of an airport that are used for taxiing or hover taxiing, air taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas (reference 14 CFR part 139).
   o. Navigational Aid (NAVAID) - An apparatus generally located within the AOA, serving as a guide to aircraft.
   p. Obstruction - Any object/obstacle exceeding the obstruction standards specified by 14 CFR part 77, subpart C.
   q. Object Free Area (OFA) - An area on the ground centered on the runway, taxiway, or taxilane centerline provided to enhance safety of aircraft operations by having the area free of objects except for those objects that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes (see AC 150/5300-13, *Airport Design,* for additional guidance on OFA standards and wingtip clearance criteria).

r. Obstacle Free Zone (OFZ) - The airspace below 150 feet (45m) above the established airport elevation and along the runway and extended runway centerline that is required to be clear of all objects, except for frangible visual NAVAIDs that need to be located in the OFZ because of their function, in order to provide clearance protection for aircraft landing or taking off from the runway and for missed approaches (refer to AC 150/5300-13 for guidance on OFZs).
s. Precision Approach Path Indicator (PAPI) - An airport lighting facility providing vertical visual approach slope guidance to aircraft during approach to landing by radiating a directional pattern of high intensity red and white focused light beams which indicate to the pilot that he/she is "on path" if he sees red/white, "above path" if white/white, and "below path" if red/red.
t. Restricted Area – Areas that do not allow access to the general public. These are limited access areas that the Executive Director, the FAA, or commercial aviation business owners have elected to restrict for purposes of security or safety. It is enclosed by a perimeter fence and includes but is not limited to the AOA, perimeter roadways, haul routes, Contractor security gate and worksite.
u. Runway - A defined rectangular area on a land airport prepared for the landing and takeoff run of aircraft along its length. Runways are normally numbered in relation to their magnetic direction rounded off to the nearest 10 degrees; e.g., Runway 12 and Runway 30.
v. Runway End Identifier Lights (REIL) - Two synchronized flashing lights, one on each side of the runway threshold, which provides rapid and positive identification of the approach end of a particular runway.
w. Runway Lights/Runway Edge Lights - Lights having a prescribed angle of emission used to define the lateral limits of a runway. Runway lights are uniformly spaced and the intensity may be controlled or preset.
x. Runway Safety Area (RSA) - A defined surface surrounding the runway prepared or suitable for reducing the risk of damage to airplanes in the event of an undershoot, overshoot, or excursion from the runway, in accordance with AC 150/5300-13.
y. Safety Area - A designated area abutting the edges of a runway or taxiway intended to reduce the risk of damage to an aircraft inadvertently leaving the runway or taxiway.
z. Taxi - The movement of an airplane under its own power on the surface of an airport.
aa. Taxiway - A defined surface used by aircraft for transition/movement to and from aircraft parking areas/aprons to runways.
bb. Taxiway Lights/Taxiway Edge Lights - Lights having a prescribed angle of emission used to define the lateral limits of a taxiway and are blue in color.
cc. Threshold Lights - Fixed green lights arranged symmetrically left and right of the runway centerline, identifying the runway threshold.
dd. TSA – The Transportation Security Administration, a branch of the U.S. Department of Homeland Security that oversees aviation security.
ee. Visual Flight Rules (VFR) - Rules that govern the procedures for conducting flight under visual conditions. The term "VFR" is also used in the United States to indicate weather conditions that are equal to or greater than minimum VFR requirements.
ff. Worksite - Area in which work under contract is being performed, generally starting at Nesbitt on-site trailer. Airport ID badges must be displayed within the worksite at all times.

2. Airport Security Requirements

a. The following badging requirements shall apply.

The airport is operated in strict compliance with Transportation Security Administration (TSA) and Federal Aviation Regulations (FAR), which prohibit unauthorized persons or vehicles in the Air Operations Area (AOA). Equipment and workmen will be restricted to the work area defined on the plans. Any violation by Nesbitt's personnel or sub-contractors will subject Nesbitt to penalties imposed by the TSA or the Authority.

Nesbitt will assume all fines against the Authority assessed to them by the TSA for Nesbitt's security violations. Typical fines are ten thousand dollars ($10,000.00) or more per incident.

Nesbitt shall be responsible for the protection of the construction site, and all work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons. Security measures shall include such additional security fencing, barricades, lighting, and other measures as Nesbitt may deem necessary to protect the site.

Nesbitt's responsibilities for work areas are as follows:

i. Nesbitt shall be held responsible for controlling his employees, subcontractors, and their employees with regard to traffic movement.

ii. Nesbitt shall rebuild, repair, restore, and make good at his own expense all injuries or damages to any portion of the work occasioned by his use of these facilities before completion and acceptance of his work.

iii. Nesbitt shall submit to the Engineer in writing a detailed work plan for each construction phase. The work plan shall include, but not be limited to, temporary electrical facilities, installation sequence of underground electrical and storm sewer systems, paving sequence, and installation sequence of electrical items. This plan shall be submitted 14 calendar days prior to the start of each construction phase. No work within the construction phase may commence until the phase work plan is approved.

iv. Nesbitt shall employ a full time traffic manager.

b. The following language shall be used in all solicitations, Contracts and subcontracts requiring the distribution of security badges to Nesbitt, subcontractor or material supplier employees:

i. Airport Access Badges All Nesbitt and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display a Phoenix-Mesa Gateway Airport (IWA) airport security badge. Nesbitt shall submit a Security Badge Application form to the Authority security office for each employee requiring unescorted access, along with the current fee for each badge. The fee must be paid with submittal of application. The Security Badge Application form and instructions are available via the Internet at www.gatewayairport.com.

ii. Contractor Badging Process – Nesbitt is to follow the process below to obtain badges for their staff and subcontractors.

- Step 1 – Contractor On-boarding
  1. A contractual agreement shall be established and executed with PMGAA.
  2. A sponsorship Form shall be completed by PMGAA Engineering Staff sponsoring the contractor/project.
  3. A Company Security Media Authorization (CSMA) form is completed by Nesbitt's company principal to sponsor airport security badges. The principal may delegate up to two (2) Authorized Signatories, including themselves if they choose to do so.
     i. If an operational need exists, subcontractors may be permitted to complete a CSMA and sponsor badges, if sponsored by the Nesbitt, but all requests are reviewed on a case-by-case basis and are at PMGAA's discretion.
  4. Nesbitt shall retain responsibility for all badges issued to their employees and their subcontractors, in addition to complying with the Airport Security Program.
  5. Nesbitt will either need to produce a credit card at time of service for any payments or complete a credit card authorization form to place a card on file with the Badging Office. Alternative payment methods may be evaluated on a case-by-case basis and are at the discretion of PMGAA.

- Step 2 – Authorized Signatories
  1. Designated Authorized Signatories will schedule an appointment to drop-off paperwork once the

CSMA form has been completed with the Badging Office.

2. Upon clearing the background process, Authorized Signatories will schedule appointment(s) to complete all required training to include, but not limited to, Authorized Signatory Training, Ramp Driver, etc.
3. Once an Authorized Signatory is issued their badge, they may sign badge applications for their organization.
   i. Signatories are required to comply with all audit and badge management procedures, regulations; to include an annual recurrent training.

- Step 3 – Applicant Processing
  1. An applicant will fill out a badging application, bring their required IDs (found on the last page of the badge application), and meet with their Authorized Signatory to validate the IDs and have the signatory sign the application. Once completed, the applicant may schedule an appointment with the Badging Office to drop off their application.
     i. NOTE: At its discretion, PMGAA may facilitate bulk application drop-off based on operational need
  2. Once the applicant has cleared, the Authorized Signatory will be notified that the applicant has passed the background process and is ready for training. The Badging Office will coordinate with the PMGAA Engineering Team to determine the training requirements that must be completed based upon the project type.
  3. Upon completion of training and applicant will be issued their badge.
     i. NOTE: At its discretion, PMGAA may facilitate bulk badge pick-up based on operational need
  4. Badges may be renewed up to 60 days prior to its expiration date. Badge renewals shall be contingent on operational needs of a project and at the discretion of PMGAA.

c. All Nesbitt and sub-Contractor personnel that are to be issued an Airport Identification Badge are required to attend and successfully complete a training class before being issued an identification badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take 2 hours per person.

The types of training required will be determined by the scope and location of the work involved. All personnel that will receive Airport badges shall attend the security training. Additionally, personnel operating vehicles or equipment within the Restricted Area of the airport will attend Airport Driver training, all personnel working near active movement areas will attend the Operational Safety on Airports training and any personnel acting as a Gate Guard/Crossing Guard will attend the Gate Guard/Crossing Guard training.

d. Additional information, including a "Frequently Asked Questions" is available via the Internet at www.gatewayairport.com or by contacting the Authority Badging Office at 480.988.7522 or via email to *badgingoffice@gatewayairport.com*
The Badging Office is located at 5803 S. S. Sossaman Rd., Mesa AZ 85212.

e. Nesbitt should allow thirty (30) business days lead time for employee badges to be issued.

f. Nesbitt shall immediately notify Airport Operations/Badging Office of any Nesbitt personnel whose employment status has changed.

g. Nesbitt shall be responsible for retrieving all security badges and keys and return them to the Badging Office. A fee will be charged for each badge that is damaged, lost or not returned.

h. The Authority Badging Office will require the following from each badge applicant before a security badge is issued:

   i. Security Badge Application - All employees are required to complete a security badge application form. The security badge application is available via the Internet at www.gatewayairport.com.

Contractor-Provided Escorts - The job superintendent and assistant superintendent will be responsible for escorting their non-badged employees, visitors, vendors, subcontractors and material suppliers while on the job site, assuring that no breeches of the Airport security program occur.

ii. Company Security Media Authorization - A Principal of Nesbitt is required to complete and submit to the Authority Badging Office this form, which identifies authorized signatories for Nesbitt.

For current badging hours or any other questions pertaining to badging, please call the Badging Office at 480.988.7522.

iii. Airport security badges are issued by the Authority Airport Operations and will be required when working within the Restricted Area. It is recommended that Superintendents, Foremen, Supervisors, or Leads be issued an airport security badge who then can provide the required escort for their work crew.

- Airport ID badges issued by the Airport are property of the Airport and must be surrendered upon the request of any Airport personnel.
- No person shall loan or provide airport ID badges to anyone other than to whom the badge was issued.
- Airport ID badges must be properly displayed on the outermost garment, above the waist, at all times while within the Restricted Area.
- Airport ID badges shall not be mutilated or altered from its original form in any way, nor shall any such media be reproduced or copied in such a manner as to degrade the security of the ID system.
- Airport ID badges are non-transferable.
- Damaged badges will be subject to a replacement fee.
- Contractors are required to wear the armband that accompanies the badge.
- Nesbitt shall be assessed a fee for each lost/unreturned badge.
- Nesbitt must immediately report to the Badging Office any lost badge or any employee who quits or is terminated, and the employee's badge must be returned to the Authority.

j. Access Control

Any time access is required within the Restricted Areas Nesbitt shall be responsible for assuring that no breeches of airport security occur. Restricted areas are fenced and must remain fenced at all times. The gates will remain closed and locked or a guard will be provided at Nesbitt's expense. Nesbitt will furnish the guard with a roster of his personnel and ensure that each individual has adequate identification. The duplicate keys for each lock will be turned over to the airport authorities.

- No person shall enter the Nesbitt worksite without authorization. Any person found within the worksite without proper identification as describe herein shall be considered unauthorized and shall be removed from the worksite.
- All persons authorized access to the worksite shall display a valid Airport ID badge issued by the Authority or be under authorized escort.
- Persons authorized to provide escorts include the Authority staff and designated Nesbitt supervisors. The number of personnel being escorted shall not exceed ten (10) non-badged personnel; this includes vendors, subcontractors, visitors and part-time workers. Equipment Operators are not allowed to provide escort while operating equipment. **Failure to provide an escort can result in loss of escort privileges, fines, revocation of the security badge, or all three.**

k. Challenge Procedures

All personnel are responsible for challenging and reporting anyone in their work areas not displaying an Airport ID badge. Personnel shall contact Airport Operations and/or Mesa Police Department and detain person(s) if safe to do so.

3. Airport Safety Requirements

a. Operation of Vehicles

No vehicle shall operate within the Airport Restricted Area:

- Unless operated by an individual in possession of a valid Airport Identification Badge with a drivers endorsement or, under the direct escort of someone who is.
- In a careless or negligent manner.
- With disregard of the rights and safety of others.
- At a speed or in a way which endangers persons or property.
- While the driver is under the influence of drugs or alcohol.
- If such vehicle is loaded or maintained as to endanger persons or property.

b. Speed Limits

Nesbitt and Subcontractors shall observe and obey the posted speed limit on roadways on and around the work area.

c. Vehicle Accidents

Each operator of a motor vehicle involved in an accident on the airport that results in damage to property or personal injury shall first contact 9-1-1 and then report it fully to the Airport Operations Department as soon as possible after the accident. The report must include the name and address of the person reporting. Copies of reports taken by City of Mesa are acceptable for incidents that occur in the public areas of the airport.

d. Hearing Protection

Nesbitt personnel working on or adjacent to the AOA are encouraged to wear hearing protection.

e. Worker Injuries

In the event of a serious injury requiring medical attention call 911. If called from a cell phone, tell the emergency operator to connect to the City of Mesa Emergency Dispatch, otherwise the call will be routed to Maricopa County Dispatch and that will delay emergency response. All injuries must also be reported to Airport Operations as soon as possible.

f. After Hours Contacts

Nesbitt shall submit to PMGAA a list of personnel who can be contacted 24 hours a day, seven (7) days a week and can respond in a reasonable time frame regarding any possible emergency on the work site. The list must include names, job title and phone numbers.

g. Daily Site Inspections

Prior to Nesbitt leaving the worksite for the day, an inspection of the site shall be completed. All discrepancies noted in the inspection must be corrected to the satisfaction of the Engineer prior to Nesbitt leaving the worksite.

h. Deliveries

All deliveries for Nesbitt shall be received by Nesbitt. Deliveries will not be accepted by anyone other than Nesbitt. The Authority nor its authorized representatives will not accept or be responsible for deliveries.

i. Haul Routes

- The majority of the haul route is in the City of Mesa Public Right-of-Way and Nesbitt shall abide by City of Mesa Traffic regulations. Nesbitt shall maintain access in the vicinity of the haul routes to provide access to the parking lot and the Authority vehicles.

j. Cranes or Mobilized Equipment

All activities involving cranes or mobilized vehicles exceeding 20 feet in height on or near the AOA require 48-hour advance coordination with Airport Operations. The following information is required:

- Location of equipment
- Maximum extendable height
- Duration of use
- Daily hours of operation
- Whether or not the crane can be lowered when not in use

Equipment must be lowered to its stowed height when not in use or as otherwise directed. The **highest point** of each piece of equipment shall be marked by a 3' x 3' orange and white checkered flag. At night and during periods of low visibility, the highest point of the crane must be marked by a red obstruction light. Crews must be prepared to remove equipment promptly if so directed.

Nesbitt is advised that it may take up to 12 weeks to obtain an airspace determination for construction equipment (such as a concrete batch plant if he elects to use one), and he must submit information required for inclusion into the 7460 airspace evaluation submittal as soon as feasible after Notice Of Award in order to not delay the project schedule. This review should be included in Nesbitt's schedule.

k. Staging & Storage Area

All Nesbitt materials, equipment and supplies shall be within Nesbitt's designated staging & storage area. All staging & storage areas shall be marked, debris boxes covered and area kept neat and clean of debris.

For equipment that must remain in the work area, the following conditions must be met:

- Be marked with lighted barricades around the equipment perimeter with a spacing of no more than 10 feet.
- Be coordinated at least 48 hours in advance with the Engineer.
- The highest point of the equipment marked and lit with a red flashing/steady burning omni-directional obstruction light.

l. Barricades & Lighting

The perimeters of the actual work areas, all uneven surfaces, mounds and excavations shall be adequately barricaded in accordance with the plans and contract documents including but not limited to vertical panel barricades, low level barricades and/or Type II barricades and lighted with omni-directional flashing red lights to prevent intrusion by taxiing aircraft, equipment, personnel and vehicles.

Nesbitt shall provide and maintain all low-profile and vertical panel barricades and LED omni-directional lights, night and day. The lights for the low-level barricades shall be capable to be "screwed in" to the barricade. Low-profile barricades shall be orange and white in color and shall be a minimum of eight (6) feet in length and approximately ten (10) inches in height. All cones and other marking devices must be lighted or equipped with reflectors during periods of darkness as directed by Airport Operations.

All barricades, lights, flags and cones must be maintained and kept in proper working order by Nesbitt day and night. All burnt out lights must be replaced immediately. Barricades, lights, flags and cones must remain upright at all times.

The low-profile barricades must always be filled with water. In situations of adverse weather, the placement of sandbags on barricades may also be required. Nesbitt must also keep an adequate supply of extra barricades and lights on site for replacement. Escorts for barricade maintenance must be provided by Nesbitt or coordinated in advance with Airport Operations.

Only red, battery powered or approved solar powered, lights are acceptable at the airport.

m. Trenches and Excavations

Contractors shall close trenches located within active safety areas at the end of each workday. No open trenches or excavations will be allowed within the following active safety areas without prior coordination and approval with the Engineer:

- Open trenches not to exceed 500 feet in length at any one time.
- Spoils from excavations are to be placed closest to the trench.
- Spoils length not to exceed 500 feet in length at any one time.
- Spoil height is not to exceed 4 feet or any height that would cause a visual obstruction.
- Spoils not returned to the trench or removed from the worksite are to be properly marked with lighted barricades with a spacing of no more than 10' or that to properly delineate the trench.

n. Stockpiled Material

Stockpiled materials are allowed only within Nesbitt's designated staging & storage areas.

o. Weapons

No person, except a peace officer, authorized air carrier employee, airport employee or a member of an armed force of the United States on official duty, shall carry any weapon, explosive, or inflammable material on or about his person, openly or concealed, in the Restricted Area of the airport without the written permission of the Airport Director, Deputy Director or Director of Operations and Maintenance. A weapon includes all those listed in Section 13-301, Arizona Revised Statutes. No person shall furnish, give, sell, or trade a weapon on airport property.

p. Construction Flagmen

Construction flagmen will be required at any crossings of taxiways by construction equipment.

4. Schedule of Fines

Due to both the safety and security precautions necessary at the airport, failure of Nesbitt to adhere to the prescribed requirements/regulations has consequences that may jeopardize the health, welfare and lives of the customers and employees at the airport, as well as Nesbitt's own employees. Therefore, if Nesbitt is found to be in non-compliance with the security, airfield badging/licensing and airfield safety requirements by either the Owner's personnel or the Engineer or his representatives, the Owner may issue Notice of Violation (NOV). Nesbitt may appeal the NOV, however appeals must be made in writing, and within four (4) calendar days of the offending incident, to the Authority Project Representative. The appeal shall state, in sufficient detail, why the NOV/circumstances is unwarranted. A final and binding decision on the appeal will be made by Airport Operations within ten (10) working days of receipt of the appeal, Nesbitt will then be notified of this decision in writing. No further appeals to the specific NOV will be considered/accepted. Subsequent

fines and/or requirements, if any, will be applied in accordance with the Schedule of Fines table (on the next page), and the applicable amount will be withheld from Nesbitt's monthly payment application following the date of the violation. Nesbitt shall be held financially responsible for all NOV's issued to their subcontractors, lower tier subcontractors, or material suppliers associated with this Contract.

DESCRIPTION OF FINES:	***1ST OFFENSE***	***2ND OFFENSE***	***3RD OFFENSE***
Parking in unauthorized areas.	$1,000	$2,500	$5,000
Not having proper and current Airport Security Badge or not properly displaying Airport Security Badge.	$1,000	$5,000	$15,000
Unauthorized access to AOA by construction personnel or access through construction gate by unauthorized personnel.	$1,000	$5,000	$15,000
Failure to Escort / be Escorted.	$1,000	$5,000	$15,000
Failure to secure an access gate / door when not in use, or failure to wait for an automated gate / door to close.	$5,000	$10,000	$15,000
Operating a vehicle or mobile construction equipment without a current Ramp Driver's permit.	$1,000	$5,000	$15,000
Failure to stop at a designated Stop, or exceeding the maximum speed limit, or deviating from designated service roadway or haul routes.	$2,500	$5,000	$15,000
Failure to yield to airside personnel or vehicles.	$1,000	$5,000	$15,000
Failure to yield to an aircraft and/or causing an aircraft to deviate from intended course.	$5,000	$10,000	$15,000
No logo on vehicle or logo is not correct in name and dimension.	$1,000	$5,000	$15,000
Runway incursion.	$15,000	$20,000	$25,000
Runway/Taxiway deviation of an active taxiway, or apron.	$10,000	$15,000	$20,000
Safety violation, such as insufficient barricades, or no flags or amber beacons on vehicle or equipment. Or no red obstruction lighting on cement silo, batch plants, cranes or other equipment with significant height.	$5,000	$10,000	$15,000
Non-compliance with the Authority's lock-out tag-out procedures.	$5,000	$10,000	$15,000
Failure to backfill open trenches within time specified.	$5,000	$10,000	$15,000
Failure to provide lighted barricades.	$5,000	$10,000	$15,000
Failure to provide functional temporary edge lighting.	$5,000	$10,000	$15,000
All other NOV not listed in this Table 1.	$1,000	$5,000	$15,000

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-39

To:	**Board of Directors**
From:	**R. J. Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**TWY W Rehabilitation – Kimley-Horn & Associates for Construction Administration Services – CIP 744**
Date:	**August 20, 2024**

Proposed Motion

To approve 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.

Narrative

Taxiway W is located east of the existing commercial aircraft ramp, and a recent Pavement Condition Index (PCI) report showed that a majority of the taxiway (Section 10) was in Satisfactory Condition with an average PCI of 81; however, the east side of the taxiway (Section 20) is in Poor Condition with an average PCI of 55.

The taxiway pavement needs rehabilitation with most of the effort needed to improve Section 20. This project will include slab replacement, full and partial depth repair, backer rod and joint sealant replacement, crack repair, and edge/corner spall repair.

In 2024, a Request for Qualifications, 2024-005-RFQ for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement, 20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Construction Administration Services for the Taxiway W Rehabilitation Project. The cost for these services was negotiated based upon the contract fee schedule at a cost not-to-exceed $122,869.18.

Fiscal Impact

These Construction Administration Services were included in FY25 Capital Budget as a carry-over project and will be funded by an ADOT Grant and PMGAA Match under CIP 744.

Attachment(s): Authorization of Services

RESOLUTION NO. 24-39

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20240076 25-02

The signing of this Authorization (Agreement) by Phoenix-Mesa Gateway Airport Authority (PMGAA) and Kimley-Horn & Associates, 7740 N. 16th Street, Suite 300, Phoenix, AZ 85020 ("Kimley-Horn"), authorizes Kimley-Horn to carry-out and complete the services described below in consideration of the mutual covenants set forth below:

1. **PROJECT**: Taxiway W Rehabilitation Project CIP 744.

2. **SCOPE OF WORK**: Perform and provide Construction Administration Services for the Taxiway W Rehabilitation Project. The Construction Administration Services will consist of construction support and observation of the rehabilitation of the existing Taxiway W structural Portland Cement Concrete (PCC) Pavement Section by methodologies that include: slab replacement, joint sealant replacement, crack repair, and edge/corner spall repairs, pavement markings, and localized Asphalt Concrete VSR pavement.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed One hundred twenty-two thousand, eight hundred sixty-nine dollars and eighteen cents ($122,869.18), utilizing an ADOT Grant and PMGAA Matching non-grant funds under CIP 744, without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this Agreement is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this Agreement for the goods and/or services to be provided hereunder, PMGAA may terminate this Agreement by providing notice to the consultant of the lack of the availability of funds. The consultant acknowledges and agrees that one source of funding for this Agreement may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this Agreement, its approval, and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents are hereby incorporated with this Authorization of Services and made part thereof:

   ☑ PMGAA Agreement 20240076 dated December 19, 2023.

6. **ATTACHED:** The following documents are attached to this Agreement and are incorporated herein by this reference made part thereof:

☑ Scope and Fee Proposal dated May 2024.

PMGAA and Kimley-Horn & Associates acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

APPROVED FOR PMGAA:

By:_____

Print: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date:_____

ACCEPTED FOR Kimley-Horn & Associates:

By: [signature]

Print: Sterling Margotts

Title: Sr Vice President

Date: 8/8/24

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-40

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Common Use Passenger Processing System – Amadeus Airport IT Americas, Inc. - CIP 1290**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

Phoenix-Mesa Gateway Airport Authority (PMGAA) provides a Common Use System to support airline operations from 11 gates and 16 2-position check-in counters for a total of 32 ticketing stations. As part of the CUPPS solution, PMGAA utilizes a Content Management System (CMS) and Flight Information Display System (FIDS) throughout the terminal to provide timely information to passengers as well as a Resource Management System (RMS) to manage its operational resources, including gates, stands, check-in counters, and ground handling equipment. A contract and billing solution is also integrated with the CUPPS. In addition to software, the CUPPS includes hardware such as computers, printers, and scanners utilized at the ticket counters and gate counters.

The current system in use at PMGAA has been deprecated. While the software systems are still supported by the vendor, on a reduced basis, no new updates or patches will be developed. Additionally, system hardware components in the terminal complex are approaching eight years of service and hardware failures have necessitated replacement of the hardware components. The replacement solution will bring the Airport to current software versions and includes the replacement of all computer hardware and software.

A Request for Proposals, 2024-015-RFP, Airport CUPPS, was issued on 3/26/2024 and advertised in the Arizona Business Gazette on 4/4, 4/11, 4/18, 4/25/24. It was also posted on the AzAA, ACC, ACI-NA, and SWAAAE websites, as well as the Phoenix-Mesa Gateway Airport Authority Website. In addition, the RFP was emailed to 7 prospective vendors. Proposals were received, on 5/23/24, from five (5) vendors.

AeroCloud Systems, Inc. & PM Technologies, Inc.
Amadeus Airport IT Americas, Inc.
Collins Aerospace (ARINC Inc.)
Embross USA, Inc.
SITA Information Networking Computing USA, Inc.

The Evaluation Panel reviewed all submitted proposals and selected three (3) vendors for further consideration to conduct a product demonstration and interview (Amadeus, Collins Aerospace, and SITA). Based on the proposals, the vendor's product demonstration, responses to interview questions, and the overall ranking against the evaluation criteria, the Evaluation Panel recommends award to Amadeus.

Fiscal Impact

This project is included in the FY25 capital budget and is funded with CIP 1290 using non-grant funds.

Attachment(s)

N/A

RESOLUTION NO. 24-40

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-41

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Asphalt/Pavement Maintenance and Repairs, Airfield – Sunland Asphalt of Arizona, Inc. – CIP 1284**
Date:	**August 20, 2024**

Proposed Motion
To authorize the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $135,000.

Narrative
Due to use, age and weather, the condition of the asphalt on taxiways and perimeter road shoulders requires crack-fill and seal coating maintenance to reduce further deterioration. Increased activity coincides with an increase in deterioration. There continues to be increasing GA and commercial flight activity, including heavy cargo and firefighting aircraft. Periodic asphalt crack-fill and seal coating is necessary to maintain accessibility for users.

The recommended course of action includes crack-fill and seal coat of asphalt surfaces as needed throughout the airport. Authorization of the purchase of airfield asphalt repair services is necessary to reduce FOD, repair deterioration and extend life cycles.

PMGAA and Sunland, who acquired Ace Asphalt of Arizona, Inc. (Ace), are both participants of the Mohave Educational Service Cooperative (MESC) Purchasing Group. Under MESC, Ace was awarded Contract #19P-ACE-0318 for asphalt products and services, and it is through this competitive selection that PMGAA will utilize Sunland for asphalt services. This contract is available upon request.

Fiscal Impact
The maintenance expenses were included in the FY25 capital budget under CIP 1284.

Attachment(s)
Agreement to Use

RESOLUTION NO. 24-41

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $135,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the purchase of airfield asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $135,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Agreement to Use
Mohave Cooperative Contract #19-ACE-0318
via Cooperative Purchasing Agreement

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the Mohave Cooperative allowing it to utilize existing contracts entered into by other Mohave Cooperative members; and

Whereas, Mohave Cooperative has executed contract 19-ACE-0318 with Ace Asphalt of Arizona, Inc. for Asphalt Products & Services; and

Whereas, PMGAA and Ace Asphalt of Arizona, Inc. desire to utilize the terms and conditions of Mohave Cooperative contract 19-ACE-0318, including pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

A. **CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract 19-ACE-0318, between Mohave Cooperative and Ace Asphalt of Arizona, Inc., except:
   1. All references to Mohave Cooperative shall be replaced with Phoenix-Mesa Gateway Airport Authority;
   2. The contract between Ace Asphalt of Arizona, Inc. and Phoenix-Mesa Gateway Airport Authority is independent of the Mohave Cooperative contract 19-ACE-0318.
   3. Billing and Delivery information shall be stated on PMGAA's purchase order(s).
   4. This Agreement to Use shall not obligate PMGAA to purchase goods and/or services until PMGAA issues a purchase order to Ace Asphalt of Arizona, Inc. for such goods/and or services.

   To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

B. **FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with Mohave Cooperative, with the following exceptions:
   1. Quantities shall be adjusted to reflect the actual needs of PMGAA and detailed in PMGAA's purchase order issued to Ace Asphalt of Arizona, Inc.

C. **CONTRACT TERM**

   This Agreement is effective as of March 18, 2020 and shall terminate on March 18, 2025 unless terminated, cancelled, or extended as provided in the original contract between Mohave Cooperative and Ace Asphalt of Arizona, Inc.

   The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

Executed as of the Effective Date.

Ace Asphalt of Arizona, Inc.
A(n) Arizona corporation

By: _____

Name: Scott Phillips

Title: President

Date: 3/19/2020

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: Chuck Odom

Title: CFO

Date: 3/27/2020

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-42

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Asphalt/Pavement Repair, Rehabilitation, Rubber/Paint Removal, Airfield - Hi-Lite Airfield Services, LLC – CIP 1284**
Date:	**August 20, 2024**

Proposed Motion
To authorize the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC (Hi-Lite) for an amount not to exceed $130,000.

Narrative
Due to use, age and weather, the condition of runway overruns requires rehabilitation to reduce further deterioration. Continued environmental exposure increases deterioration. Additionally, overruns help mitigate the effects of runway excursions and require periodic service to maintain accessibility and safety for users.

The recommended course of action includes rehabilitation of runway overrun areas as needed throughout the airport. Authorization of the purchase of airfield asphalt repair services is necessary to reduce FOD, repair deterioration and extend life cycles.

PMGAA and Hi-Lite are both participants of the Sourcewell purchasing group.

Under Sourcewell, Hi-Lite was awarded Contract #110122-HLA for products and services, including airfield pavement maintenance, and it is through this competitive selection that PMGAA will utilize Hi-Lite for asphalt services. This contract is available upon request.

Fiscal Impact
The maintenance expenses were included in the FY25 capital budget under CIP 1284.

Attachment(s)
Agreement to Use

RESOLUTION NO. 24-42

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC (Hi-Lite) for an amount not to exceed $130,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of airfield asphalt repair services with Hi-Lite Airfield Services, LLC (Hi-Lite) for an amount not to exceed $130,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Agreement to Use
Sourcewell Contract #110122-HLA
via Cooperative Purchasing Agreement

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of Sourcewell allowing it to utilize existing contracts entered into by other Sourcewell members; and

Whereas, Sourcewell has executed contract #110122-HLA with Hi-Lite Airfield Services, LLC (Hi-Lite) for Asphalt Pavement Services; and

Whereas, PMGAA and Hi-Lite desire to utilize the terms and conditions of Sourcewell contract #110122-HLA, including pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

A. CONTRACT: This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract #110122-HLA, between Sourcewell and Hi-Lite except:

1. All references to Sourcewell shall be replaced with Phoenix-Mesa Gateway Airport Authority.
2. The contract between Hi-Lite and Phoenix-Mesa Gateway Airport Authority is independent of the Sourcewell contract #110122-HLA.
3. Billing and Delivery information shall be stated on PMGAA's purchase order(s).
4. This Agreement to Use shall not obligate PMGAA to purchase goods and/or services until PMGAA issues a purchase order to Hi-Lite for such goods/and or services.

To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

B. FEE FOR SERVICES: The fees to be utilized for this contract shall be as per original bid with Sourcewell, with the following exceptions:

1. Quantities shall be adjusted to reflect the actual needs of PMGAA and detailed in PMGAA's purchase order issued to Hi-Lite.

C. CONTRACT TERM

This Agreement is effective as of July 31, 2024, and shall terminate on January 13, 2027, unless terminated, cancelled, or extended as provided in the original contract between Sourcewell and Hi-Lite.

The approval and continuation of this Agreement is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this Agreement for the goods and/or services to be provided hereunder the Phoenix-Mesa Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

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Executed as of the Effective Date.

Hi-Lite Airfield Services, LLC
a Texas Limited Liability Company

By: _____

Name: Kelly Spinner

Title: VP of Finance

Date: August 2, 2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: Chuck Odom

Title: CFO

Date: 8/6/2024

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-43

To:	**Board of Directors**
From:	**Margi EvanSon, Operations & Maintenance Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Asphalt/Pavement Maintenance and Repairs, Landside - Sunland Asphalt of Arizona, Inc. – CIP 1283**
Date:	**August 20, 2024**

Proposed Motion
To authorize the purchase of landside asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $121,500.

Narrative
Due to use, age and weather, the condition of the landside parking areas and drive lanes requires asphalt crack-fill and seal coating maintenance to reduce further deterioration. Increased activity coincides with an increase in deterioration. There continues to be increasing activity at the airport and automobile parking lots and driveways require periodic asphalt crack-fill and seal coating to maintain accessibility for users.

The recommended course of action includes crack-fill and seal coat of asphalt surfaces as needed throughout the airport. Authorization of the purchase of landside asphalt repair services is necessary to repair deterioration and extend life cycles.

PMGAA and Sunland, who acquired Ace Asphalt of Arizona, Inc. (Ace), are both participants of the Mohave Educational Service Cooperative (MESC) Purchasing Group. Under MESC, Ace was awarded Contract #19P-ACE-0318 for asphalt products and services, and it is through this competitive selection that PMGAA will utilize Sunland for asphalt services. This contract is available upon request.

Fiscal Impact
The maintenance expenses were included in the FY25 operating budget under CIP 1283.

Attachment(s)
Agreement to Use

RESOLUTION NO. 24-43

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of landside asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $121,500;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of landside asphalt repair services with Sunland Asphalt of Arizona, Inc. (Sunland) for an amount not to exceed $121,500. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Agreement to Use
Mohave Cooperative Contract #19-ACE-0318
via Cooperative Purchasing Agreement

Whereas, the Phoenix-Mesa Gateway Airport Authority (PMGAA) is a member of the Mohave Cooperative allowing it to utilize existing contracts entered into by other Mohave Cooperative members; and

Whereas, Mohave Cooperative has executed contract 19-ACE-0318 with Ace Asphalt of Arizona, Inc. for Asphalt Products & Services; and

Whereas, PMGAA and Ace Asphalt of Arizona, Inc. desire to utilize the terms and conditions of Mohave Cooperative contract 19-ACE-0318, including pricing that was competitively bid.

NOW THEREFORE, in consideration of the payment of fees and the performance by the parties of the mutual covenants and conditions set forth herein, the parties hereby agree as follows:

A. **CONTRACT:** This Agreement incorporates by reference and attachment all the terms and conditions of that certain cooperative purchasing contract 19-ACE-0318, between Mohave Cooperative and Ace Asphalt of Arizona, Inc., except:
   1. All references to Mohave Cooperative shall be replaced with Phoenix-Mesa Gateway Airport Authority;
   2. The contract between Ace Asphalt of Arizona, Inc. and Phoenix-Mesa Gateway Airport Authority is independent of the Mohave Cooperative contract 19-ACE-0318.
   3. Billing and Delivery information shall be stated on PMGAA's purchase order(s).
   4. This Agreement to Use shall not obligate PMGAA to purchase goods and/or services until PMGAA issues a purchase order to Ace Asphalt of Arizona, Inc. for such goods/and or services.

   To the extent applicable under Arizona Revised Statutes § 41-4401, the Contractor and its Subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Contractor's or its Subcontractor's failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Authority.

B. **FEE FOR SERVICES:** The fees to be utilized for this contract shall be as per original bid with Mohave Cooperative, with the following exceptions:
   1. Quantities shall be adjusted to reflect the actual needs of PMGAA and detailed in PMGAA's purchase order issued to Ace Asphalt of Arizona, Inc.

C. **CONTRACT TERM**

   This Agreement is effective as of March 18, 2020 and shall terminate on March 18, 2025 unless terminated, cancelled, or extended as provided in the original contract between Mohave Cooperative and Ace Asphalt of Arizona, Inc.

   The approval and continuation of this contract is subject to the availability of funds either provided to, made available to, or appropriated by the Phoenix-Mesa Gateway Airport Authority for this purpose. In the event that funds are not available or appropriated for Phoenix-Mesa Gateway Airport Authority's payment requirements under this contract for the goods and/or services to be provided hereunder the Phoenix-Mesa

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

PHONE (480) 988 7600
FAX (480) 988 2315

Gateway Airport Authority may terminate this contract by providing notice to the contractor of the lack of the availability of funds.

Executed as of the Effective Date.

Ace Asphalt of Arizona, Inc.
A(n) Arizona corporation

By: _____

Name: Scott Phillips

Title: President

Date: 3/19/2020

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: Chuck Odom

Title: CFO

Date: 3/27/2020

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-44

To: Board of Directors
From: Veronica Lewis, Human Resources Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Update Personnel Rules
Date: August 20, 2024

Proposed Motion
To approve the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules.

Narrative
Phoenix-Mesa Gateway Airport Authority (PMGAA) staff has reviewed the PMGAA Board of Director's adopted Personnel Rules that allow the Authority to operate effectively and efficiently. Recommended changes to the Personnel Rules are summarized below:

- Grammatical and clarifying updates throughout.
- Update performance-based lump sum payment to be paid out per pay period instead of a one-time payment.
- Updated absence from work and created Statutory Sick Leave category to be compliant with AZ State Law while allowing management to address attendance issues.
- Change sick leave conversion as follows:
    - At 480 hours employees have the option to convert 50% of future accrued sick time to vacation. The other half remains sick time.
    - At 1040 hours employees have the option to convert 100% of future accrued sick time to vacation.
- Update sick time at separation:
    - After 10 years of service payout eligible at 25%
    - After 15 years of service payout eligible at 50%
    - At retirement/death payout eligible at 50%
    - Max payout of 520 hours
- Update to Bereavement Leave:
    - 4 days of bereavement pay for immediate family
    - 2 days of bereavement pay for extended family

Fiscal Impact
There is no fiscal impact.

Attachment(s)
Draft Personnel Rules with red-line changes

RESOLUTION NO. 24-44

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves the amended and restated Phoenix-Mesa Gateway Airport Authority Personnel Rules. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

PERSONNEL RULES

Effective ~~May 1, 2022~~September 1, 2024

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I. ADMINISTRATIVE

SECTION 1.1: DEFINITIONS

The following words and phrases used in these Rules have the following defined meanings unless otherwise clearly indicated by the context.

Accrual – The accumulation of leave time.

Administrative Leave – Management directed time off with pay for an employee that is not charged against the employee's paid time off categories.

Announcement/Posting – The notice of intent to fill a position.

Applicant – An individual who has submitted an application for a posted employment opening.

Chain-of-Command – In the workplace, includes the supervisory responsibilities sequence of employee, supervisor, manager, director, and the executive.

Classification – A group of positions similar as to duties performed, scope of discretion and responsibility, skills and qualifications requirements, and other such characteristics that the same title, pay range, and job description is applied.

Common Review Date – A common date of October 1 upon which employees are evaluated for performance-based pay increases.

Compensation – All forms of financial returns, tangible services and benefits that employees receive as part of being employed.

Controlled Substance – Any ~~narcotic,~~ prescribed~~,~~ or un-prescribed drug as defined by state and federal law.

Days – Calendar days unless otherwise stated.

Demotion – The movement of an employee from one position to another position having a lower rate of pay. A voluntary demotion is a demotion initiated by the employee. An involuntary demotion is a demotion initiated by PMGAA.

Department – An organizational unit of Phoenix-Mesa Gateway Airport Authority.

Discipline – Actions taken to address and correct an employee's work behavior or performance. Discipline may be up to and including termination of employment.

Emergency (Airport) – A sudden and unforeseen happening that requires service of an employee to protect the health, welfare, and safety of the Airport and/or community.

Employee – A person who holds an authorized-budgeted position.

Essential Functions – The most critical, time consuming and/or important tasks and duties of a position; the tasks and duties that form the reason for the existence of the position.

Exempt Employee – Employees who, because of their positional duties and responsibilities and level of decision-making authority, are exempt from overtime provisions of the Fair Labor Standards Act (FLSA).

Family-like Relationships – Where one lives in the same home and/or has been raised by another employee like a dependent.

Family and Medical Leave Act (FMLA) – A federal law that governs a period of employment protection during which an eligible employee may return to the same or similar position with equivalent pay and benefits after a qualified absence.

Flex Time – Adjusting an employee's work schedule.

Full-Time – An employee who regularly works over 30 hours per week and is appointed to a full-time position.

Hire Date – The most recent first date of employment with the Airport Authority in a position other than a temporary position.

Leave – An authorized absence or time off from regularly scheduled work hours, which has been approved by the proper authority. Also referred to as a Leave of Absence (LOA).

Management – Airport Authority employees who have specific responsibility for a particular Airport Authority department to supervise employees, functions, and/or projects.

Performance-Based Pay Increase – A pay increase based on job performance within the limits of a position's established pay range.

Nepotism – The potential for or perception of preferential treatment due to a family or similar relationship.

Non-Exempt Employee – Employees who, because of the type of duties performed, the usual level of decision making authority, and the method of compensation, are subject to all Fair Labor Standards Act (FLSA) provisions including the payment of overtime.

Organizational Policy – Policy statements, administrative regulations and associated procedures for the efficient and effective operation of the organization and the administration and execution of Airport Authority matters which are created and modified at the discretion of the Department Director and/or Executive Director.

Probation Period – A period of time for all new employees and employees receiving a promotion or demotion during which time the employee's performance in the new position is evaluated.

Overtime – Hours worked in excess of forty (40) hours by an employee in a non-exempt (as defined by FLSA) position during ~~his/her~~their established work week.

Part-Time Benefited – An employee who is budgeted to work less than thirty (30) hours per week and is eligible for vacation, sick and holiday leave.

Part-Time Non-Benefited – An individual who is appointed to a position that requires working a work week of less than thirty (30) hours and is not eligible for any holiday, sick or vacation leave accrual.

Pay Range – A pay plan with established minimum to maximum hourly or bi-weekly pay rate dollar amounts associated with each position classification.

Pay Reduction – A decrease in the hourly or bi-weekly pay rate, which may have resulted from a reduction to the pay rate for a pay range or reallocation of a position to a lower pay range.

Performance Evaluation – The written review of an employee's performance of position duties and responsibilities.

Personnel Action – Any official action taken with reference to appointment, pay, promotion, suspension, transfer, layoff, termination, leave, or any other action affecting the status of an employee.

Promotion – The movement of an employee from one position to another having a higher pay range.

Reclassification – Changing the classification of a position when a material change in duties or responsibilities occurs.

Regular Rate of Pay – An hourly rate of pay determined by dividing the total compensation actually earned for the normal non-overtime workweek by the total number of hours worked. Includes all renumeration for employment paid to, or on behalf of, the employee, except payments specifically excluded under Section 7(e) of the Fair Labor Standards Act (FLSA).

Resignation – Written notification by an employee indicating ~~his/her~~their intention to terminate employment with the Airport Authority.

Retirement – Any employee covered by Arizona State Retirement System who has reached the designated age and possesses the appropriate number of years of service, and who elects to receive an annuity benefit from the plan.

Review Date – The date when an employee's performance is evaluated.

Separation – The end of employment; can be initiated by either the Airport Authority or the employee.

Suspension – A form of discipline consisting of relieving an employee from work without pay for a specified period of time.

Temporary – An assignment that exists for a limited or defined period of time.

Transfer – The movement of an employee from one position to another position within the Airport Authority at the same pay range.

SECTION 1.2: ADMINISTRATIVE PROVISIONS

Phoenix-Mesa Gateway Airport Authority adopts the Personnel Rules to provide a uniform system of personnel administration. They are not legally binding and are not to be construed as, and do not constitute, a contract, expressed or implied, or a guarantee of employment for any specific duration.

Phoenix-Mesa Gateway Airport Authority hereinafter may be referred to as "PMGAA," "Airport Authority," "Airport," or "Employer." Phoenix-Mesa Gateway Airport may be referred to as "Gateway."

A. **Applicability**: These Rules are applicable to all employees and positions at Phoenix-Mesa Gateway Airport Authority. The information contained in these Rules supersedes all previous personnel policies, procedures, and administrative regulations. These Rules are subject to change at the discretion of the Phoenix-Mesa Gateway Airport Authority Board of Directors.

B. **Delegation of Authority**: Unless otherwise stated in these Rules, the Executive Director/Chief Executive Officer (CEO) may delegate any authority granted to ~~him/her~~them.

C. **Availability of Funds**: The granting of any compensation in these Rules is contingent upon the availability of funds, as determined by the budget, the authority of the Executive Director and/or the Authority Board of Directors. The Airport Authority works to provide its employees with benefits and employment conditions that are desirable, but the Airport Authority reserves the right to change benefits and employment conditions when deemed reasonable to do so by the Authority Board of Directors or Executive Director.

D. **Conflict with Federal or State Requirements**: Any provision of these Personnel Rules that conflicts or is inconsistent with state or federal rules, regulations, or standards shall not be applicable.

E. **Service of Notice**: If any document or notice is to be given to any individual or department, the notice or document may be served personally, by electronic mail, or by physical mail to the last known residence or business address of the addressee. Unless otherwise provided by law or these Rules, service is complete upon mailing.

F. **Correction of Errors**: The Executive Director may correct a manifest error or clear inequity affecting an employee or an applicant for employment.

SECTION 1.3: EQUAL EMPLOYMENT/AFFIRMATIVE ACTION STATEMENT

Phoenix-Mesa Gateway Airport Authority is an Equal Employment Opportunity (EEO)/Affirmative Action employer. Equal Employment has been, and will continue to be, a fundamental principle at the Airport Authority to ensure a work environment that is free from unlawful discrimination. The Airport Authority will consider all applicants on the basis of ~~his/her~~their qualifications for available positions without regard to race, color, national origin, age, disability, gender, sexual orientation, gender identity and/or expression, religion, veteran status, genetic information, pregnancy and any other protected characteristic or category under applicable law. As such every effort will be made to ensure that appointments, promotions, reclassifications, transfers, compensation, training, terminations, or any other type of personnel actions are based on merit, fitness, or other factors determined to be non-discriminatory. (See Organizational Policy #400.02 - EEO/Affirmative Action)

SECTION 1.4: CODE OF ETHICS

A. The Code of Ethics is the general value system and ethical principles embodied by the Airport Authority. Expected ethics include that employees strive to be:

1. Honest, trustworthy, and fair in all professional relationships;

2. Considerate and treat all people with dignity and respect to foster a work environment of encouragement, acceptance, cooperation, reliability, support, and teamwork;

3. Committed to accomplishing tasks in a safe and exceptional way;

4. Dedicated to providing quality services safely and with the most efficient use of available resources;

5. Responsible to maintain acceptable attendance and punctuality as determined by the Airport Authority;

6. Compliant with reasonable grooming and dressing habits conducive to a business atmosphere;

7. Compliant with the Airport Authority's policies, practices, and procedures; and

8. Compliant with the laws and report, within five days, any noncompliance resulting in a conviction.

B. **Conflict of Interest**: A conflict of interest can be defined as a situation in which an employee is in a position to exploit their professional or official capacity for ~~his/her~~their personal benefit. The existence of a conflict of interest may not, in and of itself, be evidence of wrongdoing. A conflict of interest can, however, become a legal matter when an employee influences the outcome of a decision for personal benefit. An employee is considered to have a conflict of interest when engaged in, but not limited to, the following:

1. Acceptance of a bribe, being money, a promise, or favor in order to influence the judgment or conduct of a person in the course of work or in connection with work;

2. Engaging in outside business activities on the Airport Authority's time, regular duties, or that interferes with the Airport Authority's interest. Outside employment will not be considered a valid reason for absenteeism, tardiness, or poor work performance;

3. Soliciting, selling, displaying, promoting, or distributing merchandise, literature, or services, or conduct a similar form of business activity on Airport property unless authorized by the Executive Director; or

4. Threatening to use, or attempting to use, undue influence, extortion, or blackmail in securing employment benefits or advantages for the employee or another individual.

SECTION 1.5: PERSONNEL RECORDS

A. **Content:** Each employee will have a personnel file that will serve as the official record of employment. It may include, but is not limited to, the following: employee application; new employee hire form; performance evaluations; personnel change forms; promotion, demotion, transfer, or position changes; disciplinary actions; certificates of recognition and accomplishment; and other employment related documents deemed appropriate by Human Resources. The contents may be in a physical paper form or electronic.

B. **Access**: An employee shall have access to ~~his/her~~their official personnel file during normal Airport Authority Human Resources business hours. Employee personnel files are treated as confidential; however, contents are subject to public record.

C. **Access to Other Files:** The presence of copies of any item in any other informational file concerning an employee shall not in itself confer upon such employee any right of access to such file.

D. **Control:** The official personnel file/record will remain in the control of Human Resources, unless otherwise ordered by a court of competent jurisdiction.

II. EMPLOYMENT

SECTION 2.1: GENERAL EMPLOYMENT PROVISIONS

A. **At-Will:** Employment with Phoenix-Mesa Gateway Airport Authority is at-will, meaning that no one has a contractual right, expressed or implied, to remain in the Airport Authority's employ and the Airport Authority may terminate an employee, or an employee may terminate ~~his/her~~their employment, with or without cause, and with or without notice, at any time.

B. **Employment Eligibility**: Applicants for employment at the Airport Authority must present proof of identity and eligibility for employment as required by federal and state law.

C. **Age Requirement**: The only minimum age requirement is that imposed by state or federal law.

D. **Pre-Employment Requirements**: All individuals recommended for employment will be required to pass a background investigation which may include pre-employment drug screening, employment history verification, criminal record verification, motor vehicle record check, and social security number trace. Should the potential new hire be recommended for a position requiring unescorted access to Security Identification Display Area (SIDA) they are subject to a fingerprint based criminal history check through the Federal Bureau Investigation (FBI).

E. **Academic**: All postsecondary academic achievements required to meet the minimum qualifications of a position must be attained in an academic institution recognized by an accredited association as determined by the Human Resources Director.

F. **Outside Employment**: An employee may engage in outside employment if the employment does not adversely impact the employee's PMGAA work and does not create a conflict of interest or the appearance of a conflict of interest with the employee's PMGAA job. An employee who wishes to engage in outside employment is required to notify PMGAA in writing. The employee may be asked to choose between ~~his/her~~their PMGAA employment and ~~his/her~~their outside employment if it is found that the outside employment interferes with the employee's duties at PMGAA.

G. By accepting employment with PMGAA, employees assign to PMGAA all rights to patent or otherwise project inventions or intellectual property of any kind the employee may develop on PMGAA time, or with PMGAA property, or arising out of ~~his/her~~their PMGAA duties and responsibilities.

SECTION 2.2: RECRUITMENT

When a position becomes vacant and approval to fill has been given, Human Resources may conduct a recruitment to fill the position.

A. **Notice of Vacancy**: If an external job posting is to be conducted, public notice shall be accomplished by posting announcements of the vacancies by such means as the Human Resources Director shall direct.

B. **Applications**: All applications for employment shall be submitted on the designated forms. Applications and any accompanying documentation become the property of the Airport Authority and shall not be returned. Applications are only accepted for open positions that have been announced during the recruitment period.

C. **Disqualification**: Applicants for open positions may be denied further consideration for employment, for, but not limited to, the following reasons: failure to meet the minimum qualifications specified in the announcement; failure to submit complete and accurate application; or submission of the application after the specified time period.

D. **Selection Methods/Examinations**: Human Resources shall review and approve all selection methods and rating criteria in advance to ensure compliance with legal guidelines. All selection methods for employment shall be job related and designed to reveal the ability to perform the type of work for which the applicant has applied.

SECTION 2.3: APPOINTMENT

With the approval of the Executive Director, a vacant position may be filled by appointment on the basis of merit demonstrated by examination or other evidence of competence. The individual appointed to a position must meet the minimum qualifications for the designed classification.

SECTION 2.4: PROBATION

All new employees and employees receiving a promotion or demotion shall serve a six (6) month probation period, during which an employee's performance in the new position is evaluated to determine whether the requirements of the new position can be successfully performed. During this probationary period, quarterly performance meetings will be completed. The probationary period can be extended for an additional time period at PMGAA's sole discretion. The successful completion of the probationary period should not be construed as creating a contract or as guaranteeing employment for any specific duration or as establishing a just cause termination standard. Employment with the Airport Authority remains at-will, that is the Airport Authority may terminate an employee, or an employee may terminate their employment, with or without cause, and with or without notice, at any time.

SECTION 2.~~4~~5: REINSTATEMENT OF BENEFITS

Employees who separate in good standing and are rehired within one year~~nine~~ (~~9~~1) ~~months~~ year of the date of their separation shall begin accruing vacation at the same rate as they were at the time of separation. In addition, the returning employee's forfeited sick time shall be restored upon reinstatement. Seniority (years of service) for the purposes of recognition or shift scheduling shall not be restored. Rehire request is subject to approval and contingent on the availability of positions and may be reviewed along with the normal recruitment process in filling a vacant position.

SECTION 2.~~5~~6: EMPLOYMENT OF RELATIVES/NEPOTISM

Relatives (including family-like relationships), and significant others (including spouses, partners and other long-term and serious romantic relationships) shall not maintain a regular reporting relationship to one another in the chain of command. If such a relationship is created, one of the parties must elect to transfer to or be selected for a vacant position opening (if available and employee meets the qualifications of the position) where there is no chain of command reporting relationship. If a transfer compatible with this policy cannot be made within ninety (90) days, it shall result in the separation of one of the employees from the Airport Authority employment. It shall be the responsibility of the employee who holds the highest classification level to immediately notify ~~his/her~~their department director of relationships as described above.

III. CLASSIFICATION AND COMPENSATION

SECTION 3.1: CLASSIFICATION

Human Resources shall place every position in a class based on its essential functions and maintain job descriptions for each classification within the Airport Authority. Human Resources may establish new classifications and revise or delete existing classifications as needed.

SECTION 3.2: PAY PLAN

Human Resources shall prepare a pay plan listing all classifications with corresponding pay ranges. All Airport Authority employees shall be paid within the assigned pay range of ~~his/her~~their positions, unless otherwise explained.

A. **Entrance Pay Rates**: Except as specified below, all new employees shall be paid at the minimum of the pay range for the position hired.

   1. If the hiring manager determines that a particular applicant has special qualifications that justify a pay rate that is higher than the minimum of the pay range, the hiring manager, with the Human Resources Director and the Executive Director's approval, may authorize a special entrance pay rate at a higher pay rate within the position's pay range for the applicant.

B. **Performance-Based Pay Increases**: Employees may be considered for a performance-based pay increase annually on a common review date, if performance and budget warrants.

   1. The Airport Authority routinely establishes performance-based pay guidelines that generally are issued in conjunction with the Airport Authority's budget cycle.

   ~~1.~~2. An employee hired or promoted within the three (3) months prior to ~~of~~ the common review date of October 1 will need to wait until the following year to be eligible to receive their first performance-based pay increase.

   ~~2.~~3. Exceptions to the guidelines may be made with the approval of the Human Resources Director and Executive Director.

   ~~3.~~4. Employees at the maximum of their pay range may receive performance-based compensation in a lump sum payment that does not become part of base compensation. This lump sum payment will be calculated based on the rate of pay at the time of the common review date and will be paid in equal payments on a biweekly period over the following year.

C. **"Frozen" Pay Rate**: Based upon position classification studies, reclassification of a position, or a voluntary demotion, the Executive Director may authorize a "frozen" pay rate. A "frozen" pay rate is an employee's pay rate in excess of the maximum pay rate of the pay range assigned to the position classification. No pay rate increases, including market adjustments, cost of living adjustments (COLA), performance-based pay rate increases, and lump sum performance-based payments shall be in effect for an employee with a "frozen" pay status and the employee will remain at this "frozen" pay status until the pay range for the new position reaches the employee's pay rate, at which point the employee will again be eligible for pay increases.

D. **Position Reclassification**: The Executive Director may approve exceptions to this section.

1. If material and permanent changes occur in the duties and responsibilities of a position, the Department Director with the approval of the Department Executive may request to have Human Resources conduct a classification study of the position.

2. An employee whose position is reclassified to a class in the same pay range shall receive the same salary as before the reclassification.

3. An employee whose position is reclassified to a higher pay range shall receive the same salary, unless the salary is less than the entry pay of the new pay range, in which case the employee shall receive the entry salary of the new pay range.

4. An employee whose position is reclassified to a lower pay range by the Airport Authority, typically will continue to receive the same pay rate. If this pay rate is higher than the maximum of the new position's pay range, the employees pay rate will become "frozen".

E. **Unscheduled Pay Increase**: An employee may be awarded an Unscheduled Pay Increase, with the approval of the Executive Director, to recognize exceptional performance in the employee's position or to adjust salary based on organizational needs. This award is a permanent increase of pay and may be given only to employees below the maximum of the pay range for that position.

SECTION 3.3: WORK SCHEDULES

Phoenix-Mesa Gateway Airport Authority reserves the right to establish work schedules (standard hours of work) in accordance with operational needs.

A. **Pay Period**: The pay period is defined as two (2) work weeks. The standard pay period begins on Monday at 12:00 AM and ends the second Sunday thereafter at 11:59 PM.

B. **Work Week**: The standard work schedule is forty (40) hours in each work week. For non-exempt employees, the work week defines the specific period on which overtime calculations are based. The work week is a consecutive seven-day period starting on Monday at 12:00 AM~~at the same time~~ each week.

C. **Scheduling**: The Airport Authority may require an employee to work overtime and/or to work beyond ~~his/her~~their normally scheduled hours to accommodate operational needs. Overtime may be considered a condition of employment. Refusal to accept overtime work may be subject to disciplinary action. ~~In cases of conflict with an outside activity, the employee's obligations to the Airport Authority must be given priority.~~

1. Prior approval by the immediate supervisor is required before a non-exempt employee may work overtime. An employee who works overtime without approval will be paid for the overtime hours worked, however ~~he/she~~they may be subject to disciplinary action.

2. Non-exempt employees may be subject to on call standby status for a designated specific period of time in addition to ~~his/her~~their regular work schedule.

D. **Rest Periods**: Supervisors may allow an employee paid rest or break periods, based on operational needs, during ~~his/her~~their workday if normal business functions would not be impaired. Rest periods or breaks shall be limited to fifteen (15) minutes for each four (4) hours worked. This time may not be combined or accrued to create an extended rest period or break period or to shorten the workday. If an employee is required to work through a rest period, the Airport Authority will not be obligated to provide an

alternative rest period or to pay the employee more for that time than the Airport Authority otherwise would have paid.

E. **Meal Breaks:** An employee's work schedule may include an unpaid meal break each workday, during which the employee is relieved of all position duties and free to use the time for a meal break. A non-exempt employee is expected to take ~~his/her~~their meal breaks away from ~~his/her~~their workstation and may not work during ~~his/her~~their meal breaks without prior approval from ~~his/her~~their supervisor.

1. Supervisors should generally not interrupt an unpaid meal break; although, interruptions may be necessary, based on operational needs. If a non-exempt employee's meal break is interrupted by work responsibilities that preclude ~~him/her~~them from receiving at least thirty (30) minutes of uninterrupted meal break time, the entire meal break shall be considered time worked. If a non-exempt employee with a sixty (60) minute meal break receives an uninterrupted meal break of thirty (30) minutes or more, only the time actually worked by the employee during the meal break shall be recorded as work time.

2. Supervisors may adjust the employee's meal break schedule, if necessary, to ensure that the employee receives at least thirty (30) minutes of unpaid uninterrupted meal break time.

3. Some non-exempt positions are expected to be available during their meal breaks and as such are compensated for the meal break.

F. **Lactation Breaks:** PMGAA accommodates nursing ~~mothers~~ by providing a reasonable amount of break time to any employee each time such employee has the need to express breast milk for an infant child for up to one year from the birth of the child. This lactation break time shall, if possible, run concurrently with any break time and/or meal breaks already provided to the employee.

SECTION 3.4: FAIR LABOR STANDARDS ACT (FLSA) STATUS/OVERTIME

A. **Exempt Employees**: Certain employees shall be considered exempt from the FLSA, in accordance with FLSA exemption criteria.

1. Exempt employees shall not be entitled to overtime compensation and shall work whatever time is necessary to meet departmental needs and organizational service delivery demands.

2. For purposes of public accountability, all FLSA exempt employees must use accrued leave for absences of more than four (4) consecutive hours unless approval is given by the Supervisor. Otherwise, FLSA exempt employees who do not have accrued leave available may have their pay docked. FLSA exempt employees generally need not use accrued leave for absences of four (4) consecutive hours or less in a work day. Supervisor approval is required for any absence from work.

B. **Non-Exempt Employees**: Certain employees shall be considered non-exempt, in accordance with FLSA criteria.

1. **Overtime**: Overtime pay is administered in accordance with applicable federal and state laws.

   a. Overtime will be paid at one and one-half (1 ½) times the employee's regular rate of pay.

   b. Overtime is based on a scheduled forty (40) hour work week, not on an eight (8) hour day. Overtime pay is earned only for hours worked during the established work week after forty (40) hours have been completed.

c. For purposes of calculating overtime pay, only hours worked will be counted. Holidays hours will be counted as hours worked, only if the hours are actually worked. Sick and Vacation time will not be counted as time worked.

d. For the purposes of calculating overtime pay, the standby hours paid during a work week are not included in the hours worked.

SECTION 3.5: SHIFT DIFFERENTIAL

The Airport Authority provides additional compensation (shift differential) to employees working in specified non-exempt positions during specified evening and nighttime work hours. The shift differential compensation amount shall be $1.00 for each hour of work performed by a non-exempt employee in an eligible position between the hours of 5:00 p.m. and 5:00 a.m.

SECTION 3.6: STANDBY AND CALLOUT PAY

A. An employee who is eligible (non-exempt employee) for overtime pay is eligible for standby and call out pay.

B. Standby pay is payment received by an employee to pay the employee for being required to be available to provide services for a business need or an emergency during a designated specific period of time. An employee on standby on a day normally scheduled to work shall be paid one (1) hour of base pay as standby pay for that day. An employee who is on standby on a day on which the employee is not normally scheduled to work shall receive two (2) hours base pay for that day.

C. Call out pay is pay received by an employee for actually working during a time the employee is not normally scheduled to work, in response to a call out for a business need or an emergency. An employee who is called out for emergency service shall be paid one and one-half (1 ½) times the hourly base pay rate for a minimum of one (1) hour payable for the employee's regular scheduled work day or a minimum of two (2) hours payable for the employee's regular day off.

IV. BENEFITS

SECTION 4.1: INSURANCE PROGRAMS

Eligibility: All full-time employees are eligible to participate in employee health and welfare insurance programs beginning the first of the month after thirty (30) days of employment.

SECTION 4.2: RETIREMENT

All full time and qualifying part-time employees are required to participate in the Arizona State Retirement System (ASRS). ASRS is a cost-sharing, public employee, tax qualified, defined benefit plan. Both the employee and employer contribute to the member's retirement at an equal percentage of compensation. The appropriate percentage for contributions may change each fiscal year based on ASRS actuarial evaluation.

SECTION 4.3: ABSENCE FROM WORK

Absence from work is subject to supervisory approval. All requests for absence from scheduled work should be submitted to the employee's supervisor with as much advanced notice as possible prior to the beginning of the absence or as soon as possible for emergencies. The request must be submitted and approved by the employee's supervisor. This applies to paid and unpaid absences.

~~A. **Unexcused Absences:** An employee who is absent from duty for any period of time without supervisory approval is considered to have an unexcused absence and subject to disciplinary action. An unexcused absence of three (3) or more consecutive work days is considered to be abandonment of PMGAA employment and will be treated to have voluntarily resigned his/her position as of the end of the employee's scheduled shift on the third day.~~

A. **Paid Absences:** The time an employee is absent from work but receiving pay is considered paid time off. ~~The following fall under this category: observance of a holiday, vacation, sick, flex time, personal time, jury/witness duty, and administrative leave.~~ An employee on paid time off shall be paid at their effective rate of pay (not including shift differential pay), unless otherwise noted. All paid time off can be taken in quarter (¼) hour increments.

B. **Unexcused Absences:** An employee who is absent from duty for any period of time without supervisory approval is considered to have an unexcused absence and subject to disciplinary action.

C. **Job Abandonment:** An unexcused absence of three (3) or more consecutive work days is considered to be abandonment of PMGAA employment and will be treated to have voluntarily resigned their position as of the end of the employee's scheduled shift on the third day.

SECTION 4.4: HOLIDAYS

A. **PMGAA Observed Holidays**: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, and Christmas Day.

B. **Observation of Holidays**: When the holiday falls on a Sunday, it will be observed on the following Monday. When a holiday falls on a Saturday, it will be observed on the preceding Friday. For continuous, seven day operations, or work schedules that include a Saturday and/or Sunday, the holiday shall be observed on the calendar day of the holiday.

C. **Holiday Pay**: Every full-time and part-time benefited employee will receive pay for ~~his/her~~their regular scheduled workday (at a max of 12 hours) for every holiday observed by PMGAA. When a holiday falls on the employee's scheduled day off, the employee will be allowed to use that day as an alternate holiday, unless otherwise determined by the department as stated below. This alternate holiday must be used by the end of the fiscal year and shall not carry over, unless otherwise approved by the Executive Director.

1. In select areas, ~~when a holiday falls on the employee's scheduled day off,~~ non-exempt employees will be paid for ~~that day~~the holiday on the day the holiday falls regardless of work schedule. This is determined by the Department Director based on business needs.

2. A non-exempt employee who works on an observed holiday shall, in addition to holiday pay, receive pay for all hours worked on the holiday at the rate of one and one-half (1 ½) times ~~his/her~~their regular rate of pay.

3. **Holidays during Paid Leave**: Full-time and benefited part-time employees on PMGAA paid leave when a holiday occurs will receive the holiday pay and this holiday time off will not be charged as vacation or sick leave.

4. **Holidays during Unpaid Leave**: Full-time and benefited part-time employees~~An employee who is~~ on an authorized unpaid leave of absence shall not be paid holiday pay unless the employee works on the employee's scheduled workday either the day before or the day after the holiday.

5. **Starting Employment**: If an employee's first day of employment is the day after a holiday, the employee will not receive pay for the holiday.

6. **Terminating Employment**: If an employee's last day worked (employment termination day) is on the day before a holiday, the employee will not receive pay for the holiday. All unused alternate holiday time, not taken by the last day of employment, will be forfeited.

SECTION 4.5: VACATION

A. **Accrual:** Employees will accrue vacation leave based on their most recent hire date, in accordance with the following schedule:

Full-time Employees	**Vacation Accrual**
Fewer than two years	Eight hours per month
Two to five years	Ten hours per month
Five to ten years	Twelve hours per month
Ten to fifteen years	Fourteen hours per month
Fifteen or more years	Sixteen hours per month

Benefited Part-time Employees	**Vacation Accrual**
Fewer than two years	Four hours per month
Two years to five years	Five hours per month

Five to ten years .....Six hours per month

Ten to fifteen years .....Seven hours per month

Fifteen or more years .....Eight hours per month

1. An employee shall not accrue vacation hours for any pay period in which the employee has been on unpaid leave for 15 hours or more.

2. If a full-time employee works a regular schedule of less than 40 hours per week their accrual rate will be prorated based on the number of hours worked per week.

3. For partial months of employment, vacation hours will be accrued on a prorated basis.

4. The date for change in the accrual rate is the first day of the complete pay period immediately following the anniversary date of continuous employment.

5. For the purpose of determining the date of change in number of hours per month, accrual of vacation hours will be by continuous employment after the employee's most recent hire date, as provided in state and federal laws including the Family and Medical Leave Act (FMLA) Policy, military service pursuant to U.S. DOL USERRA or ARS. 26-168, 26-171, or 38-610 and any special leave without pay of thirty (30) days or less. If a special leave without pay exceeds thirty (30) days, the excess days over thirty (30) shall not be counted as continuous employment.

B. **Accrual Maximum**: The maximum accumulation of vacation hours that can be carried over into the next fiscal year is two hundred forty (240) hours for full-time employees and one hundred twenty (120) for benefited part-time employees. An employee who has in excess of two hundred forty (240) hours for full-time employees and one hundred twenty (120) hours for benefited part-time employees on June 30th of each year will be paid for the excess amount of time after June 30th, provided the full-time employee has taken eighty (80) hours vacation time and the benefited part-time employee has taken forty (40) hours during the fiscal year. If the employee has not taken the required amount of time during the year, all excess time shall be forfeited.

C. **Use of Vacation Hours**:

1. Eligibility to use accrued vacation hours shall begin after the employee has completed ninety (90) days of employment from ~~his/her~~their most recent hire date unless a written request was submitted and signed by Human Resources prior to the most recent hire date.

2. Vacation leave may be taken at any time approved by the employee's supervisor.

3. All previously approved absence requests are subject to supervisor revocation if required by operational considerations. However, every effort shall be made to avoid any adverse financial or personal impacts on employees as a result of having their "approved" absence revoked.

4. Vacation leave shall not be advanced to an employee nor may vacation leave be transferred between employees

5. Depending on the incident, an employee who becomes ill during a scheduled vacation may change vacation days to sick days with authorization from the Department Director and Human Resources.

D. **Vacation Hours at Separation:** A full-time or benefited part-time employee, who separates from the Airport Authority service by termination, resignation, retirement, layoff, or death, shall be paid for all unused vacation hours accrued. An employee who separates from employment for any reason before the completion of ninety (90) days service from ~~his/her~~their most recent hire date shall forfeit all accrued vacation hours.

SECTION 4.6: SICK LEAVE

A. **Accrual**: Employees will accrue sick leave in accordance with the following schedule:

Airport Authority Employees	Sick Leave Accrual
Fulltime Employees	Eight hours per month
Benefited Part-time Employees	Four hours per month
Non-Benefited Part-time Employees	One hour for every 30 hours worked to a max of 40 hours accrued per year

1. For partial months of employment, sick hours will be accrued on a prorated basis.

2. An employee shall not accrue sick hours for any pay period in which the employee has been on unpaid leave for 15 hours or more.

B. **Sick Time Conversion:** Unused accrued sick time is carried over from year to year with no cap, subject to the limitations on usage. Employees may elect to convert sick to vacation time under the following circumstances: ~~**Accrual Maximum**: The maximum accumulation of sick leave is one thousand forty (1,040) hours for full-time employees and five hundred twenty (520) hours for part-time employees. Any sick leave accrued in excess of the maximum accumulation of one thousand forty (1,040) hours or five hundred twenty (520) hours, shall be automatically converted to vacation leave on the basis of one (1) hour of vacation leave for every two (2) hours of excess sick leave accrued.~~

1. Full-time employees with a balance of four hundred eighty (480) hours can elect to convert 50% of future accrued sick time hours to vacation time.
2. Full-time employees with a balance of one thousand forty (1040) hours can elect to convert 100% of future accrued sick time hours to vacation time.

Employees who elect to convert sick time to vacation time in accordance with this section are required to complete the election form during the allotted time period, once per year.

C. Statutory Sick Leave (SSL):

Every calendar year, the first forty (40) hours of the accrued sick leave listed in Section 4.6 A will be designated as Statutory Sick Leave (SSL). SSL can be used for all of the same reasons as sick leave set forth in Section D.3 below. No employee shall be discriminated against or subjected to retaliation for requesting or using SSL, assisting any person in doing so, or for informing any person of their rights under this Rule of the Arizona Fair Wages and Healthy Families Act. An employee's use of SSL in accordance with this Rule and Arizona law shall not be a factor in any disciplinary action.

~~C.~~D. **Use of Sick Leave**:

1. Eligibility to use accrued sick leave hours shall begin on the date after the end of the pay period in which it is accrued.

2. Sick leave may be taken at any time approved by the employee's supervisor. The employee must notify ~~his/her~~their immediate supervisor a minimum of one (1) hour prior to the beginning of the work shift, unless the employee is unable to do so due to circumstances beyond the employee's control. Failure to report within the specified time period may result in the employee being docked a day's pay and subjected to disciplinary action.

3. Sick leave is available time off with pay for periods of an approved absence for an employee due to:

   a. Illness or injury, which renders the employee unable to perform the essential functions of the position.

   b. Disability caused by pregnancy, childbirth, or miscarriage.

   c. Examination or treatment by a licensed health care practitioner.

   d. Absence due to domestic violence, sexual violence, abuse, or stalking.

   e. Illness, injury, examination, or treatment of a member of the employee's immediate family by a licensed health care practitioner. For the purpose of this section the term immediate family means the employee's spouse, committed partner, child, stepchild, parent, stepparent, grandparent, mother-in-law, father-in-law, sister, sister-in-law, brother, brother-in-law, son-in-law, daughter-in-law, stepparent-in-law, grandchild and minor child or an adult for whom the employee is a legal guardian.

4. Once the employee has been out on sick leave for three or more consecutive work days, a supervisor, in conjunction with Human Resources, may require submission of evidence from a licensed health care practitioner substantiating the need for sick leave.

5. The supervisor, in conjunction with Human Resources, may require the employee to obtain written approval from the licensed health care practitioner as to the employee's fitness for duty and if employee has any work restrictions prior to the employee's returning to work.

6. A supervisor, in conjunction with Human Resources, may require an employee to be examined by a licensed health care practitioner designated by the Airport Authority. If the licensed health care practitioner determines that the employee should not work due to illness or injury, the supervisor may place the employee on sick leave. If the licensed health care practitioner determines that the employee can return to work but cannot perform the essential functions of ~~his/her~~their position, the Airport Authority will investigate a possible reasonable accommodation for the employee. The Airport Authority shall pay for all examinations directed by and required by the Airport Authority. The employee shall not be charged any leave while participating in or traveling to or from any examination required pursuant to this paragraph.

7. For all illness-related absences, sick leave will be used first followed, if needed, by vacation leave. After the sick and vacation leave time is used, the employee will then go on unpaid status, and may be

considered for discharge for inability to perform the essential functions of ~~his/her~~their position other than as protected by state and federal laws or request a special leave without pay.

8. A supervisor, in conjunction with Human Resources, may send an employee home who is reasonably believed to be ill at work. In these instances, the employees sick time will be used first, followed by, if needed and with supervisory approval, other forms of paid time off or unpaid status.

9. A supervisor receiving a request from an employee requesting and/or using sick leave that spans three or more consecutive work days must notify Human Resources. This information may be necessary to allow the Airport Authority to comply with the federal Family and Medical Leave Act (FMLA).

~~9.~~10. All accrued sick leave not designated as Statutory Sick Leave (i.e. after the first 40 hours of paid sick leave used per year) will be subject to the rules, policies and regulations applicable.

~~D.~~E. **Sick Leave Hours at Separation**:

1. **Termination**: An employee who terminates Airport Authority service will forfeit all accumulated sick leave except as follows:

   a. After 10 years of employment the employee shall be compensated for accumulated sick leave at a rate of twenty-five (25) percent of their accumulated sick leave hours at the employee's current base rate of pay.
   b. After 15 year of employment the employee shall be compensated for accumulated sick leave at a rate of fifty (50) percent of their accumulated sick leave hours at the employee's current base rate of pay.
   c. An employee who retires from Airport Authority service or dies shall be compensated for accumulated sick leave at a rate of fifty (50) percent of their accumulated sick leave hours at the employee's current base rate of pay.

All sick leave payouts set forth in (a) – (c) above will be at the employee's current base rate of pay with a maximum total payout of 520 hours.

~~for any reason other than retirement or disability shall forfeit all accumulated sick leave.~~

~~1. **Retirement/Death**: An employee who retires from Airport Authority service or dies shall be compensated for accumulated sick leave at the rate of fifty (50) percent of the accumulated sick leave hours at the employee's current base rate of pay.~~

2. **Disability Termination**: For an employee that terminates employment because of ~~his/her~~their disability as defined in The Americans with Disability Act (ADA) Amendments Act, at the discretion of the Executive Director on a case-by-case basis, a determination will be made as to whether ~~he/she~~they will be compensated for accumulated sick leave. If the determination is that the employee is to be compensated, ~~he/she~~they will be compensated at the rate of fifty (50) percent of the accumulated sick leave hours at ~~his/her~~their current base rate of pay (maximum payout of 520 hours).

~~E.~~F. **Sick Leave Donation**: Phoenix-Mesa Gateway Airport Authority offers a sick leave donation program for employees who has successfully completed the new hire probationary period. (See Organizational Policy #400.15 Donated Leave Program.)

SECTION 4.7: BEREAVEMENT LEAVE

In the event of a death in the immediate family of an employee, the full-time or benefited part-time employee may be granted four~~three~~ (~~3~~4) days of ~~leave and~~ bereavement pay. For the purpose of this section the term immediate family is defined as employee's spouse, committed partner, child, stepchild, ~~mother, father~~parent, ~~sister, brother~~sibling, stepparent, ~~mother-in-law, father-in-law, brother-in-law, sister-in-law, stepparent-in-law,~~ grandparent, ~~grandparent-in-law,~~ and grandchild~~, aunt, uncle, daughter-in-law, and son-in-law~~.

In the event of a death in the extended family of an employee, the full-time or benefited part-time employee may be granted two (2) days of bereavement pay. For the purposes of this section the term extended family is defined as employee's aunt, uncle, mother-in-law, father-in-law, brother-in-law, sister-in-law, stepparent-in-law, grandparent-in-law, daughter-in-law and son-in-law.

Before the leave or upon return to work, the employee must record ~~his/her~~their absence as Bereavement Leave and submit the request to ~~his/her~~their supervisor. Proof of death and relationship to the deceased may be required. If an employee requires leave beyond the allotted ~~three (3)~~ days, it will be charged to sick or vacation.

SECTION 4.8: WORKERS COMPENSATION LEAVE

A. Workers' compensation is governed by the laws found in Article 18, Section 8 of the Arizona State Constitution, Chapter 6 of Title 23 of the Arizona Revised Statutes (A.R.S.) 23-901. The Industrial Commission of Arizona (ICA) administer and enforce all applicable laws and regulations not specifically delegated to others, relative to the protection of life, health, safety, and welfare of employees within the state.

B. An employee who sustains a job-related injury or illness is required to report the incident to their supervisor or Human Resources and may be eligible for workers' compensation benefits in accordance with the State of Arizona law.

C. An employee who is absent from work due to a job-related injury or illness will have this time designated as Family Medical Leave (FMLA). During the period of worker's compensation leave, the employee's vacation and sick leave accrual will cease and performance-based increases shall not be granted.

SECTION 4.9: JURY OR WITNESS LEAVE

A leave of absence for jury duty will be granted to any full-time or part-time employee who has been notified to serve. Employees receive jury duty or witness pay if summoned on scheduled work days/hours. The employee shall be granted paid Jury Duty or Witness Leave for a maximum of thirty (30) work days per year. If an employee is subpoenaed to testify as a witness in an Airport Authority-related case or hearing, this time will be considered work time.

SECTION 4.10: ELECTION LEAVE

An employee must request an election leave accommodation to vote at least one (1) day before Election Day. On days when elections for public office and all primary and general elections are scheduled throughout the state, county, city, or town in which the employee works, schedules will be changed as needed to ensure that work either starts at least three (3) hours after the polls open or ends at least three (3) hours before polls close. An employee living in other localities or states will need to inform ~~his/her~~their supervisor in advance if ~~he/she~~they expect~~s~~ any conflict between ~~his/her~~their work schedule and the exercise of voting rights. No employee will be penalized or retaliated against for requesting time off to vote.

SECTION 4.11: FAMILY MEDICAL LEAVE (FMLA)

The Airport Authority supports and complies with the federal Family and Medical Leave Act of 1993 (FMLA), as amended. (See Organizational Policy #400.05 - Family and Medical Leave).

SECTION 4.12: MILITARY LEAVE

The Airport Authority complies with the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) and all other state, federal and local laws regarding military leave. (See Organizational Policy #400.11 – Military Leave)

SECTION 4.13: SPECIAL LEAVE

A special leave is any absence from work in excess of thirty (30) consecutive ~~calendar~~ days that is not covered by the FMLA or Military Leave. In addition, a special leave is any additional time-off required after exhaustion of FMLA. Special leave includes, but is not limited to extended use of paid and unpaid time off, leave for a non-FMLA eligible employee, or leave for a non-FMLA eligible circumstance. Special leaves may be for a medical or non-medical condition.

A. **Approval**: All requests for special leave must be approved in advance and in writing by the employee's department director and the Human Resources Director. The initial approval period for special leave duration will be for a period of twelve (12) weeks or less. The Executive Director may approve extensions of special leaves for more than twelve (12) weeks.

B. **Use of Time**: An employee may be required to exhaust any available paid time off categories prior to using unpaid time.

C. **Return to Work**:

1. An employee who is able to return to work after a period of special leave may be approved to return to a position in the class held at the start of the special leave, if such a position is available and funded. If such a position is not available and funded, the employee may be terminated.
2. An employee returning from special leave must notify Human Resources at least two (2) business days prior to the scheduled return. If the conditions for the leave change, the employee must notify Human Resources as soon as possible.

D. **Insurance Premiums**: An employee on unpaid special leave may be responsible for the payment of the entire insurance premium for ~~his/her~~them and their dependent(s) coverage.

SECTION 4.14: TRAINING AND DEVELOPMENT

The Airport Authority offers a variety of training and development opportunities in order to assist an employee in performing ~~his/her~~their position more productively, preparing for future responsibilities, and encouraging self-improvement and growth. These educational opportunities may be available as internal and/or external training.

A. **Responsibility and Availability**: Supervisors, managers or directors and Human Resources have joint responsibility to ensure that all employees receive necessary training. The Airport Authority may

reimburse an employee for certain expenses incurred when ~~he/she~~they successfully complete~~s~~ an external position-related course with prior approval.

B. **Required Training**: The Airport Authority shall pay all costs associated with the attendance by an employee at any course, seminar, or workshop required of the employee by the Airport Authority. The employee shall not be charged any type of leave while in attendance at such a course. The employee shall be considered to be on duty while at the course and for travel time proceeding to and from the course. Travel time does not include an employee's normal commute to and from ~~his/her~~their regular worksite for departure to the training. Hours worked for training that requires out-of-town travel and/or an overnight stay, for a non-exempt (hourly) employee will be determined in compliance with the Fair Labor Standards Act (FLSA) hours worked regulations.

SECTION 4.15: TUITION REIMBURSEMENT

Eligibility: To qualify for tuition reimbursement, an employee must have successfully completed the new hire probation period and be classified as a full-time employee prior to enrolling in the course. (See Organizational Policy #400.10 – Tuition Reimbursement)

V. WORKPLACE STANDARDS

SECTION 5.1: EMPLOYEE CONCERNS

Phoenix-Mesa Gateway Airport Authority (PMGAA) is committed to maintaining a formal mechanism that allows employees to resolve misunderstandings and preserve positive relations between management and other employees. Employees and supervisors shall, to the greatest extent possible, work cooperatively together to resolve work-related concerns. If an employee is unable to resolve a work-related concern, or ~~he/she~~they feels there is a perceived misapplication of written Airport Authority rules or policies, the employee is encouraged to bring this concern to the appropriate chain of command or to the Human Resources Director for review.

SECTION 5.2: RESPECTFUL WORKPLACE

Phoenix-Mesa Gateway Airport Authority is committed to providing and maintaining an environment conducive to the safety and health of its employees, tenants, and customers. PMGAA prohibits harassment, sexual harassment, illegal discrimination, gender bias, workplace violence, or unlawful activity as defined by state and federal law, including Title VII of the Civil Rights Act, the Age Discrimination Act, and the Americans with Disabilities Act. (See Organizational Policy #400.01- Anti-Harassment and Discrimination)

SECTION 5.3: ALCOHOL AND DRUG FREE WORKPLACE

Phoenix-Mesa Gateway Airport Authority is committed to providing a workplace free of drugs and alcohol. PMGAA will conduct alcohol, drug, and/or controlled substances testing under all circumstances required by federal or state law. In addition, PMGAA may conduct substance abuse testing when permitted by law which may include, but is not limited to: pre-employment or pre-placement testing, reasonable suspicion testing, random testing, post-accident testing, and follow up testing. (See Organizational Policy #400.14 – Alcohol and Drug Free Workplace)

SECTION 5.4: SMOKE FREE WORKPLACE

Phoenix-Mesa Gateway Airport Authority prohibits smoking including vaping in all Airport operated facilities and vehicles. Smoking and vaping is prohibited within twenty (20) feet of the Airport operated building entrances, from the gathering of non-smokers, and where appropriate signage is posted in enclosed areas. This

complies with the City of Mesa ordinance entitled Smoking Regulations and Healthier Smoke Free Environments, under Title 6, Chapter 11 of the Mesa City Code and the Smoke-Free Arizona Act.

~~**SECTION 5.5: PROBATION**~~

~~All new employees and employees receiving a promotion or demotion shall serve a six (6) month probation period, during which an employee's performance in the new position is evaluated. The successful completion of the probationary period should not be construed as creating a contract or as guaranteeing employment for any specific duration or as establishing a just cause termination standard. Employment with the Airport Authority remains at-will, that is the Airport Authority may terminate an employee, or an employee may terminate his/her employment, with or without cause, and with or without notice, at any time.~~

SECTION 5.6: PERFORMANCE EVALUATIONS

All Airport Authority employees shall receive a performance evaluation annually based on a common review date. In conjunction with the annual performance evaluation, an employee may become eligible for consideration of a performance-based pay increase when applicable and based on the fiscal year budget. (See Organizational Policy #400.06 - Performance Evaluations)

SECTION 5.7: CHANGES IN ASSIGNMENT

A. **Promotion**: A posted promotional opportunity is open to an employee(s) who meets the minimum qualifications. On occasion, a posted promotional opportunity may be limited to employees in specific positions or departments.

   1. An employee who is promoted typically receives an increase in pay rate which is five percent (5%) higher than ~~his/her~~their previous pay rate, or the minimum pay rate of the new pay range; whichever is greater. Increases greater than five percent (5%) shall be approved by the Executive Director unless it is to bring them to the minimum pay rate of the new pay range. If the date of promotion falls within thirty (30) days of the common review date, the employee shall receive both the performance increase based on the fiscal year budget and the promotional increase unless the promotional increase is greater than 8%.

   2. An employee who is on disciplinary probation may not be considered for promotional opportunities.

   3. An employee who has been demoted for cause may not be considered for a promotion until ninety (90) days after the effective date of the demotion.

B. **Criteria-Based Promotion**: An employee may be promoted from one class to another class (with a higher maximum pay range) in a class series based on pre-approved criteria, without a competitive examination, with the approval of the Department Executive.

   1. An employee who is promoted through a criteria-based promotion typically receives an increase in pay rate which is five percent (5%) higher than ~~his/her~~their previous pay rate, or the minimum pay rate of the new pay range; whichever is greater. Increases greater than five percent (5%) shall by approved by the Executive Director unless it is to bring them to the minimum pay rate of the new pay range.

   2. If the criteria-based promotion falls within thirty (30) days of the common review date, the employee shall receive both the performance pay increase based on the fiscal year budget and the promotional increase unless the promotional increase is greater than 8%.

3. An employee who is on disciplinary probation is not eligible to be considered for a criteria-based promotion.

C. **Demotion**: It shall be considered a demotion when an employee moves from one classification to another in a lower pay grade. An employee may be demoted, with the approval of the Department Executive, for inability of the employee to meet the requirements of the employee's position; at the request of the employee; and/or for the convenience of the Airport Authority. (See section 5.12 for Disciplinary Demotion)

1. When appropriate, an employee who is demoted for failing to meet the requirements of the position may be demoted to a formerly held position, if available, and the employee's pay rate shall be returned to the pay rate of ~~his/her~~their formerly held position.

2. An employee who requests a demotion shall be paid at a rate within the positions pay range unless otherwise approved by the Executive Director.

3. An employee demoted for the Airport Authority's convenience typically will continue to receive the same pay rate as before the demotion. If this pay rate is higher than the maximum of the new position's pay range, the employee's pay rate will be "frozen" until the pay range for the new position reaches the employee's pay rate, at which point the employee will again be eligible for pay rate increases.

4. An employee demoted shall be placed on a six (6) month probation period.

D. **Transfer**: Management will make final decisions regarding transfers in conjunction with Human Resources. The transferred employee may maintain the same common review date. However, if the duties and responsibilities are sufficiently different from those previously performed, the employee may be placed on a six (6) month probation period.

1. **Compensation:** The pay rate of an employee whose position is transferred from one classification to another classification having the same pay range shall remain the same unless approved by the Executive Director.

2. **Intra-Department Transfer:** An employee may be transferred to a different position within the same department with the same pay range, with the approval of the Department Director and notification to the Human Resources Director.

3. **Inter-Department Transfer:** An employee may be transferred to a position in a different department with the same pay range with the approval of both the current and prospective director or manager, and with notification to the Human Resources Director. Each transfer is determined on an individual basis, depending on the needs of both departments involved.

4. **Reason for Transfer:** An employee may be transferred at the employee's request, or for the convenience of the Airport Authority.

5. **Qualifications**: A transferred employee must meet the minimum qualifications for the class to which the employee may be transferred.

E. **Special Assignments**: With the approval of the Department Executive, an employee may be placed on a special assignment for assuming higher level job responsibilities for a period of greater than one month.

1. **Compensation:** An employee placed on special assignment shall receive a five (5%) salary increase to compensate the employee for the higher-level work performed. The Executive Director may approve more than a five (5%) increase in pay.
2. **Duration:** No special assignment shall extend beyond a period of one (1) year unless approved by the Executive Director.

3. **Review Date:** During the period of a temporary assignment, the employee continues in the common review date schedule, and continues to be eligible for performance-based pay increases based on the pay range established and fiscal year budget for the employee's regular position.

SECTION 5.8: SEPARATIONS

A. **Resignation**: It is customary for an employee in good standing who wishes to resign, to submit written notice at least two (2) weeks in advance.

1. At the Executive Director's sole discretion, an employee who has submitted a notice of resignation may be required to cease working for the Airport Authority immediately.

2. An employee who has submitted a resignation may submit in writing a withdrawal of resignation. The decision to accept the withdrawal will be based on the consent of the director, the Human Resources Director, and the Executive Director.

3. An employee who is unable to work due to a medically certified disability may apply for long-term disability if eligible. This application shall be treated as the resignation from PMGAA employment.

B. **Reduction in Workforce**: The Executive Director may institute a layoff of employees due to lack of funds, lack of work, or any other business reason. The Executive Director shall determine the timing and number of employees to be laid off. Layoff will be performed in a manner which best facilitates the reason(s) behind the layoff. Upon approval of the Executive Director, an employee subject to layoff may be transferred to a vacant position.

SECTION 5.9: STANDARDS OF CONDUCT

A. In addition to the conduct prohibited to all Arizona public employees by Arizona Revised Statutes, a violation of the Standards of Conduct listed below is cause for discipline up to and including termination. The following list of examples is not inclusive of every act that may be subject to disciplinary action up to and including termination:

1. Incompetence or inefficiency in the performance of duties.

2. Violation of any policy or procedure, lawful or official regulation or order.

3. Failure to obey lawful and reasonable directives given by management.

4. Abusiveness in attitude, language, or conduct to the public or fellow employees.

5. Being absent from work without authority or having excessive absences that effect productivity, the efficiency or effectiveness of the department, or impedes the work unit.

6. Participation in unlawful or improper conduct that adversely affects an employee's relationship to the position, position's duties, to other employees, or that in any way discredits the Airport Authority's reputation or goodwill in the community.

7. Engaging in unlawful harassment or discriminatory conduct against another individual on the basis of race, color, gender, religion, national origin, age, disability, veteran status, or genetics or engaging in retaliation against another for filing a complaint or participating in any investigation.

8. Conviction of a felony, failure to report a felony or misdemeanor conviction, and/or failure to report any felony arrest. Employees are required to report a felony arrest and a felony misdemeanor conviction to Human Resources or their supervisor upon the start of the employee's next scheduled workday following the conviction or arrest.

9. Jeopardize safety or to place oneself or another individual in an unsafe environment.

10. Falsify, misuse, or provide unauthorized use of Airport Authority documents or records, make false statements concerning duties with the Airport Authority, or use of misrepresentation to obtain a position with the Airport Authority.

11. Steal, damage, misuse, or misappropriate property, products, or equipment that belong to the Airport Authority, other employees, or visitors due to negligence or willful misconduct.

12. Commit fraud or other illegal acts regarding interfacing with or the use of the Airport Authority funds.

13. Possession of unauthorized firearms, dangerous items, weapons, or explosives on Airport Authority property.

14. Failure to maintain minimum standards, licenses, or qualifications required for one's position.

SECTION 5.10: ADMINISTRATIVE LEAVE

An employee may be placed on administrative leave with the approval of the Executive Director and the Human Resources Director. Administrative leave is to be used when the circumstances warrant the employee be temporarily relieved from ~~his/her~~their duties pending an investigation or administrative process. While on administrative leave, the employee will be paid their regular pay and is expected to follow departmental direction concerning requirements for leave time. Failure to comply and depending upon the circumstances and violations the employee may be subject to disciplinary action up to and including termination.

SECTION 5.11: DISCIPLINARY ACTIONS

Phoenix-Mesa Gateway Airport Authority utilizes disciplinary actions for employees who have committed infractions of employer policies and procedures. Depending upon the circumstances, violations may be subject to disciplinary action, up to and including termination of employment including immediate discharge from employment without prior warning or notice. This policy should not be construed as requiring the Airport Authority to use progressive discipline, or as a limitation on the right of the Airport Authority to take disciplinary action. Typically, actions taken against an employee may be any of the following:

A. **Written Reprimand**: A supervisor, manager or director may deliver a written reprimand to an employee as documentation to make the employee aware of unacceptable conduct or performance or for a violation of Airport Authority policies or procedures.

B. **Disciplinary Probation**: An employee may be placed on disciplinary probation, with the approval of the Department Executive, for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. Disciplinary probation will be up to twelve (12) months and cannot be extended beyond its original length. The probation can be ended early based on demonstrated improvement, with the approval of the Department Executive.

2. While on disciplinary probation, an employee will not be allowed to compete for any promotional opportunity and will not be eligible for any salary increases. Once the employee is removed from disciplinary probation they may be eligible for a performance-based increase at the next scheduled common review date based on performance and budget availability.

3. The Executive Director can approve a reduction in pay along with the disciplinary probation, if recommended by management.

C. **Suspension**: The Department Executive can approve the suspension of an employee from the employee's position without pay, at any time for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. Except in certain limited circumstances, an exempt employee may not be suspended for a period of less than one work week.

2. A suspended employee shall typically be notified prior to the start of the suspension. An employee suspended may be placed on disciplinary probation for a period of up to one year.

D. **Demotion**: With the approval of the Executive Director, an employee may be demoted at any time for unacceptable conduct or performance or for violation of Airport Authority policies or procedures.

1. An employee who is demoted for disciplinary reasons shall be paid at the highest level in the lower pay range that is at least five percent (5%) lower than the employee's salary prior to the demotion.

2. An employee demoted will be placed in a position for which ~~he/she is~~they are qualified.

3. An employee demoted shall be placed on a six (6) month probation period and if the demotion is within three (3) months of the common review date, the employee will have to wait until the next year to be eligible for a performance-based review.

4. An employee demoted for disciplinary reasons may not be allowed to compete for any promotional opportunity until ninety (90) days after the effective date of the demotion.

E. **Termination**: With the approval of the Human Resources Director and the Executive Director, an employee may be terminated from the Airport Authority service for any reason that the Airport Authority decides, in its sole discretion, justifies such an action.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-45

To:	**Board of Directors**
From:	**Lori Collins, Business and Economic Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Easement Extinguishment and Exchange Agreement**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

Mesa BA Land, LLC is the owner of a 52.6-acre property at the northeast corner of Ellsworth Road and Pecos. This property is subject to a perpetual easement which was conveyed by General Motors Corporation to the United States of America in 1977 and was granted for the establishment of a restrictive use area for the operation of aircraft to and from the air installation formerly known as Williams Air Force Base. The perpetual easement was assigned by the United States of America to the Phoenix-Mesa Gateway Airport Authority (PMGAA) in 1998. The property was previously part of the General Motors Proving Grounds and has remained vacant and unimproved. The land impacted by the Easement is not contiguous to the Airport and is located on the east side of Ellsworth Road.

Only a ±19-acre portion of the Easement is needed to continue to provide protection for the Airport's existing Runway Protection Zone (RPZ) and ultimate Runway Protection Zone. As such, Mesa BA Land, LLC has asked PMGAA to extinguish the Easement and thereby remove the restrictions placed on their property and allow them to develop the property in accordance with the City of Mesa's General Plan, which allows for commercial, industrial and other employment-related uses that are compatible with the Airport. In exchange for extinguishing the Easement, Mesa BA Land, LLC has agreed to convey the 19 acres (Conveyance Property) to PMGAA. The property transfer benefits the Airport by placing the acreage needed for the Ultimate RPZ under PMGAA property ownership and not just subjecting it to use restrictions.

PMGAA is required to coordinate with the Federal Aviation Administration (FAA) on property release efforts such as extinguishing the Easement. The FAA conducts a review of a variety of issues including how the property was acquired, PMGAA's justification for the release, current condition of the property to be released, and property valuation. PMGAA has coordinated with the FAA on most of the information required except for a PMGAA Board approved resolution authorizing the extinguishment of the Easement. If the PMGAA Board approves the proposed resolution, staff will submit the resolution to the FAA and the FAA will initiate a 30-day Federal Register notification. The FAA will issue an Instrument of Release upon satisfaction of their review and notification requirements.

Fiscal Impact
PMGAA will receive title to the Conveyance Property from Mesa BA Land, LLC in exchange for extinguishing the Easement.

Attachment(s)
1) Easement
2) Diagram of Easement
3) Exchange Agreement

RESOLUTION NO. 24-45

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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 fee title to an approximately 19.6-acre parcel;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes 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 fee title to an approximately 19.6-acre parcel. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes to the Exchange Agreement as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

19771011_DKT_12479_6 Unofficial Document

Williams Air Force Base, AZ
Maricopa County
Tract No. 400 (AICUZ)

[illegible] (S)
298650

D.O. 2433

EASEMENT

FOR AND IN CONSIDERATION of the sum of THIRTY FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS, ($35,500.00), the receipt of which is hereby acknowledged, GENERAL MOTORS CORPORATION, a Delaware corporation, duly authorized to do business in the State of Arizona, having its principal office at 3044 West Grand Boulevard, Detroit, Michigan 48202, does hereby grant and convey to the

UNITED STATES OF AMERICA and its assigns

a perpetual and assignable easement in the land described as follows:

That portion of land situate in the West one-half of the Southwest one-quarter of Section 34, Township 1 South, Range 7 East, Gila and Salt River Meridian, in the County of Maricopa, State of Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 34; thence North 1° 08' 38" West along the West line of said Section 34, a distance of 2473.81 feet; thence South 44° 32' 48" East a distance of 1823.31 feet to the West one-sixteenth line of said Section; thence South 1° 08' 38" East along said West one-sixteenth line of Section 34, a distance of 1183.75 feet to the South line of said Section; thence North 89° 33' 34" West along the said South line of Section 34, a distance of 1253.32 feet to the POINT OF BEGINNING,

Containing 52.60 acres, more or less;

for the establishment, maintenance and operation of a restrictive use area for the operation of aircraft to and from the air installation currently known as Williams Air Force Base (hereinafter referred to as the base) consisting of the following rights in the said land for the following purposes:

1. The right to make low and frequent flights over said land and to generate noises associated with:

a. aircraft in flight, whether or not while directly over said land;

b. aircraft and aircraft engines operating on the ground at said base; and

c. aircraft engine test-stand operations at said base.

2. The right to regulate or prohibit the release into the air of any substance which would impair the visibility or otherwise interfere with the operations of aircraft, such as, but not limited to, steam, dust and smoke.

3. The right to regulate or prohibit light emissions, either direct or indirect (reflective), which might interfere with pilot vision.

4. The right to prohibit electrical emissions which would interfere with aircraft and Air Force communications systems or aircraft navigational equipment.

5. The right to prohibit and remove any buildings or other nonfrangible structures.

6. The right to top, cut to ground level, and to remove trees, shrubs, brush, or other forms of obstruction which the officer having command of the base determines might interfere with the operation of aircraft, including emergency landings.

7. The right of ingress and egress upon, over, and across said land for the purpose of exercising the rights set forth herein.

8. The right to post signs on said land indicating the nature and extent of the United States' control over said land.

9. The right to prohibit all land uses other than the following:

a. agriculture;

b. grazing (excluding feed lots and dairy herds);

c. permanent open space;

d. existing water areas;

e. rights-of-way for fenced two-lane highways, without sidewalks or bicycle trails, and single track railroads;

f. communications and utilities rights-of-way; and

g. development and use of private test roads for passenger car and truck tests and necessary drainage for the test roads, provided that there shall be no above ground facilities constructed.

10. The right to prohibit entry of persons onto the land except in connection with activities authorized under a, b, e, f, and g above.

SUBJECT, however, to existing easements for public roads and highways, public utilities, railroads and pipelines; to the reservations, exceptions and any other outstanding rights contained in or referred to in patents issued by the United States; and to the easement for flood control purposes recorded in Docket 3973 at page 463 in the Office of the County Recorder of Maricopa County.

RESERVING, however, to the Grantor, its successors and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easements hereby acquired.

AND FURTHER, for the consideration recited above, the Grantor agrees to abide by the following covenant which shall run with the land: that the payment by the United States of the consideration recited above shall constitute full fair value and full compensation to the Grantor for the easement and rights granted herein, whether such easement and rights shall be exercised by the United States or by any of its grantees, and the Grantor expressly releases and relinquishes any and all claims against any of the aforenamed for further or future payment of consideration for the aforesaid easement and rights granted herein.

Unofficial Document

AND THE SAID GRANTOR COVENANTS to and with the said Grantee and its assigns that it is lawfully seized and possessed in fee of the premises in which the above easement is granted; that it has a good and lawful right and power to sell and convey the said easement; that the same are free and clear of all encumbrances except as above noted; and that it will, and its successors shall, warrant and forever defend the title to the said easement against the lawful claims and demands of all persons whomsoever.

SIGNED, SEALED, AND DELIVERED, this 5th day of July, 1977.

In presence of:

P. J. Metz

V. D. Register

GENERAL MOTORS CORPORATION,
a Delaware corporation

By P. J. Coletta

Title Vice President

ATTEST: Marguerite Novelli
Assistant Secretary

EXECUTION RECOMMENDED
ACCOUNT REALTY DIVISION
BY J. E. Tolmi

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

On this the 5th day of July, A.D. 19 77, before me appeared P. J. Coletta and Marguerite Novelli to me personally known, who being by me duly sworn, did say to me that they are respectively Vice President and Assistant Secretary of GENERAL MOTORS CORPORATION, a Delaware corporation, and that the Corporate Seal affixed to the foregoing instrument is the Corporate Seal of said corporation, and the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and that the said P. J. Coletta and Marguerite Novelli acknowledged the said instrument to be the free act and deed of said corporation.

Unofficial Document

Joyce M. Wojewodzic
Notary Public, Wayne County, Michigan

My commission expires:

August 8, 1979

Notary Public, Wayne Co., Mich.
My Commission Expires 8-8-79

STATE OF ARIZONA } ss
County of Maricopa }

I hereby certify that the within instrument was filed and recorded at request of
USERE TITLE COMPANY OF ARIZONA

OCT 11 1977 -12 55

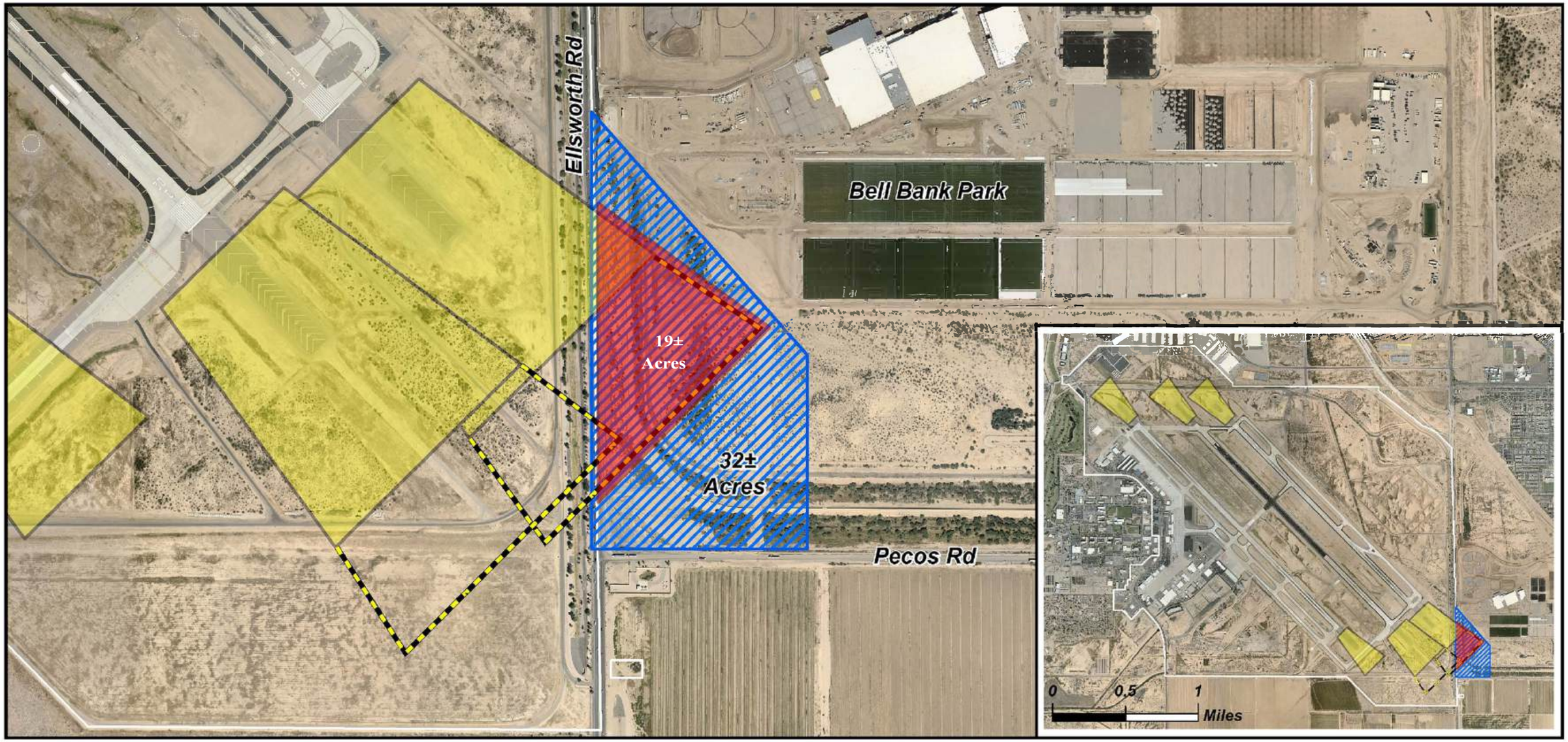
in Docket 12479
on page 675-677

Witness my hand and official seal the day and year aforesaid.

Tom Freeshine
County Recorder

By R. Brunke
Deputy Recorder

2.00



Phoenix-Mesa
Gateway
Airport

Phoenix-Mesa Gateway Airport Authority makes no claims concerning the accuracy of this map nor assumes any liability resulting from the use of the information herein. PMGAA, 2023.

Diagram of Easement

- Easement to Relinquish
- Conveyance Property
- Runway Protection Zone (RPZ)
- Ultimate RPZ
- Airport Boundary

N

0 500 1,000 Feet

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT ("Agreement") is made and entered into as of August ____, 2024 ("Execution Date") by and between PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona ("Authority") and MESA BA LAND, LLC, a Delaware limited liability company ("Mesa BA Land") (each a "Party" and collectively, the "Parties").

RECITALS

A. Authority, as successor in interest to the United States of America, is the grantee of the Easement (as defined below);

B. Mesa BA Land, as successor in interest to General Motors Corporation, is the current owner of the property subject to the Easement as more particularly described on **Exhibit A** ("Easement Property");

C. Mesa BA Land requested that the Authority fully and completely terminate the Easement, and the Authority has agreed to fully terminate the Easement, upon the terms and conditions set forth in this Agreement; and

D. In exchange for the termination of the Easement and among other consideration as set forth herein, Mesa BA Land will convey to the Authority fee title to an approximately nineteen (19) acre tract of real property ("Conveyance Property") described on **Exhibit B** attached hereto, and Mesa BA Land has agreed to convey the Conveyance Property to the Authority, upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and Mesa BA Land agree as follows:

AGREEMENT

1. **Definitions**. In addition to other terms defined herein, the following terms shall have the following meanings when used in this Agreement:

"Closing" or "Close of Escrow" or "Close" shall mean the consummation of the Transaction, as evidenced by the delivery of all required funds and documents to Escrow Agent.

"Closing Date" shall mean fifteen (15) days after the date of obtaining the Transaction Approval of the Federal Aviation Administration ("FAA") as described in Section 5 hereof.

"Conveyance Property" shall have the meaning ascribed to it in **Recital A**.

"Easement" shall mean that particular approximately fifty-two (52) acre easement granted by the General Motors Corporation, a Delaware Corporation predecessor in interest to Mesa BA Land, to the United States of America pursuant to the Easement dated July 5, 1977 and recorded on October 11, 1977 as Instrument No. 19771011, Docket No. 12479, Page 675, in the Official Records of Maricopa County, Arizona ("Official Records"), and assigned by the United States of America to the Authority pursuant to the

Assignment of Easements dated April 14, 1998, recorded on April 30, 1998 as Instrument No. 98-0358908, in the Official Records.

"Easement Property" shall have the meaning ascribed to it in **Recital B**.

"Escrow" shall mean the escrow created pursuant to the Escrow Instructions, if required, and this Agreement.

"Escrow Agent" shall mean Lawyers Title, 3900 East Camelback Road, Suite 150, Phoenix, Arizona 85018, Attn: Billie Johnson.

"Escrow Instructions" shall mean the printed form escrow instructions to Escrow Agent, prepared by Escrow Agent in the form of **Exhibit D**, to be executed by Authority and Mesa BA Land and delivered to Escrow Agent if required by Escrow Agent.

"Opening of Escrow" shall mean the date of delivery to and acceptance by Escrow Agent of a fully executed copy of this Agreement and a fully executed copy of the Escrow Instructions, if required by Escrow Agent.

"Retained Easement Property" shall mean the Easement Property excluding the Conveyance Property as more particularly described on **Exhibit C**.

"Transaction" shall mean the transaction contemplated by this Agreement, including without limitation, the Authority's full and complete termination, release and abandonment ("Termination") of the Easement in exchange for Mesa BA Land's conveyance of the Conveyance Property to the Authority ("Conveyance") and the exchange of other closing documents and deliverables in accordance with this Agreement.

2. **Definitive Agreement for Termination of Easement and Conveyance of Conveyance Property**. Upon full execution of this Agreement, this Agreement shall be a binding agreement between Mesa BA Land and Authority for the Transaction on the terms, conditions and provisions set forth in this Agreement. This Agreement supersedes all other written or oral agreements between Mesa BA Land and Authority concerning the Transaction.

3. **Title**.

3.1 **Title; Title Commitment**.

(a) On the Closing Date, Mesa BA Land will convey title to the Conveyance Property to Authority at Closing subject only to the Permitted Exceptions (as defined below).

(b) Promptly following the Execution Date, Escrow Agent on behalf of Lawyers Title ("Title Company") will issue a Commitment for Title Insurance ("Title Commitment") in a form which contains the Title Company's express commitment to issue an ALTA Owner's Policy of Title Insurance or such other available form acceptable to Authority ("Title Policy"), including all endorsements reasonably required by Authority to the extent Authority obtains extended coverage, to Authority at Closing, together with true, correct, complete and legible copies of all recorded documents affecting the Conveyance Property and listed as title exceptions. Authority has the right to object to exceptions shown on the Title Commitment that

are not acceptable to Authority ("Objections") within five (5) Business Days after receipt of the Title Commitment by providing written notice to Mesa BA Land and Escrow Agent/Title Company of same. All matters disclosed by the Title Commitment to which Authority does not object will be "Permitted Exceptions". In the event title to the Conveyance Property is encumbered by any mortgage liens, mechanics liens, judgment liens, other monetary liens securing liquidated amounts, overdue tax liens, and title exceptions affecting the Conveyance Property created or permitted by Mesa BA Land after the Execution Date and not approved in writing by Authority (collectively, "Mandatory Cure Items"), then Mesa BA Land will remove such Mandatory Cure Items on or before the Closing regardless of whether Authority objects to same, and in no event will such items be deemed Permitted Exceptions.

For all exceptions that are not Mandatory Cure Items, if Authority timely objects to any such title matter, then, within five (5) Business Days upon receipt of Authority's Objections and in all events no later than five (5) Business Days prior to the Closing Date, Mesa BA Land will notify Authority in writing whether Mesa BA Land will cure or remove any one or more of the Objections. In the event Authority timely objects and there are less than five (5) Business Days prior to the Closing Date, then the Closing Date will be extended on a day for day basis such that Mesa BA Land's notification to Authority is delivered to Authority not less than five (5) Business Days prior to the Closing Date. If Mesa BA Land either elects not to cure all of the Objections or fails to provide timely notice of whether it elects to cure such Objections, then Mesa BA Land will be deemed to have elected not to cure such Objections, and Authority will have the option, to be elected by written notice given to Mesa BA Land within two (2) Business Days after receipt of Mesa BA Land's election not to cure or Mesa BA Land's deemed election not to cure, of either (i) waiving the Objection(s) that Mesa BA Land has elected not to cure or remove, whereupon such waived Objection(s) will be deemed a(n) Permitted Exception(s) and proceeding to Closing, or (ii) terminating this Agreement. If Authority elects to terminate this Agreement in accordance with this Section, Mesa BA Land will pay all escrow and title fees and other costs due or owed to Escrow Agent and Title Company, and all rights, obligations and liabilities of the Parties under this Agreement will be extinguished and discharged, except to the extent the same expressly survive termination under the terms of this Agreement. If Mesa BA Land elects to cure or remove any of Authority's Objection(s), Mesa BA Land will be obligated to cure or remove such Objection(s) on or prior to the Closing Date, which obligation is an express contingency and condition to Closing, and which obligation survives the Closing.

(c) From and after the Execution Date through Closing, Mesa BA Land agrees not to cause any additional exceptions to appear on title which will not be removed prior to Closing, except as expressly permitted by this Agreement or as otherwise approved by Authority in writing, which approval may be granted or withheld in Authority's sole and absolute discretion.

(d) All costs, fees and premiums associated with the standard Title Policy an any endorsements will be paid by Mesa BA Land. In the event Authority desires or elects in its sole discretion to obtain an ALTA extended coverage Title Policy, the additional cost attributable to the extended portion of the Title Policy will be paid by Authority. In the event Mesa BA Land desires or elects to obtain an endorsement to its existing owner's policy or a new owner's policy that deletes the Easement, such costs shall be borne by Mesa BA Land. All costs related to the commission of an ALTA/NSPS survey required by the Title Company to issue extended coverage are the responsibility of Mesa BA Land.

3.2 **Mesa BA Land's Activities**. From and after the Execution Date and until the Closing Date, Mesa BA Land agrees to continue to maintain the Conveyance Property in the ordinary course of business consistent with past practices.

4. **Escrow Instructions**. Contemporaneously with the execution of this Agreement or at any time prior to Closing, if required by Escrow Agent, Authority and Mesa BA Land shall execute and deliver the Escrow Instructions to Escrow Agent. In the event of any conflict or inconsistency between any provision of the Escrow Instructions and any provision of this Agreement or any other instrument or document executed or delivered pursuant to this Agreement, the provision of this Agreement or such other instrument or document shall control.

5. **FAA Approval**. Authority and Mesa BA Land acknowledge that the consummation of this Transaction is subject to and contingent upon obtaining the approval of the FAA of this Transaction ("Transaction Approval"). Notwithstanding anything to the contrary contained herein, if Authority is unable to obtain the Transaction Approval or if such approval, once obtained, is successfully contested within sixty (60) days after the Opening of Escrow, either Authority or Mesa BA Land, at its option, may extend the period necessary to obtain Transaction Approval to ninety (90) days after the Opening of Escrow and up to three (3) successive thirty (30) day periods thereafter for a total of one hundred and eighty (180) days after the Opening of Escrow. If Transaction Approval is not obtained within one hundred and eighty (180) days after Opening of Escrow, either Authority or Mesa BA Land at its option may terminate this Agreement.

6. **Obtaining Approval**. Authority, at its sole cost and expense, has submitted its application to the FAA for approval of this Transaction and shall use commercially reasonable efforts to obtain the Transaction Approval within sixty (60) days from the Opening of Escrow. Mesa BA Land acknowledges that Authority has no control or influence over the timing of the approval process within the FAA.

7. **FAA Conditions**. Authority and Mesa BA Land acknowledge that the consummation of this Transaction will be subject to certain conditions imposed by the FAA. If such conditions required by the FAA are not acceptable to Mesa BA Land, Mesa BA Land at its option may terminate this agreement.

8. **Closing**.

8.1 **Time and Place**. The Closing shall take place on the Closing Date in the offices of Escrow Agent.

8.2 **Closing Statements**. Prior to Closing, Escrow Agent will prepare a combined settlement statement for Authority and Mesa BA Land ("Settlement Statement"), reflecting the various charges and credits applicable to such party, as provided in this Agreement, and provide Authority and Mesa BA Land with a copy of the Settlement Statement. Prior to Closing, Authority and Mesa BA Land shall have the right to review and approve the Settlement Statement.

8.3 **Authority's Closing Deliveries**. Prior to or at the Closing, Authority shall deliver to Escrow Agent:

(a) The Termination of Easement in the form of **Exhibit E** ("Termination of Easement"), fully executed and properly acknowledged by Authority, abandoning the Easement to Mesa BA Land;

(b) If required, an affidavit in a form and having the substance mutually acceptable to Mesa BA Land and Authority, fully executed and properly acknowledged by Authority, as required by Internal Revenue Code Section 1445(b)(2) ("Code");

(c) An Affidavit of Property Value in the form required by the State of Arizona, fully executed and properly acknowledged by Authority or by Escrow Agent on behalf of Authority;

(d) Evidence of the Transaction Approval;

(e) An executed counterpart of the Settlement Statement; and

(f) Such other instruments or documents as may be reasonably requested by Escrow Agent or reasonably necessary to effect or carry out the purposes of this Agreement.

8.4 **Mesa BA Land's Closing Deliveries**. Prior to or at the Closing, Mesa BA Land shall deliver to Escrow Agent:

(a) A special warranty deed, fully executed and properly acknowledged by Mesa BA Land, transferring fee simple title to the Conveyance Property to the Authority in the form attached hereto as **Exhibit F** ("Deed");

(b) An Affidavit of Property Value in the form required by the State of Arizona, fully executed and properly acknowledged by Mesa BA Land or by Escrow Agent on behalf of Mesa BA Land;

(c) A customary owner's affidavit in a form reasonably acceptable to Escrow Agent or Title Company;

(d) Such evidence of the power and authority of Mesa BA Land to consummate the transactions described in this Agreement as may be required by Escrow Agent;

(e) A non-foreign affidavit ("FIRPTA Affidavit"), in the form required by the Code, providing that Mesa BA Land is not a "foreign person" within the meaning of Section 1445 of the Code;

(f) Payment of all taxes and other fees and expenses required to be paid by Mesa BA Land pursuant to this Agreement, which may be addressed through appropriate credits in the settlement statement;

(g) An executed counterpart of the Settlement Statement; and

(h) Such other funds, instruments or documents as may be reasonably requested by Escrow Agent, or necessary, to effect or carry out the purposes of this Agreement.

8.5 **Escrow Agent's Duties at Closing**. At the Closing, Escrow Agent shall, in the following order:

(a) Record the Deed in the Official Records;

(b) Record the Termination of Easement in the Official Records;

(c) Disburse all funds in accordance with the Settlement Statement completed in accordance with this Agreement and approved by Mesa BA Land and Authority; and

(d) Do such other items requested by Mesa BA Land and Authority, in writing, consistent with this Agreement.

8.6 **Prorations; Tax Matters**. There are to be no prorations of any kind at the Closing.

The Conveyance Property is currently assessed with the Easement Property for tax purposes under a single tax parcel identification number or "APN." Authority is exempt from paying real property taxes and the Parties anticipate that the Maricopa County Assessor and/or Treasurer will create separate APN for the Conveyance Property.

Mesa BA Land agrees to be solely responsible for all taxes, assessments and other imposed fees or expenses attributable to the Conveyance Property prior to the Closing Date and prior and in all events is obligated to pay (prior to delinquency) all taxes, assessments and other fees attributable to the Conveyance Property in the current tax year accruing before the Closing, whether separately assessed or otherwise. In no event will Mesa BA Land allow delinquent taxes or a tax lien to encumber the Conveyance Property and will indemnify and defend Authority from and against any such lien or claim relating to real property taxes attributable to the Conveyance Property in the tax year 2024 and prior. In the event Maricopa County does not seek payment of the taxes attributable to the Conveyance Property directly from Mesa BA Land, and Authority receives a tax bill for the Conveyance Property for any amounts owed up to the Closing, Authority will tender the bill to Mesa BA Land and Mesa BA Land will promptly (within fourteen [14] days of receipt and in all events prior to delinquency) pay all amounts due and payable reflected in such tax bill.

The Parties agree to reasonably cooperate after the Closing to effectuate the intent of this Section 8.6. This Section 8.6 shall survive the Closing.

8.7 **Closing Costs**. Except as expressly provided in this Agreement, each party shall bear its own costs and expenses (including attorneys' fees) in connection with its negotiation, and the conduct of the Transaction. All escrow and recording fees shall be paid by Mesa BA Land. Mesa BA Land will pay for all costs of the Title Policy in accordance with Section 3.1(d).

In addition, to the extent Mesa BA Land elects to obtain title insurance on the property underlying the Easement and/or ensure that the Easement is no longer in full force and effect, Mesa BA Land shall pay all cost and expense associated with such title insurance.

8.8 **Possession/Extinguishment**. It is the intent of the Parties that:

(a) Upon the Close of Escrow and recordation of the Termination of Easement, Authority shall have no right, title, interest in or to the Retained Easement Property, and Mesa BA Land shall be entitled to continued possession of the Retained Easement Property free and clear of the Easement.

(b) Upon the Close of Escrow and recordation of the Deed, Mesa BA Land shall have no right, title, interest in or to the Conveyance Property, and Authority shall be entitled to possession of the Conveyance Property free and clear except for the Permitted Exceptions.

9. **Authority's Representations and Warranties**. Authority hereby represents, warrants and covenants to Mesa BA Land that as of the Opening of Escrow and the Closing Date:

9.1 **Binding Agreement**. Subject to the Transaction Approval, the acceptance and performance of the terms and provisions of this Agreement have been duly authorized and approved by all necessary parties. Upon Authority's execution and delivery of this Agreement, this Agreement shall be binding and enforceable against Authority in accordance with its terms, and upon Authority's execution of the additional documents contemplated by this Agreement, they shall be binding and enforceable against Authority in accordance with their terms.

9.2 **Consents**. Except for the Transaction Approval and any potential requirements of the FAA in connection therewith, neither the execution or delivery of this Agreement nor the consummation of the Transaction is subject to any requirement that Authority obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid, or would constitute a default under, result in the creation of any lien, charge or encumbrance upon the Easement.

9.3 **Litigation**. To the actual knowledge of Authority, there is no litigation, arbitration or administrative proceeding pending nor threatened against Authority with respect to the Easement or this Agreement, nor is there any basis known to Authority for any such action or proceeding.

9.4 **Conflict**. Subject to obtaining the Transaction Approval, neither the execution of this Agreement, the consummation of the transactions hereby contemplated, nor the fulfillment of the terms hereof, to Authority's actual knowledge, will conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which Authority is, or is asserted to be, a party affecting the Easement or to which the Easement is subject or any applicable laws or regulations of any governmental body having jurisdiction.

9.5 **Prior Agreement**. Authority has not committed nor obligated itself in any manner whatsoever to transfer or assign the Easement or any portion thereof to any party other than Mesa BA Land.

9.6 **Notices from Governmental Authorities**. To Authority's actual knowledge, Authority has not received from any governmental authority notice of and there do not exist any substantive violations of any laws, statutes, ordinances, regulations or other requirements of any governmental agency in connection with or related to the Easement or any part thereof.

10. **Mesa BA Land's Representations and Warranties**. Mesa BA Land hereby represents, warrants and covenants to Authority that as of the Opening of Escrow and the Closing Date:

10.1 **Organization and Standing**. Mesa BA Land is a limited liability company, duly organized and validly existing, and has full power and authority to enter into this Agreement and complete the Transaction.

10.2 **Binding Agreement**. The acceptance of the terms and provisions of this Agreement and the performance hereof, have, or will have, been duly authorized and approved by all necessary parties. Upon execution and delivery of this Agreement by Mesa BA Land, this Agreement shall be binding and enforceable against Mesa BA Land in accordance with its terms, and upon execution and delivery of the additional documents contemplated by this Agreement by Mesa BA Land, they shall be binding and enforceable against Mesa BA Land in accordance with their terms.

10.3 **Consents**. Except for Authority's approval of the Transaction and Transaction Approval and any potential requirements of the FAA in connection therewith, neither the execution or delivery of this Agreement nor the consummation of the Transaction is subject to any requirement that Mesa BA Land obtain any consent, approval or authorization of, or make any declaration or filing with, any governmental authority or third party which has not been obtained or which, in any case or in the aggregate, if not obtained or made would render such execution, delivery or consummation illegal or invalid, or would constitute a default under, result in the creation of any lien, charge or encumbrance upon the Easement or Conveyance Property.

10.4 **Litigation**. There is no litigation, arbitration or administrative proceeding pending, nor to the actual knowledge of Mesa BA Land, threatened against Mesa BA Land with respect to the Easement, Conveyance Property, or this Agreement, nor is there any basis known to Mesa BA Land for any such action or proceeding.

10.5 **Conflict**. Neither the execution of this Agreement, the consummation of the transactions hereby contemplated, nor the fulfillment of the terms hereof, to Mesa BA Land's actual knowledge, will conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any agreement or instrument to which Mesa BA Land is, or is asserted to be, a party affecting the Easement or Conveyance Property or to which the Easement or Conveyance Property is subject or any applicable laws or regulations of any governmental body having jurisdiction.

10.6 **Notices from Governmental Authorities**. Mesa BA Land has not received from any governmental authority notice of, and, to Mesa BA Land's actual knowledge, there do not exist, any substantive violations of any laws, statutes, ordinances, regulations or other requirements of any governmental agency in connection with or related to the Easement or any part thereof or the Conveyance Property or any part thereof.

10.7 **No Foreign Entity**. Mesa BA Land is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code, and Mesa BA Land agrees to execute, acknowledge and deliver to Authority, at Closing, the FIRPTA Affidavit evidencing same.

10.8 **Conveyance Property**. The Conveyance Property is transferable by Mesa BA Land by its sole act and deed, and no consent on the part of any other person or entity is necessary to validate the transfer to Authority.

10.9 **Agreements**. There are no contracts, agreements or arrangements, written or oral, express or implied, affecting or related to the Conveyance Property, except as disclosed in the Title Commitment or otherwise disclosed to Authority by Mesa BA Land in writing.

10.10 **Materials and Information**. All the information supplied to Authority by Mesa BA Land with regard to the Conveyance Property or as otherwise provided relating to the Transaction (including, without limitation, the Materials), is/are, to the best of Mesa BA Land's knowledge, true, accurate and correct. Mesa BA Land has not withheld any information within its possession or of which it is actually aware regarding the Conveyance Property or this Transaction that would reasonably be considered by an experienced purchaser to be material to that purchaser's decision to acquire the Conveyance Property, release the Easement as contemplated herein, or otherwise consummate this Transaction.

10.11 **Violations of Applicable Law and/or Defaults Under Court Orders**. Mesa BA Land has not received any written notice of a violation of law which remains uncorrected as of the Closing Date. To the best of Mesa BA Land's actual knowledge in the exercise of reasonable diligence, Mesa BA Land is not in default or violation of any order, writ, injunction, statute, decree or demand of any governmental authority with respect to the Conveyance Property or the conveyance thereof, and entry into this Agreement will not cause Mesa BA Land to become in default or violation of any said order, writ, statute, injunction decree or demand.

10.12 **Environmental Materials**.

(a) The Conveyance Property is, to the knowledge of Mesa BA Land, free from Hazardous Substances and is not now in violation of any Environmental Law. Mesa BA Land has not caused or allowed the use, generation, manufacture, production, treatment, storage, release, discharge, or disposal of any Hazardous Substances on, under, or about the Conveyance Property, and has not caused or allowed the transportation to or from the Conveyance Property of any Hazardous Substance.

(b) To the knowledge of Mesa BA Land, the property adjacent to the Conveyance Property is free from Hazardous Substances, and is not in violation of any Environmental Law.

(c) To the knowledge of Mesa BA Land, there is not now any buried or partially buried storage tanks located on the Conveyance Property.

(d) Mesa BA Land has received no warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Conveyance Property or adjacent property are or have been in violation of any Environmental Law, or informing Mesa BA Land that the Conveyance Property is subject to investigation or inquiry regarding the presence of Hazardous Substances on or about the Conveyance Property or the potential violation of any Environmental Law.

(e) Mesa BA Land is not aware of any facts or circumstances that could give rise to a violation of an Environmental Law.

(f) No environmental lien in favor of any governmental entity has attached to any of the Conveyance Property.

As used in this Agreement: (1) "Environmental Law" means any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901, et seq.; the Toxic Substances Control Act of 1976, 15 U.S.C. Sections 2601, et seq.; the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. Sections 11001, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; the Clean Air Act, 42 U.S.C. Sections 7401, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251, et seq.; the Safe Drinking Water Act, 42 U.S.C. Sections 300f, et seq.; the Solid Waste Disposal Act, 42 U.S.C. Sections 3251, et seq.; and any other federal, state or local law, statute, ordinance, or regulation now in effect or hereafter enacted which pertains to health, industrial hygiene, or the regulation or protection of the environment, including, without limitation, ambient air, soil, groundwater, surface water, and/or land use; and (2) "Hazardous Substance" means any material, waste, substance, pollutant, or contaminant which may or could pose a risk of injury or threat to health of the environment, including, without limitation: (w) those substances included within the

definitions of "hazardous substance", "hazardous waste", "hazardous material", "toxic substance", "solid waste", or "pollutant or contaminant" in, or otherwise regulated by any Environmental Law; (x) those substances listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101, including appendices and amendments thereto), or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (y) such other substances, materials, or wastes which are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and (z) any material, waste, or substance which is (A) petroleum or refined petroleum products; (B) asbestos in any form; (C) polychlorinated biphenyls; (D) flammable explosives; (E) radioactive materials; (F) mold, mildew, or other mycotoxins or fungi present at or in the Conveyance Property or any portion thereof, including building materials, in a condition, location or of a type which may pose a risk to human health or safety or the environment, may result in damage to the property, would adversely affect or impair the value or marketability of the Conveyance Property, or requires investigation, remediation or other response action under applicable Environmental Laws; or (G) radon. Any reference in these definitions to statutory or regulatory sections shall be deemed to include any amendments to such sections and any successor sections.

10.13 **Patriot Act**. Neither Mesa BA Land nor any affiliate or representative of Mesa BA Land (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order number 13224, 66 Federal register 49079 (September 25, 2001) (the "Order"); (ii) is listed on any other list of terrorist or terrorist organizations maintained pursuant to the Order, the rules and regulations of the OFAC or any other applicable requirements contained in any enabling legislation or other executive orders in respect of the Order; (iii) is engaged in activities prohibited in the Order; or (iv) has been convicted, pleaded lo contendere, indicated, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

11. **Conditions Precedent; Survival of Representations and Warranties**.

11.1 **Survival of Representations and Warranties**. The truth of the representations and warranties set forth in Section 9 on and as of the date hereof and on and as of the Close of Escrow shall be a condition precedent to Mesa BA Land's performance under this Agreement. The truth of the representations and warranties set forth in Section 10 on and as of the date hereof and on and as of the Close of Escrow shall be a condition precedent to Authority's performance under this Agreement. All representations and warranties by Authority and Mesa BA Land set forth in this Agreement shall survive the recordation of the Deed and Termination of Easement and the Close of Escrow for a period of six (6) months. All claims for breach of representation and warranty shall be made in writing and any action for enforcement thereof commenced prior to the expiration of such 6-month period or shall be deemed waived.

12. **Covenants**.

12.1 From and after the Execution Date and until Closing or any termination or cancellation of this Agreement, Authority, without the prior written consent of Mesa BA Land, shall not: (a) enter into a contract or agreement for the sale, transfer or conveyance, exchange, encumbrance or other

disposition of all or any portion of the Easement; or (b) grant a lien, pledge, encumbrance, security interest, option, right of first refusal, against or across the Easement that shall survive the Closing.

12.2 From and after the Execution Date and until Closing or any termination or cancellation of this Agreement, Mesa BA Land, shall not: (a) enter into a contract or agreement for the sale, transfer or conveyance, exchange, encumbrance or other disposition of all or any portion of the Conveyance Property; or (b) grant a lien, pledge, encumbrance, security interest, option, right of first refusal, against or across the Conveyance Property that shall survive the Closing.

13. **Broker's Commission**. Authority and Mesa BA Land warrant, each to the other, that they have not dealt with any finder, broker or realtor in connection with the Transaction.

13.1 Authority shall and does hereby indemnify Mesa BA Land against, and agrees to hold Mesa BA Land harmless for and from any claim, demand or suit for any brokerage commission, finder's fee or similar charge in respect of the execution of this Agreement or the Transaction based on any act by or agreement or contract with Authority, and for all losses, obligations, costs, expenses and fees (including attorneys' fees) incurred by Mesa BA Land on account of or arising from any such claim, demand or suit.

13.2 Mesa BA Land shall and does hereby indemnify Authority against, and agrees to hold Authority harmless for and from any claim, demand or suit for any brokerage commission, finder's fee or similar charge in respect of the execution of this Agreement or the Transaction based on any agreement or contract with Mesa BA Land, and for all losses, obligations, costs, expenses and fees (including attorneys' fees) incurred by Authority on account of or arising from any such claim, demand or suit.

The provisions of this Section 13 shall survive the Closing Date.

14. **Assignment**. A Party may not assign this Agreement or any of its rights under this Agreement to any person, partnership, corporation or other entity without the prior written consent of the other Party, which consent may be given or withheld in that other Party's sole discretion. Any such assignment or transfer without such consent shall be absolutely null and void and shall constitute a default under this Agreement.

15. **Remedies**.

15.1 **Mesa BA Land's Remedies**. If Authority fails to perform any of Authority's obligations under this Agreement and such failure continues for ten (10) days after Authority receives written notice of such failure from Mesa BA Land, then Mesa BA Land may, as Mesa BA Land's sole and exclusive remedy for such failure, cancel this Agreement. In no event shall Mesa BA Land be entitled to any equitable remedies or recover any monetary damages against Authority due to any such failure of Authority to perform hereunder.

15.2 **Authority's Remedies**. If Mesa BA Land fails to Close after Authority has obtained Transaction Approval from the FAA and such failure continues for ten (10) days after Mesa BA Land's receipt of written notice from Authority, then Authority may, as its sole and exclusive remedy for such failure, cancel this Agreement. In no event shall Authority be entitled to any equitable remedies or recover any monetary damages against Mesa BA Land due to any such failure of Mesa BA Land to perform hereunder.

16. **Termination**. If this Agreement is to be terminated pursuant to the provisions hereof, such termination shall be affected by the canceling party giving written notice of the termination to the other party and Escrow Agent. Upon such termination, Escrow Agent shall return all documents and moneys deposited in the Escrow to the party who supplied the documents. Upon such delivery of documents, this Agreement and the Escrow shall be deemed terminated, and except as expressly provided herein, neither party shall have any further obligations hereunder.

17. **Notices**. Except as otherwise required by law, any notice given in connection with the Transaction shall be in writing and shall be given by personal delivery, overnight courier service, electronic mail or United States certified or registered mail, return receipt requested, postage prepaid, addressed to Authority or Mesa BA Land at the addresses set forth below (or at such other address as Authority or Mesa BA Land or the person receiving copies may designate in writing). Notice shall be deemed to have been received on the date on which notice is delivered, if notice is given by personal delivery or electronic mail, on the day after the delivery to the overnight courier service, if such a service is used and, on the earlier of actual receipt or the third day after deposit in the mail, if mailed. Copies of all notices given to Authority or Mesa BA Land shall also be given to Escrow Agent.

Authority:	Phoenix Mesa Gateway Airport Authority 5835 South Sossaman Road Mesa, Arizona 85212-0919 Attn: Lori Collins Telephone No.: (480) 988-7605 Email: LCollins@gatewayairport.com
with a copy to:	Snell & Wilmer LLP One South Church Avenue, Suite 1500 Tucson, Arizona 85701 Attn: Jill Casson Owen, Esq. Telephone No.: (520) 882-1242 Email: jowen@swlaw.com
Mesa BA Land:	Mesa BA Land, LLC 2801 E. Camelback Rd., Suite 450 Phoenix, Arizona 85016 Attn: Andrew Cohn Telephone No.: (602) 248-8181 Email: andrew@levineinvestments.com

with a copy to: Levine Investments, LP
2801 E. Camelback Road, Suite 450
Phoenix, AZ 85016
Attention: Lisa Bullington, Esq.
Telephone No.: 602-248-8181
Email: lisa@levineinvestments.com

Escrow Agent: Lawyers Title
3900 East Camelback Road, Suite 150
Phoenix, Arizona 85018
Attn: Billie Johnson
Telephone No.: 602.954.6774
Email: BillieJohnson@LTIC.com

18. **Escrow Cancellation Charges**. If the Escrow fails to close for any reason Mesa BA Land shall be liable for any cancellation charges by Escrow Agent.

19. **Additional Acts**. The parties agree to execute promptly such other documents and perform such other acts as may be reasonably necessary to carry out the purpose and intent of this Agreement.

20. **Governing Law**. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona.

21. **Time of Essence**. Time is of the essence of this Agreement.

22. **Waiver**. The waiver by any party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted hereunder, nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

23. **Time Periods**. Any time period hereunder which expires on, or any date hereunder which occurs on, a Saturday, Sunday or legal United States or Arizona State holiday, is deemed to be postponed to the next Business Day. The first day of any time period hereunder which runs "from" or "after" a given day is deemed to occur on the first Business Day subsequent to that given day. Time is of the essence hereunder. For purposes of this Agreement, "Business Day" means Monday through Thursday, inclusive, except for such days that are legal United States or Arizona State holidays.

24. **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

25. **Successors and Assigns**. Subject to the restrictions set forth in Section 14 hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

26. **Entire Agreement**. This Agreement sets forth the entire understanding of the parties with respect to the matters set forth herein as of the date hereof; it supersedes all prior oral or written agreements of the parties as to the matters set forth herein; and it cannot be altered or amended except pursuant to an instrument in writing, signed by each of the parties hereto.

27. **Construction**. This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. Authority and Mesa BA Land hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.

28. I**nterpretation**. If there is any specific and direct conflict between, or any ambiguity resulting from, the terms and provisions of this Agreement and the terms and provisions of any document, instrument or other agreement executed in connection herewith or in furtherance hereof, including any exhibits hereto, the same shall be consistently interpreted in such manner as to give effect to the general purposes and intention as expressed in this Agreement, which shall be deemed to prevail and control.

29. **Headings**. The headings in this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement.

30. **No Third Party Beneficiary**. No term or provision of this Agreement or the exhibits hereto is intended to be, nor shall any such term or provision be construed to be, for the benefit of any person, firm, corporation or other entity not a party hereto (including, without limitation, any broker), and no such other person, firm, corporation or entity shall have any right or cause of action hereunder.

31. **Severability**. If any provision of this Agreement or any portion of any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Agreement shall be deemed severable from all other provisions hereof.

32. **Incorporation by Reference**. All exhibits to this Agreement are fully incorporated herein as though set forth herein in full.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

AUTHORITY:

PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____
Name: J. Brian O'Neill, A.A.E.
Title: Executive Director/CEO
Date: _____

MESA BA LAND:

MESA BA LAND, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

[ESCROW ACCEPTANCE PAGE FOLLOWS]

This Agreement is accepted and the Escrow is opened this __ day of ___, 2024.

ESCROW AGENT:

LAWYERS TITLE

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF EASEMENT PROPERTY

That portion of land situate in the West one-half of the Southwest one-quarter of Section 34, Township 1 South, Range 7 East, Gila and Salt River Meridian, in the County of Maricopa, State of Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 34; thence North 1° 08' 38" West along the West line of said Section 34, a distance of 2473.81 feet; thence South 44° 32' 48" East a distance of 1823.31 feet to the West one-sixteenth line of said Section; thence South 1° 08' 38" East along said West one-sixteenth line of Section 34, a distance of 1183.75 feet to the South line of said Section; thence North 89° 33' 34" West along the said South line of Section 34, a distance of 1253.32 feet to the POINT OF BEGINNING,

Containing 52.60 acres, more or less;

EXHIBIT B

LEGAL DESCRIPTION OF CONVEYANCE PROPERTY

PACIFIC PROVING GROUNDS
AVIGATION AREA
LEGAL DESCRIPTION

That portion of the Southwest Quarter of Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at a found 3 inch brass cap in hand hole accepted as the southwest corner of said Section 34 from which a found 3 inch brass cap in hand hole accepted as the west quarter corner thereof bears North 01°10'02" West, 2640.88 feet;

Thence North 01°10'02" West, 303.26 feet along the west line of the Southwest Quarter of said Section 34 to the **POINT OF BEGINNING**;

Thence continuing along said west line, North 01°10'02" West, 1716.49 feet;

Thence leaving said west line, South 53°05'51" East, 1261.11 feet;

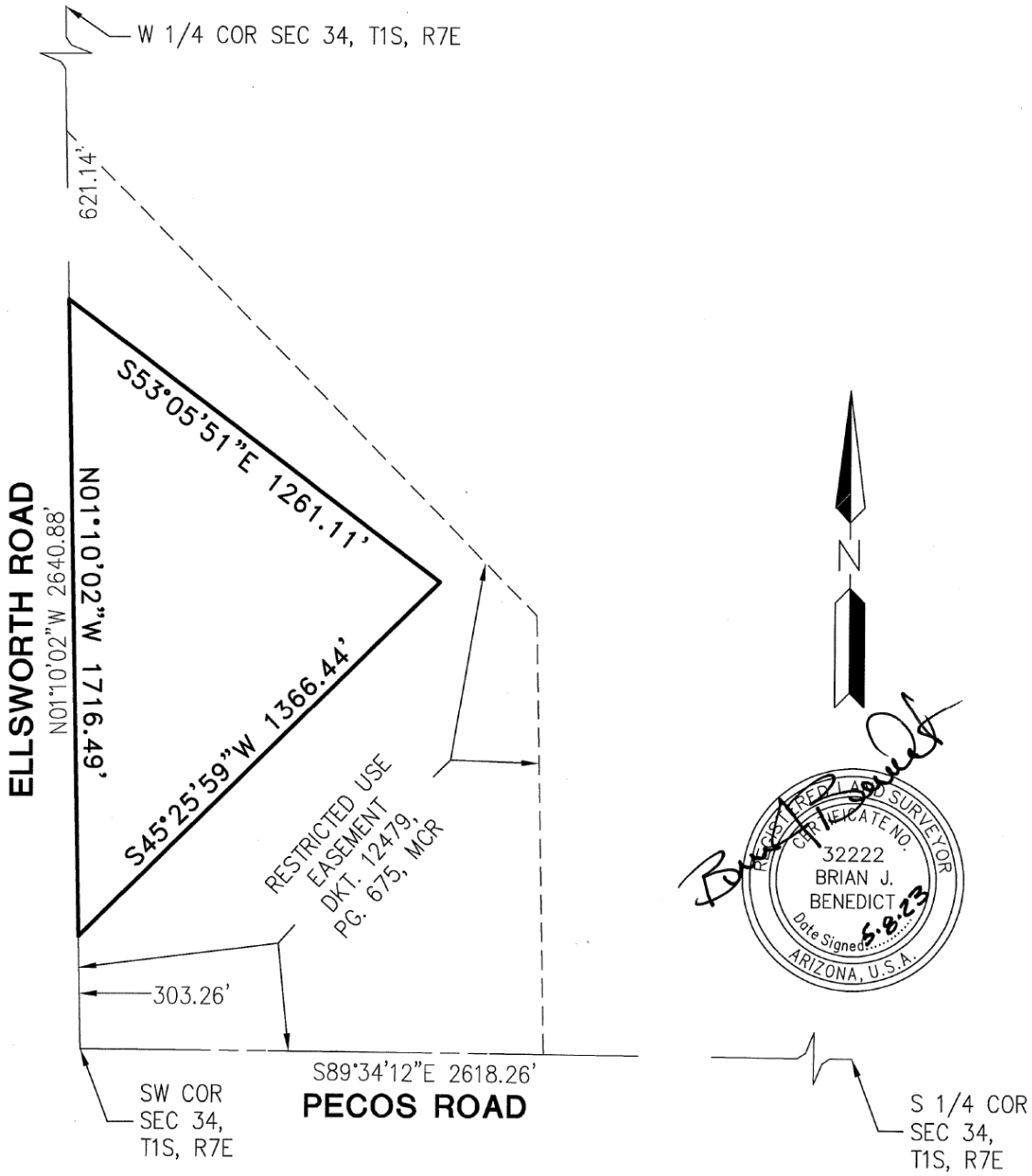
Thence South 45°25'59" West, 1366.44 feet to the **POINT OF BEGINNING**:

The above described parcel contains a computed area of 852,086 sq. ft. (19.5612 acres) more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.

The description shown hereon is not to be used to violate any subdivision regulation of the state, county and/or municipality or any land division restrictions.

Prepared by: HILGARTWILSON, LLC
2141 E. Highland Avenue, Suite 250
Phoenix, AZ 85016
Project No. 2063
Date May 2023

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32222
BRIAN J.
BENEDICT
Date Signed 5-8-23
ARIZONA, U.S.A.



PROJ.NO.: 2063	PACIFIC PROVING GROUNDS AVIGATION AREA MESA, ARIZONA	HILGARTWILSON 2141 E. HIGHLAND AVE., STE. 250 PHOENIX, AZ 85016 P: 602.490.0535 / F: 602.368.2436
DATE: MAY 2023		
SCALE: N.T.S.		
DRAWN BY: BJB	EXHIBIT	
CHECKED BY: BJB		

©2023, HILGARTWILSON, LLC

U:\2000\2063\SURVEY\DOCS\LEGAL\2063-AVIGATION_AREA.dwg 5/8/2023 11:26 AM

EXHIBIT C

LEGAL DESCRIPTION OF RETAINED EASEMENT PROPERTY

That portion of land situate in the West one-half of the Southwest one-quarter of Section 34, Township 1 South, Range 7 East, Gila and Salt River Meridian, in the County of Maricopa, State of Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 34; thence North 1° 08' 38" West along the West line of said Section 34, a distance of 2473.81 feet; thence South 44° 32' 48" East a distance of 1823.31 feet to the West one-sixteenth line of said Section; thence South 1° 08' 38" East along said West one-sixteenth line of Section 34, a distance of 1183.75 feet to the South line of said Section; thence North 89° 33' 34" West along the said South line of Section 34, a distance of 1253.32 feet to the POINT OF BEGINNING,

Containing 52.60 acres, more or less;

LESS AND EXCEPT THE FOLLOWING:

That portion of the Southwest Quarter of Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at a found 3 inch brass cap in hand hole accepted as the southwest corner of said Section 34 from which a found 3 inch brass cap in hand hole accepted as the west quarter corner thereof bears North 01°10'02" West, 2640.88 feet;

Thence North 01°10'02" West, 303.26 feet along the west line of the Southwest Quarter of said Section 34 to the **POINT OF BEGINNING**;

Thence continuing along said west line, North 01°10'02" West, 1716.49 feet;

Thence leaving said west line, South 53°05'51" East, 1261.11 feet;

Thence South 45°25'59" West, 1366.44 feet to the **POINT OF BEGINNING**:

EXHIBIT D

ESCROW INSTRUCTIONS

EXHIBIT E

FORM OF TERMINATION OF EASEMENT

WHEN RECORDED, RETURN TO:

[Name]
[Firm]
[Street Address]
[City, ST Zip code]

TERMINATION AND RELEASE OF EASEMENT

RECITALS

A. General Motors Corporation, a Delaware Corporation, predecessor in interest to Mesa BA Land LLC, a Delaware limited liability company ("Mesa BA Land"), granted to the United States of America, predecessor in interest to Phoenix Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("Authority"), a perpetual and assignable easement over, in, on, and across that certain property ("Property") more specifically described in the Easement dated July 5, 1977, and recorded on October 11, 1977, as Instrument No. 19771011, Docket No. 12479, Page 675, in the Official Records of Maricopa County, Arizona ("Official Records"), as assigned by the United States of America to the Authority pursuant to the Assignment of Easements dated April 14, 1998, recorded on April 30, 1998 as Instrument No. 98-0358908, in the Official Records (collectively, the "Easement");

B. Mesa BA Land has requested that the Authority, as successor-in-interest to the United States of America, terminate and release the Easement; and

C. The Authority has agreed to terminate and release the Easement as set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

The Authority hereby releases and terminates the Easement and declares that any and all easements, sub-easements, licenses, covenants, conditions, restrictions and other rights and obligations granted, created, or imposed under the Easement are hereby released, relinquished, surrendered, vacated, and abandoned and are of no further force or effect and are not an encumbrance on the Property.

Authority hereby quit claims to Mesa BA Land any rights it has in the Easement, and Mesa BA Land releases Authority from any obligation thereunder.

This Termination shall be binding upon and inure to the benefit of the Mesa BA Land and Authority and their respective successors and assigns.

DATED as of this _____ day of _____, 2024.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____ by J. Brian O'Neill, A.A.E, as Executive Director/CEO of Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona, on behalf of the company.

_____

NOTARY PUBLIC

My Commission Expires:

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK; EXHIBIT FOLLOWS]

EXHIBIT F

FORM OF DEED

When Recorded Return To:
_____
_____
_____
_____
_____

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration received, MESA BA LAND, LLC, a Delaware limited liability company ("Grantor"), does hereby grant and convey to PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona ("Grantee"), all of Grantor's right, title and interest in and to the following described real property situated in Maricopa County, Arizona, together with all improvements thereon and all other rights and appurtenances thereto (collectively, the "Property"):

SEE **EXHIBIT A** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF

SUBJECT only to the exceptions listed on **EXHIBIT B** attached hereto and incorporated herein.

Grantor hereby binds itself and its successors to warrant and defend the title to the Property, as against all acts of Grantor herein and none other, subject only to the matters above set forth.

Grantor quit claims unto Grantee, without representation or warranty of any kind, rights of Grantor, if any, in water, minerals, oil, gas, and other hydrocarbon substances which may exist beneath the surface of the Property.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor has executed this deed as of the day and year set forth below.

DATED: _____, 2024.

GRANTOR:

MESA BA LAND, LLC, a Delaware limited liability company
By: _____
Name: _____
Title: _____
Date: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me on _____ by _____, as _____ of _____, a(n) _____, on behalf of the company.

_____
Notary Public

My Commission Expires:

_____

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK; EXHIBITS FOLLOW]

EXHIBIT A TO SPECIAL WARRANTY DEED

LEGAL DESCRIPTION OF PROPERTY

[SEE ATTACHED]

EXHIBIT B TO SPECIAL WARRANTY DEED

PERMITTED EXCEPTIONS

[SEE ATTACHED]

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-46

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Third Amendment to Terminal Concession Lease Agreement with Paradies Lagardère@AZA, LLC**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

The Phoenix-Mesa Gateway Airport Authority (PMGAA) strives to provide an effective and attractive Terminal Concessions Program that increases revenue and enhances the travel experience. Paradies Lagardere@AZA, LLC ("Paradies") is the concessionaire that operates all the retail service locations within the Airport Terminal. The merchandise and gift concession program includes Saguaro Mercantile, TripAdvisor and the newly re-opened First Jet Market. The Paradies Lagardère@AZA, LLC Terminal Concession Lease Agreement commenced on October 1, 2021 (the Date of Beneficial Occupancy), and will terminate TEN (10) years thereafter.

With the completion of the Gateway Tomorrow Eastside Terminal Planning Study, it became evident that PMGAA is not likely to be servicing airline passenger traffic out of the new terminal before the expiration of the current agreement term. Until the new terminal is planned for and designed, it is practical to extend the current concessions agreement for an additional five years and require a refurbishment investment to keep the concessions looking modern and fresh. This additional time benefits the Airport due to the uncertain timing of the eventual move to a new terminal campus and ensures a continued, exceptional customer experience. A new Master Concessionaire RFP will be issued when the new terminal is under construction.

Agreement Amendment

The Third Amendment to the Terminal Concession Lease Agreement (Amendment 3) will extend the initial Term of the Agreement from TEN (10) years to FIFTEEN (15) years and require the Concessionaire to make a second investment of Refurbishment Improvements. These Refurbishment Improvements will be made to update and improve the visual appeal and functioning of the premises during the Term. The first investment of Refurbishment Improvements shall be valued at no less than $50,880 and shall be completed no later than September 30, 2026. The second investment of Refurbishment Improvements shall be valued at no less than $55,600 and shall be completed no later than September 30, 2031.

Attachment(s)

Third Amendment to Terminal Concession Lease Agreement

RESOLUTION NO. 24-46

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

THIRD AMENDMENT TO TERMINAL CONCESSION LEASE AGREEMENT

This THIRD AMENDMENT to the RETAIL SERVICES TERMINAL CONCESSION LEASE AGREEMENT ("AMENDMENT 3") is executed to be effective as of the FIRST (1ST) day of _____ 2024 by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns ("PMGAA"), and **PARADIES LAGARDERE@AZA, LLC**, an Arizona limited liability company ("Concessionaire"). PMGAA and Concessionaire may be referred to jointly as "Parties," and each separately as a "Party". This AMENDMENT 3 hereby amends that certain Terminal Concession Lease Agreement between PMGAA and Concessionaire dated and effective the FIRST (1st) day of OCTOBER 2019 and subsequently amended on October 1, 2020 and November 1, 2021 (collectively, the "Agreement"), with respect to Concessionaire's operation at the Airport Terminal at 6033 South Sossaman Road.

RECITALS

A. PMGAA and Concessionaire desire to enter into this AMENDMENT 3 in order to modify the Agreement.

B. PMGAA and Concessionaire desire to extend the initial Term of the Agreement from TEN (10) years to FIFTEEN (15) years.

C. Concessionaire desires to make a second investment of Refurbishment Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 3 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of SECTION 2.1 are hereby deleted in their entirety and replaced with the following:

   2.1 Initial Term. The Agreement shall commence on the Effective Date. The Term shall commence on the Date of Beneficial Occupancy and terminate FIFTEEN (15) years thereafter (the "Term"), unless sooner terminated as provided herein. The Date of Beneficial Occupancy shall mean October 1, 2021 ("DBO").

2. The provisions of SECTION 5.4 are hereby deleted in their entirety and replaced with the following:

   5.4 Requirements – Mid-Term Refurbishments. Concessionaire shall undertake refurbishment improvements to update and improve the visual appeal and functioning of the Premises (the "Refurbishment Improvements") during the Term. Concessionaire shall obtain advance, written approval from PMGAA prior to execution, construction and/or permitting of the Refurbishment

Improvements. The first investment of Refurbishment Improvements shall be valued at no less than FIFTY THOUSAND EIGHT HUNDRED EIGHTY and 00/100 DOLLARS ($50,880.00) and shall be completed no later than September 30, 2026. The second investment of Refurbishment Improvements shall be valued at no less than FIFTY-FIVE THOUSAND SIX HUNDRED and 00/100 DOLLARS ($55,600.00) and shall be completed no later than September 30, 2031. Notwithstanding anything to the contrary herein, Concessionaire shall have no obligation to make a second investment of Refurbishment Improvements if, on or before September 30, 2030, PMGAA gives notice of termination to Concessionaire pursuant to Section 13.3. Failure to complete said Refurbishment Improvements within such timeframes may subject Concessionaire to the payment of a late opening penalty equal to TWO HUNDRED FIFTY and 00/100 DOLLARS ($250.00) for each day of delay, which shall become due and payable to PMGAA, in addition to any other rent and fees due, within FIVE (5) business days of PMGAA's written request therefor. The actual completion of said Refurbishment Improvements shall be conducted in accordance with SECTION 5.3.2 herein, and Concessionaire shall validate its actual expenditures to PMGAA, in writing, within ONE HUNDRED TWENTY (120) calendar days of completion of said Refurbishment Improvements.

3. New SECTION 13.3 is hereby added with the following provisions:

   13.3 PMGAA's Right of Termination for New Terminal. In addition to the rights set forth in Section 13.1, if PMGAA, in its sole discretion, anticipates closing the Terminal and opening a new airline passenger terminal on the east side of the Airport during the Term, PMGAA shall have the right to terminate this Agreement in its entirety upon not less than FIVE (5) years advance written notice to Concessionaire.

4. Concessionaire warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 3 by Concessionaire; (ii) the persons who have executed this AMENDMENT 3 on behalf of Concessionaire are duly authorized to do so; and (iii) this AMENDMENT 3 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

5. In all other respects the Retail Services Terminal Concession Lease Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 3 shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this AMENDMENT 3 by this reference.

7. Concessionaire recognizes and acknowledges that execution of his AMENDMENT 3 shall in no way constitute a waiver by PMGAA or any other sums which may be due and owing to PMGAA or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 3 as of the date first set forth above.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority

By:_____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

FOR CONCESSIONAIRE:

PARADIES LAGARDERE@AZA, LLC, an Arizona limited liability company

By: _____

Name: Gregg S. Paradies
President & CEO

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-47

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Third Amendment to Terminal Concession Lease Agreement with Kind Hospitality Inc.**
Date:	**August 20, 2024**

Proposed Motion
To authorize 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.

Narrative
The Phoenix-Mesa Gateway Airport Authority (PMGAA) strives to provide an effective and attractive Terminal Concessions Program that increases revenue and enhances the travel experience. Kind Hospitality Inc**.** ("Kind") is the concessionaire that operates all the food and beverage service locations within the Airport Terminal. The food and beverage concession program includes Panera Bread, Infusion Coffee and Tea Crafters, Macayo's Mexican Food and O.H.S.O. Brewery. The Kind Hospitality Inc**.** Terminal Concession Lease Agreement commenced on October 1, 2021 (the Date of Beneficial Occupancy), and will terminate TEN (10) years thereafter.

With the completion of the Gateway Tomorrow Eastside Terminal Planning Study, it became evident that PMGAA is not likely to be servicing airline passenger traffic out of the new terminal before the expiration of the current agreement term. Until the new terminal is planned for and designed, it is practical to extend the current concessions agreement for an additional five years and require a refurbishment investment to keep the concessions looking modern and fresh. This additional time benefits the Airport due to the uncertain timing of the eventual move to a new terminal campus and ensures a continued, exceptional customer experience. A new Master Concessionaire RFP will be issued when the new terminal is under construction.

Agreement Amendment
The Third Amendment to the Terminal Concession Lease Agreement (Amendment 3) will extend the initial Term of the Agreement from TEN (10) years to FIFTEEN (15) years and require the Concessionaire to make a second investment of Refurbishment Improvements. These Refurbishment Improvements will be made to update and improve the visual appeal and functioning of the premises during the Term. The first investment of Refurbishment Improvements shall be valued at no less than $143,000 and shall be completed no later than September 30, 2026. The second investment of Refurbishment Improvements shall be valued at no less than $165,000 and shall be completed no later than September 30, 2031.

Attachment(s)

Third Amendment to Terminal Concession Lease Agreement

RESOLUTION NO. 24-47

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

THIRD AMENDMENT TO TERMINAL CONCESSION LEASE AGREEMENT

This THIRD AMENDMENT to the FOOD & BEVERAGE SERVICES TERMINAL CONCESSION LEASE AGREEMENT ("AMENDMENT 3") is executed to be effective as of the FIRST (1ST) day of _____ 2024 by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns ("PMGAA"), and **KIND HOSPITALITY, INC.**, a Delaware corporation registered to do business in the State of Arizona ("Concessionaire"). PMGAA and Concessionaire may be referred to jointly as "Parties," and each separately as a "Party". This AMENDMENT 3 hereby amends that certain Terminal Concession Lease Agreement between PMGAA and Concessionaire dated and effective the FIRST (1st) day of OCTOBER 2019 and subsequently amended on January 1, 2020 and October 1, 2020 (collectively, the "Agreement"), with respect to Concessionaire's operation at the Airport Terminal at 6033 South Sossaman Road.

RECITALS

A. PMGAA and Concessionaire desire to enter into this AMENDMENT 3 in order to modify the Agreement.

B. PMGAA and Concessionaire desire to extend the initial Term of the Agreement from TEN (10) years to FIFTEEN (15) years.

C. Concessionaire desires to make a second investment of Refurbishment Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 3 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of SECTION 2.1 are hereby deleted in their entirety and replaced with the following:

   2.1 Initial Term. The Agreement shall commence on the Effective Date. The Term shall commence on the Date of Beneficial Occupancy and terminate FIFTEEN (15) years thereafter (the "Term"), unless sooner terminated as provided herein. The Date of Beneficial Occupancy shall mean October 1, 2021 ("DBO").

2. The provisions of SECTION 5.4 are hereby deleted in their entirety and replaced with the following:

   5.4 Requirements – Mid-Term Refurbishments. Concessionaire shall undertake refurbishment improvements to update and improve the visual appeal and functioning of the Premises (the "Refurbishment Improvements") during the Term. Concessionaire shall obtain advance, written approval from PMGAA prior to execution, construction and/or permitting of the Refurbishment

Improvements. The first investment of Refurbishment Improvements shall be valued at no less than ONE HUNDRED FORTY-THREE THOUSAND and 00/100 DOLLARS ($143,000.00) and shall be completed no later than September 30, 2026. The second investment of Refurbishment Improvements shall be valued at no less than ONE HUNDRED SIXTY-FIVE THOUSAND and 00/100 DOLLARS ($165,000.00) and shall be completed no later than September 30, 2031. Notwithstanding anything to the contrary herein, Concessionaire shall have no obligation to make a second investment of Refurbishment Improvements if, on or before September 30, 2030, PMGAA gives notice of termination to Concessionaire pursuant to Section 13.4. Failure to complete said Refurbishment Improvements within such timeframes may subject Concessionaire to the payment of a late opening penalty equal to TWO HUNDRED FIFTY and 00/100 DOLLARS ($250.00) for each day of delay, which shall become due and payable to PMGAA, in addition to any other rent and fees due, within FIVE (5) business days of PMGAA's written request therefor. The actual completion of said Refurbishment Improvements shall be conducted in accordance with SECTION 5.3.2 herein, and Concessionaire shall validate its actual expenditures to PMGAA, in writing, within ONE HUNDRED TWENTY (120) calendar days of completion of said Refurbishment Improvements.

3. New SECTION 13.4 is hereby added with the following provisions:

   13.4 PMGAA's Right of Termination for New Terminal. In addition to the rights set forth in Section 13.1, if PMGAA, in its sole discretion, anticipates closing the Terminal and opening a new airline passenger terminal on the east side of the Airport during the Term, PMGAA shall have the right to terminate this Agreement in its entirety upon not less than FIVE (5) years advance written notice to Concessionaire.

4. Concessionaire warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 3 by Concessionaire; (ii) the persons who have executed this AMENDMENT 3 on behalf of Concessionaire are duly authorized to do so; and (iii) this AMENDMENT 3 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.

5. In all other respects the Food and Beverage Service Terminal Concession Lease Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 3 shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.

6. All of the Recitals set forth above are incorporated into this AMENDMENT 3 by this reference.

7. Concessionaire recognizes and acknowledges that execution of this AMENDMENT 3 shall in no way constitute a waiver by PMGAA or any other sums which may be due and owing to PMGAA or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 3 as of the date first set forth above.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority

By:_____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

FOR CONCESSIONAIRE:

KIND HOSPITALITY, INC.,
a Delaware corporation

By: _____

Name: Nava Thuraisingam, CEO
Chief Executive Officer

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-48

To:	**Board of Directors**
From:	**Lori Collins, Business and Economic Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Third Amendment to Restaurant and Catering Concession Lease Agreement with Kind Hospitality Inc.**
Date:	**August 20, 2024**

Proposed Motion

To authorize 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.

Narrative

Kind Hospitality Inc. (Kind) has occupied the restaurant location within the General Aviation Center located at 5803 S. Sossaman Road since 2016. More than $500,000 in renovations were made to accommodate the Barrio Brewing Company. The initial term was ten (10) years, terminating in 2026, and included a three-year renewal option. In addition, Kind pays the Authority a Percentage Rent equal to ten percent (10%) of gross revenue earned on the premises.

The restaurant serves as an amenity to surrounding airport businesses as well as neighboring communities. Kind has agreed to make an additional $150,000 investment in the space to enhance the restaurant's operations and to keep the premises fresh and relevant.

Agreement Amendment

The Third Amendment to the Restaurant and Catering Concession Lease Agreement (Amendment 3) will make the Term of the Agreement TWENTY (20) years and will require the Concessionaire to make a $150,000 mid-term investment. These improvements, which will be completed no later than July 31, 2026, will update and improve the visual appeal and functioning of the premises during the Term.

Attachment(s)

Third Amendment to Restaurant and Catering Concession Lease Agreement

RESOLUTION NO. 24-48

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

THIRD AMENDMENT TO CONCESSION LEASE AGREEMENT

Restaurant & Catering Concession Lease Agreement

This THIRD AMENDMENT to the CONCESSION LEASE AGREEMENT ("AMENDMENT 3") is executed to be effective as of the FIRST (1ST) day of _____ 2024 by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona, its successors and assigns ("PMGAA"), and **KIND HOSPITALITY, INC.**, a Delaware corporation registered to do business in the State of Arizona ("Concessionaire"). PMGAA and Concessionaire may be referred to jointly as "Parties," and each separately as a "Party". This AMENDMENT 3 hereby amends that certain Concession Lease Agreement between PMGAA and Concessionaire dated and effective the FIRST (1st) day of AUGUST 2016 and subsequently amended on January 30, 2017 and October 1, 2017 (collectively, the "Agreement"), with respect to Concessionaire's operation at 5803 S. South Sossaman Road.

RECITALS

A. PMGAA and Concessionaire desire to enter into this AMENDMENT 3 in order to modify the Agreement.

B. PMGAA and Concessionaire desire to increase the Initial Term to TWENTY (20) years.

C. PMGAA and Concessionaire desires to make an investment in Mid-Term Improvements.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this AMENDMENT 3 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The provisions of SECTION 2.1 are hereby deleted in their entirety and replaced with the following:

   2.1 Initial Term. This Agreement shall commence on the Effective Date and terminate on the TWENTY (20) year anniversary of the Rent Commencement Date (the "Term"), unless sooner terminated as provided herein.

2. The provisions of SECTION 2.2 are hereby deleted in their entirety.

3. The previously reserved SECTION 5.4 is hereby replaced with the following:

   5.4 Requirements – Mid-Term Improvements. Concessionaire shall undertake improvements to update and improve the functioning and visual appeal of the Premises (the "Mid-Term Improvements") during the Term. Concessionaire shall obtain advance, written approval from PMGAA prior to execution, construction and/or permitting of the Mid-Term Improvements. Such improvements shall be valued at no less than ONE HUNDRED FIFTY THOUSAND and 00/100 DOLLARS ($150,000.00) and shall be completed no later than July 31, 2026. Failure to complete said Mid-Term Improvements within such timeframe may subject Concessionaire to the payment of a late opening penalty equal to TWO HUNDRED FIFTY and 00/100 DOLLARS ($250.00) for each day of delay, which shall become due and payable to PMGAA, in addition to any other rent and fees due, within FIVE (5) business days of PMGAA's written request therefor. The actual completion of said Mid-Term Improvements shall be conducted in accordance with SECTION 5.3.2 herein, and

Concessionaire shall validate its actual expenditures to PMGAA, in writing, within ONE HUNDRED TWENTY (120) calendar days of completion of said Mid-Term Improvements.

4. Concessionaire warrants and represents to PMGAA that: (i) all necessary actions have been taken to authorize the execution of this AMENDMENT 3 by Concessionaire; (ii) the persons who have executed this AMENDMENT 3 on behalf of Concessionaire are duly authorized to do so; and (iii) this AMENDMENT 3 constitutes a legal, valid and binding obligation of Concessionaire, enforceable against Concessionaire in accordance with its terms and the terms of the Agreement.
5. In all other respects the Concession Lease Agreement shall remain unchanged and in full force and effect. The Agreement, as amended by this AMENDMENT 3 shall continue to be binding upon PMGAA and Concessionaire and their permitted successors and assigns.
6. All of the Recitals set forth above are incorporated into this AMENDMENT 3 by this reference.
7. Concessionaire recognizes and acknowledges that execution of this AMENDMENT 3 shall in no way constitute a waiver by PMGAA or any other sums which may be due and owing to PMGAA or which may hereafter accrue.

IN WITNESS WHEREOF, the Parties have entered into this AMENDMENT 3 as of the date first set forth above.

FOR PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers Authority

By:_____

Name: J. Brian O'Neill, A.A.E.
Executive Director/CEO

FOR CONCESSIONAIRE:

KIND HOSPITALITY, INC.,
a Delaware corporation

By: _____

Name: Nava Thuraisingam, CEO
Chief Executive Officer

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-49

To: Board of Directors
From: Scott Brownlee, Deputy Director/COO
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: FBO Consulting Services
Date: August 20, 2024

Proposed Motion
To authorize 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.

Narrative

A vast majority of commercial service airports nationwide provide fixed base operator (FBO) services – fueling and corporate aircraft ground handling – through a private company or companies. For a variety of reasons, Phoenix-Mesa Gateway Airport Authority (PMGAA) is the sole provider of FBO services at Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) using staff from its Gateway Aviation Services Department.

As the Airport continues to grow and change, PMGAA wants to ensure that providing FBO services with PMGAA staff is the best operational and financial business decision.

Therefore, PMGAA is contracting with a knowledgeable and experienced FBO consultant to thoroughly evaluate its Gateway Aviation Service Department and make specific recommendations about its current and future operation.

PMGAA issued a Request for Qualifications for FBO Consulting Services, Solicitation 2024-006-RFQ, on December 19, 2023. The notice was advertised in the Arizona Business Gazette on 12/21, 12/28/23 and 1/4, and 1/11/24; it was also posted on AzAA, ACC, ACI-NA, SWAAAE, and PMGAA websites. Nine prospective respondents also received copies of the solicitation by direct email. PMGAA received Statements of Qualifications (SOQs) from two firms.

ABS Aviation Consultancy, Inc., dba Airport Business Solutions
Airside FBO, LLC and BA Group Consulting, LLC (a joint response)

Upon review of the Statements of Qualifications received and the established criteria, the Evaluation Panel selected Airside FBO/BA Group as the firm that best satisfied the requirements, based on relevant firm experience, team qualifications, technical approach, and past performance.

Fiscal Impact
Using FY25 Operating Contingency Budget.

Attachment(s): Professional Services Agreement

RESOLUTION NO. 24-49

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize 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;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes 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. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 20th day of August, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

AND

AIRSIDE FBO, LLC and

BA GROUP CONSULTING, LLC

FOR

FBO CONSULTING SERVICES

CONTRACT NUMBER 20250004

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Phoenix-Mesa Gateway Airport Authority, a joint powers airport authority authorized by the State of Arizona ("PMGAA") desires performance of the services more fully described in this **Contract Number 20250004** ("Contract") and the attached exhibits. Airside FBO, LLC a Missouri Limited Liability Company and BA Group Consulting, LLC, a Colorado Limited Liability Company, ("Consultants"), desires to perform these services.

Recitals

A. PMGAA requires the services as described in this Contract, including any and all exhibits and amendments, and Consultants are willing to provide these and other services under this Contract; and

B. PMGAA desires to contract with Consultants to provide services as noted herein.

Now therefore, in consideration of the recitals and the mutual covenants set forth below, PMGAA and Consultants agree as follows.

SECTION I – CONSULTANT SERVICES

The services to be performed by Consultants are specified in this Contract. PMGAA will not pay Consultants for any services that have not been authorized under the Contract. There is no guarantee of a minimum purchase of services.

The anticipated services to be provided by Consultants under this Contract shall generally include, but not be limited to, the following: FBO Consulting Services, as more specifically described in the detailed scope of services attached as **EXHIBIT A**, "Scope of Services & Fee Schedule."

PMGAA's authorized representative shall be the PMGAA Deputy Director, or his/her duly authorized representative, and that he/she shall be the sole contact for administering this Contract.

All services provided by Consultants under this Contract must be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in Arizona. Consultants makes no other warranty, expressed or implied.

SECTION II – PMGAA RESPONSIBILITIES

PMGAA shall furnish Consultants, at no cost to Consultants, the following information or services for this Contract:

A. Access to copies of readily available maps, records, as-built drawings, benchmarks or other data pertinent to work assignments affiliated with this Contract. This does not, however, relieve Consultants of the responsibility of searching records for additional information, for requesting specific information or for verification of that information provided. PMGAA does not warrant the accuracy or comprehensiveness of any information or documents provided to Consultants.

B. In PMGAA's discretion and upon Consultants' reasonable request, access to staff for consultation with Consultants during the performance of this contract in order to identify the problems, needs, and other functional aspects of the work.

C. Prompt review of and feedback on Consultants' deliverables. PMGAA will advise Consultants concerning progress of PMGAA's review of the work, as needed.

SECTION III - PERIOD OF SERVICE

Consultants shall complete all work in accordance with the provisions of this Contract as amended.

All work initiated under this Contract must be completed on or before the expiration date of the Contract.

This Contract is effective as of the date signed by PMGAA and ends upon final completion and acceptance by PMGAA of the project, as defined by the Scope of Services ("Base Term"), unless terminated, canceled or extended as provided in this Contract.

Consultants shall commence its services within seven (7) days of the written authorization by PMGAA. Consultants shall perform its services in a diligent manner and in accordance with this Contract.

SECTION IV – KEY PERSONNEL

The Consultants themselves shall provide all services to be performed under this Contract. If Sub-Consultants are required by Consultants to perform any services listed under this contract, Consultants shall notify PMGAA prior to authorizing work by said Sub-Consultants. PMGAA may, at its sole discretion, accept or reject proposed Sub-Consultants.

SECTION V - PAYMENTS TO THE CONSULTANTS

Consultants will be paid for work performed under this Contract plus any adjustments that have been approved in writing by PMGAA in accordance with PMGAA's Procurement Policy. Payments will be made in accordance with **EXHIBIT B**, "Compensation."

All services to be rendered by Consultants are subject to the terms of **EXHIBIT B**, "Compensation" attached hereto.

PMGAA does not guarantee any minimum or maximum fee during the Term of this Contract, and Consultants, in executing this Contract, shall not anticipate or require any minimum or maximum fee.

PMGAA shall pay Consultants in agreed upon installments for services authorized and rendered under this Contract at the completion of each work assignment, provided Consultants have satisfactorily completed the requested work. If any such work requires time in excess of 30 calendar days to complete, progress payment(s) may be made on invoices/progress reports certified and approved by PMGAA.

SECTION VI - ALTERATION IN SCOPE OF SERVICES

For any alteration in the Scope of Services that would materially increase or decrease the Contract fee, the parties shall negotiate an amendment to the Contract to be executed by PMGAA and Consultants. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and Consultants have been notified to proceed by PMGAA. No claim for extra work done or materials furnished by Consultants will be allowed by PMGAA, except as provided herein, nor shall Consultants do any work or furnish any materials not covered by this Contract unless the work is first authorized in writing by PMGAA and the change complies with PMGAA's Procurement Policy. Any work or materials furnished by Consultants without advance, written authorization will be at Consultants' own risk, cost, and expense. Without written authorization, Consultants shall make no claim for compensation for such work or materials furnished.

SECTION VII - WORK ASSIGNMENT COMPLETION

If, during the Term of this Contract, situations arise which prevent work completion within the allotted time, PMGAA may grant an appropriate time extension.

SECTION VIII - OWNERSHIP OF DOCUMENTS

Any documents, including all electronic copies thereof, prepared under or as a result of this Contract, shall be the property of PMGAA. To the extent necessary to effectuate such ownership, Consultants hereby assign all right, title and interests to such documents to PMGAA. Consultants shall execute any separate contracts or documents, if any, which may be necessary to implement the terms of this Section.

All of Consultants' documents prepared under this Contract, including electronic files, are instruments of service. All of these documents become the property of PMGAA upon completion of the services and payment in full to Consultants. PMGAA may reuse or modify the documents, as it deems necessary, without Consultants' prior written authorization. PMGAA shall indemnify and hold harmless Consultants, its officers, directors, employees and subconsultants (collectively, the "Consultants") against any and all damages, liabilities or costs arising from PMGAA's modification of documents produced by Consultants under this Contract unless Consultants authorize the modification in writing.

SECTION IX - COMPLIANCE WITH LAWS

Consultants shall comply with all federal, state and local laws, local ordinances and regulations throughout the Term.

Consultants' signature on this Contract certifies compliance with the provisions of the I-9 requirements of the *Immigration Reform and Control Act of 1986* for all personnel that Consultants and any subconsultants employ to complete any work assignment.

PMGAA shall administer this Contract in accordance with PMGAA's Procurement Policy.

SECTION X - GENERAL CONSIDERATIONS

A. The failure of either party to enforce any of the provisions of this Contract or require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of the provisions, nor shall it affect the validity of this Contract or the right of either party to enforce each and every provision.

B. The fact that PMGAA has accepted or approved Consultants' work shall in no way relieve Consultants of responsibility for the work under this Contract.

C. This Contract shall be governed by the laws of the state of Arizona, both as to interpretation and performance. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Contract, or any provision thereof, shall be instituted only in the courts of the state of Arizona.

D. All exhibits to this Contract and any amendments to the Contract are incorporated into it.

SECTION XI - NO KICK-BACK CERTIFICATION

Consultants warrant that no person has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee and that no member of the PMGAA Board of Directors or any employee of PMGAA has any interest, financially or otherwise, in Consultants' firm.

For breach or violation of this warranty, PMGAA may annul this Contract without liability.

SECTION XII – SUSPENSION OF SERVICES

Consultants shall, within five (5) business days upon receiving written notice from PMGAA, suspend, delay, or interrupt all or a part of the Scope of Services. Consultants shall resume the Scope of Services within five (5) business days of receiving written notice from PMGAA.

SECTION XIII – TIMES OF PAYMENTS

Each Consultant shall submit invoices monthly for services each has actually completed. PMGAA shall review, certify, and approve or reject each invoice in whole or in part. PMGAA shall pay each approved invoice within 30 calendar days of the date that PMGAA approves the invoice.

SECTION XIV – TIMELY REVIEW

PMGAA will review Consultants' studies, reports, proposals, and other related documents and render any decisions required by Consultants in a timely manner. Notwithstanding these reviews, Consultants remain solely responsible for all of their deliverables and services under this Contract. By PMGAA's reviews, PMGAA does not assume any liability for or retained control over Consultants' work or Consultants' responsibility for the safety of its employees.

SECTION XV – DISPUTE RESOLUTION

All disputes between PMGAA and Consultants arising out of or relating to this Contract will be subject to the Dispute Resolution provisions as set forth in **EXHIBIT D**, "PMGAA Standard Terms and Conditions", attached hereto and incorporated herein by reference.

PMGAA and Consultants shall include a similar dispute resolution provision in all contracts with other contractors and consultants retained for the Project and shall require all other independent contractors and consultants to include a similar dispute resolution provision in all contracts with subcontractors, subconsultants, suppliers or fabricators retained by them.

SECTION XVI - LIABILITY OF CONSULTANTS

To the fullest extent permitted by law, Consultants shall defend, save, indemnify, and hold harmless PMGAA, its member governments, departments, officers, employees, and agents from and against damages arising out of any act, error, or omission of Consultants relating to its services under this Contract.

SECTION XVII - LAWS AND REGULATIONS

All federal, state, and local laws and regulations that relate to Consultants' services apply to Consultants' performance of this Contract throughout. These laws and regulations are deemed included in this Contract the same as though written out in full, especially the current applicable Federal Aviation Administration (FAA) rules and regulations associated with airport projects; pertinent Airport engineering standards; and local rules, regulations, and industry standards.

SECTION XVIII – ARCHAEOLOGICAL RESOURCE PROTECTION

While performing services under this Contract, Consultants may encounter a known or unknown archaeological site located at the Airport. If Consultants encounter what it believes to be an archaeological site, Consultants shall immediately notify PMGAA of the site's location and take all reasonable precautions to protect and preserve the site until PMGAA otherwise directs.

SECTION XIX INSURANCE REQUIREMENTS

A. Consultants shall each procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultants, its agents, representatives, or employees.

B. All insurance policies required by this Contact, except *Workers Compensation* and *Professional Liability*, shall name PMGAA, its agents, representatives, officers, directors, officials and employees as Additional Insured.

C. Minimum Scope and Limits of Insurance. Coverage shall be at least as broad as:

   i. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultants' profession, with limit no less than $1,000,000 aggregate.
   ii. Workers' Compensation: Statutory Limits as required by the state of Arizona, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

D. If the Consultants maintain higher limits than the minimums shown above, PMGAA requires and shall be entitled to coverage for the higher limits maintained by the Consultants. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PMGAA.

E. Additional insurance provisions. The insurance policies shall provide, or be endorsed to include, the following provisions:

   i. Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to PMGAA.
   ii. Waiver of Subrogation: Consultants waive any right to subrogation. Consultants shall obtain an endorsement necessary to affect this waiver of subrogation from the insurer for all lines of coverage required by this Contract, except *Workers Compensation* and *Professional Liability,* for claims arising out of the Consultants' work or service.
   iii. Primary Coverage: For all claims related to this Contract, all of Consultants' insurance policies will be primary and non-contributory. Any insurance or self-insurance maintained by PMGAA, its officers, officials, employees, or volunteers will be in excess of Consultants' insurance and will not contribute with it.
   iv. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by PMGAA. PMGAA may require the Consultants to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
   v. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII, unless otherwise acceptable to PMGAA.

vi. Claims Made Policies: No Claims Made policies (other than Professional Liability) will be accepted. For policies that provide claims-made coverage:

a) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultants must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

vii. Verification of Coverage: Consultants shall furnish PMGAA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by PMGAA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultants' obligation to provide the required insurance. PMGAA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

viii. Subcontractors: Consultants shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultants shall ensure that PMGAA is an additional insured on insurance required from subcontractors.

ix. Special Risks or Circumstances: PMGAA reserves the right to modify these requirements, including limits, based on the nature of the risk, scope of services, prior experience, insurer, coverage, or other special circumstances.

SECTION XX NOTICES

Any notice, report or information which may be or is required to be given under this Contract will be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn: Deputy Director
5835 South Sossaman Road
Mesa, Arizona 85212

TO CONSULTANTS: Airside FBO LLC
Attn: Kyle Eiserer
4651 NW Tuscan Ridge
Riverside, MO 64150

AND

BA Group Consulting, LLC
Attn: Iver Retrum
9085 E. Mineral Cir, Suite 305
Centennial, CO 80112

or to such other person(s) or address(es) as any such Party may designate from time to time by notice to the other Parties in accordance with this Section.

[Signatures on next page]

Executed as of the Effective Date.

CONSULTANT
AIRSIDE FBO, LLC, a Missouri Limited Liability Company

By: Kyle Eiserer

Name: Kyle Eiserer

Title: President

Date: July 28, 2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

CONSULTANT
BA GROUP CONSULTING, LLC, a Colorado Limited Liability Company

By: _____

Name: _____

Title: _____

Date: _____

Executed as of the Effective Date.

CONSULTANT
AIRSIDE FBO, LLC, a Missouri Limited Liability Company

By: _____

Name: _____

Title: _____

Date: _____

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

CONSULTANT
BA GROUP CONSULTING, LLC, a Colorado Limited Liability Company

By: _____

Name: Iver Retrum

Title: CEO / Manager

Date: 7/30/24

EXHIBIT A – SCOPE OF SERVICES & FEE SCHEDULE

The services to be performed by Consultants and the completion of related efforts are specified in the following Scope of Services & Fee Schedule agreed to by the parties.

For the services provided herein, PMGAA agrees to pay Consultants a total combined not to exceed amount of $83,500.00. This fee includes all costs associated with the project, including but not limited to, labor, materials, overhead, and travel expenses.

The fee schedule for this project is based on the following tasks and deliverables.

Task 1:	Business Assessment	$32,500
Task 2:	Development of an FBO Business Plan	$22,000
Task 3:	FBO Management Alternatives Assessment	$29,000

FBO Consulting Services

Provided by Airside FBO, LLC
July 25, 2024

Task 1: Business Assessment

Scope of Services

Airside FBO proposes to provide the following scope of services:

The FBO Business Assessment will include a multi-phased review of operations, safety, personnel, facilities, equipment, marketing, financial performance, customer satisfaction and other key factors that influence the success of FBO performance. Each component will receive an extensive review and ultimately our team will summarize the results. Stakeholders will receive a well-organized report paired with detailed findings. Reports will provide comparisons to other successful FBO's of similar size and in the region.

Work Plan

Airside FBO will create a SharePoint site for collaboration with all stakeholders for document sharing and project management tracking to ensure the scope of work remains on-track using the following methodology:

- **Electronic Kick-off Meeting:** all stakeholders will attend a virtual meeting to discuss the process, timeline, shared documents, and expectations for the successful completion of the tasks.
- **Documents & Project Management:** Airside FBO will provide the Airport with an extensive list of requested documents for review. We request that the Airport upload required items to a secure SharePoint site.
- **Initial Site Visit:** Airside FBO will schedule a 2-day site visit with the Airport to conduct the initial onsite review. Airside FBO will utilize a digital auditing tool with over 250 topics, each broken into eight categories, with the ability to add photos, upload documents, add notes, and provide ratings. Categories include business performance, prices, personnel, training & safety, facility & equipment, fuel storage & inspections, environmental, marketing, customer service, and observations of the business workflow.
- **Customer Outreach:** Key customers from a broad range of categories (transient, based, Military, commercial) will be asked to participate in a survey, sent electronically by Airside FBO, and results will be collected & summarized. 3rd party review sites & local observations will also be utilized.

- **Review:** Our team will facilitate an extensive review of the documents provided by the Airport. In addition, our team leverages data from 3rd party sources to review activity levels and capture performance rates. Key metrics of financial performance, operational efficiencies, personnel, and customer performance will be utilized and benchmarked against similar sized FBO's.
- **Second Site Visit:** Our team will conduct a second site visit, 1-2 days, to review outstanding questions, capture additional material, review current processes, and other items to assist with the completion of a successful review.
- **Deliverables:** Airside FBO will provide stakeholders with a summary outlining key findings paired with supporting materials including assessment details, customer reviews, financial reviews, metrics, equipment reviews, and other required items.
- **Onsite Review:** Our team believes that an onsite summary & review of the deliverables is the most effective method to review results of the assessment, answer questions, and discuss next steps, ultimately transitioning to Task 2.

Contact: Scott Brownlee will be the single point of contact throughout the project to help capture and respond to questions and ensure documents are provided in a timely manner.

Task 2: Development of an FBO Business Plan

Scope of Services

Airside FBO proposes to provide the following scope of services:

The Airport will receive an extensive Business Plan and financial analysis which utilizes the results of the FBO Business Assessment, discussions with Airport stakeholders, market research, consideration of new vendors, evaluation of historic & forecasted aviation trends, current customers, and new business segments. The Business Plan will include a timeline and action items across a wide array of categories from personnel and training to equipment, revised pricing strategies and marketing outreach. New vendor support and possible capital expenditures will also be incorporated into the documents.

Work Plan

Airside FBO will develop the Business Plan based upon the results of the assessment and pair it with our market research; however, we also need stakeholders from the Airport to provide input on key items (identified after the assessment) to guide discussions related to investment capital, Airport goals, and other considerations. The plan development will include:

- **Market Research:** Airside FBO will conduct extensive research of the local & regional market reviewing pricing, hangar demand, prospective customers, flight trends, digital & marketing trends, customer preferences, and other key factors.

- **Onsite Market Review & Discussion –** Airside FBO will formulate several high-level considerations and then facilitate an onsite review with the Airport outlining possible business opportunities. It is important for Airside FBO, based upon the research, to understand the Airport's appetite for certain business initiatives, which may include hangar development, pivots in business strategy and other considerations. These decisions will become clear after the assessment & market research; however, extensive capital may be required.
- **Business Plan Development:** Airside FBO will develop an extensive Business Plan to grow and enhance operational performance of the FBO based upon discussions with the Airport and Airside FBO. The business plan will leverage strengths of the Airport, location, and local/regional needs.
- **Deliverables:** Our team will provide stakeholders with the Business Plan and supporting materials. The plan will include action items, timelines, personnel adjustments, facility & equipment considerations, pricing considerations, vendors, proforma budgets, considerations for business metrics, service enhancements, digital tool recommendations, marketing suggestions, and outreach efforts.
- **Onsite Review:** Airside FBO will facilitate an onsite meeting to review the Business Plan, methodology, answer questions, and discuss next steps.

Exclusions – Task 2 does not include detailed site plans or hangar development information. Further, the Business Plan does not include support for actual deployment of recommendations. These items will be an add-on if requested by the Airport.

Task 3: FBO Management Alternatives Assessment

Scope of Services

Airside FBO & Business Aviation Group Consulting (BA Consulting) proposes to provide the following scope of services:

The FBO Options Analysis will identify the potential options that exist with regard to the future planning, development, operation, management, and finances of the Airport's FBO and outline the advantages and disadvantages of the options from an airport sponsor and customer perspective. Airside FBO & BA Consulting will discuss each of the options and the common advantages and disadvantages of each option during the initial site visit.

Airside FBO will evaluate two options (selected by the client for further study) from an operational, managerial, and financial perspective. Upon completion of the evaluation process, Airside FBO & BA Consulting will make a recommendation as to which of the two options (selected by the client for further study) is most consistent with a best industry

practices approach considering the circumstances that exist at the Airport and in the market. This information will be conveyed in a written summary report.

Work Plan

Airside FBO & BA Consulting will identify the potential options for future development, operation, and management of the FBO at the Airport. Airside FBO anticipates the potential options will include an FBO Lease Agreement, Sponsor Operated FBO (the current situation), and FBO Management Agreement, as follows:

- **FBO Lease Agreement** – a private entity would operate the FBO under a lease agreement with the Airport. The private entity under the lease agreement would own the FBO, and the entity's employees would operate and manage all aspects of the FBO utilizing the entity's assets (i.e., facilities, vehicles, and equipment) and resources from the land and/or improvements leased from the Airport.
- **Sponsor Operated FBO** (Current Situation) – the Airport would operate the FBO. The Airport would own the FBO, and Airport employees would operate and manage all aspects of the FBO utilizing the Airport's assets (i.e., facilities, vehicles, and equipment) and resources.
- **FBO Management Agreement** – a private entity would operate and manage all aspects of the FBO under a management agreement with the Airport, as owner of the FBO, using the Airport's FBO assets (i.e., facilities, vehicles, and equipment).

The **financial** analysis will be conducted for two selected options, to include projected revenue to the airport from the FBO assuming privatization is selected as an option. To achieve this objective, Airside FBO & BA Consulting will utilize the historical, current, and projected activity indicators (e.g., aircraft operations, based aircraft, and fuel volumes) for the Airport, the historical operational, management, and financial information gathered during the FBO Business Assessment, the Airport's Primary Management and Compliance Documents (as applicable), and the Airport's Master Plan/Airport Layout Plan.

Based on the financially feasible options, Airside FBO & BA Consulting will conduct an **operational** and **managerial** analysis from an airport sponsor and customer perspective.

- From the Airport's perspective, the analysis will encompass (1) FBO control and responsibility, (2) FBO financial contribution, (3) FBO capital requirements, (4) FBO risk/liability (exposure), (5) FBO administration, and (6) the potential opportunity for complementary products, services, and/or facilities to be provided at the Airport.
- From a customer perspective, the analysis will encompass (1) FBO products, services, and facilities, (2) FBO pricing, (3) FBO vehicles, equipment, and facilities, (4) FBO personnel, (5) FBO customer service, and (6) the potential for competition.
- Recommendation of whether to continue to operate the FBO or to privatize the FBO function.

EXHIBIT B - COMPENSATION

All compensation for services rendered by Consultants shall be based upon criteria established below. All services must be billed through the Consultants.

1. Fees to be Specified in Contract

Any and all services to be performed under this Contract require approval. All compensation for services shall be identified in writing. The Contract shall describe the scope of services to be performed (by tasks and subtasks, where appropriate), the fees associated with that performance, and any applicable special provisions. Consultants' compensation for services included in this Contract is totaled and set forth in **EXHIBIT A**, "Scope of Services and Fee Schedule".

2. Method of Payment

Subject to the terms of this Contract, PMGAA shall pay Consultants the appropriate rate or fixed price amount for services rendered as described in the Contract only after Consultants have submitted an invoice for services performed and PMGAA has certified and approved each invoice.

For services rendered in accordance with the Contract, Consultants shall each submit to PMGAA an invoice depicting tasks performed and/or hours spent for services performed. Invoices must be based on the actual hours and/or expenses incurred for the services completed during the billing period. Consultants' invoices must specify that Consultants have performed the services, and PMGAA must certify and approve each invoice as a condition to payment.

3. Consultants Responsibilities for Compensation

Each Consultant shall prepare separate monthly invoices and/or progress reports for the work completed by them, in accordance with terms specified in the Contract. Progress reports will clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices for payment shall be for work completed unless otherwise agreed to by PMGAA. Invoices/progress reports for payment for services subject to funding by the FAA and/or ADOT shall include the documentation requirements of the FAA and/or ADOT, which are outlined in the *Airport Improvement Program (AIP) Handbook* dated September 30, 2014, or most current version.

4. PMGAA Responsibilities for Compensation

PMGAA agrees to pay Consultants' invoices for payment within 30 calendar days after the invoice is approved. PMGAA may withhold payment on any invoice if it believes that Consultants have not performed the work in a satisfactory manner. If PMGAA withholds payment to Consultants, PMGAA shall promptly notify Consultants and explain the reasons for the decision to withhold payment.

Upon approval of submitted invoices/progress reports, PMGAA shall pay each invoice/progress report to the consultant that submitted the invoice/progress report.

5. Billing Address

All invoices submitted to PMGAA for payment shall be submitted to:

Accounts Payable: ap@gatewayairport.com

EXHIBIT C - SPECIAL PROVISIONS

1. Civil Rights Act of 1964, Title VI – General

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

2. Civil Rights Act of 1964, Title VI – Assurance

Title VI List of Pertinent Nondiscrimination Acts and Authorities:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English

proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

Title VI Compliance With Nondiscrimination Requirements:
During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

3. <u>Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion</u>
Consultants, by accepting this Contract, certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any government department or agency.

4. Project Security

As some or all portions of work possible during the Term of this Contract may be located inside the secured area of the Airport, adherence to and familiarity with federal security regulations is essential. For these projects, Consultants shall be responsible for fulfilling the security requirements described herein.

a. Secured Area Access – All Consultants' personnel who require unescorted access to the secured area of the Airport, prior to the issuance of an Airport Identification badge, must successfully complete the Security Badge Application and Security Badge Authorization forms.

b. Employee Security Badges – If deemed necessary by PMGAA Consultants and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display an Airport security badge. Consultants shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. Badge fees are identified on the current *Airport Fees, Services and Rental Rates* available via the Airport website at www.gatewayairport.com and are subject to change.

   i. All fees must be paid to PMGAA by cash or check.
   ii. Airport Security Badge Application forms and instructions are available via the Airport website at www.gatewayairport.com.
   iii. An authorized representative of Consultants must also obtain and submit a Security Media Authorization form, which is to be submitted to the PMGAA badging office. The Security Media Authorization form and instructions are available via the Airport website at www.gatewairport.com.
   iv. A training class on aviation security must be successfully completed before individuals are issued a badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take two hours per person.
   v. Additional information, including a "Frequently Asked Questions" is available via the Airport website at www.gatewairport.com or by contacting the PMGAA Badging Office at (480) 988-7522. The Badging Office is located at 5803 S. Sossaman Road, Mesa AZ 85212.
   vi. Consultants shall immediately notify the PMGAA Badging Office of any Consultant personnel whose employment status has changed.
   vii. Consultants shall retrieve all security badges and keys and return them to the PMGAA Badging Office. A fee, as indicated on the most current *Airport Rates and Charges Schedule*, will be charged for each badge that is damaged, lost or not returned.
   viii. The PMGAA Badging Office will require a completed Security Badge Application from each Consultants' employee so certified by Consultants as requiring such before a Security Badge is issued.
   ix. Under certain circumstances and out of control of PMGAA, security measures may change on short notice. No deviations from any security measure shall be allowed at any time.
   x. At all times, aircraft shall have the right-of-way over all vehicle traffic.

c. Fines – Due to both the safety and security precautions necessary at the Airport, any failure of the Consultants to adhere to prescribed Airport requirements/regulations has consequences that may jeopardize the health, welfare and lives of Airport customers and employees, as well as the Consultants' own employees. Therefore, if Consultants are found to be in non-compliance with any security, airfield badging/licensing and airfield safety requirement, a Notice of Violations (NOV) may be issued. A current listing of fines is available by contacting the PMGAA Badging Office.

5. Standard Terms & Conditions

PMGAA's Standard Terms & Conditions (in **EXHIBIT D** attached) include clauses that pertain to both construction and professional services. For such, the term "contractor" is to be considered same as "consultant or "consultants"." If a clause implies construction service then it is waived for a professional services contract. PMGAA reserves the right to make that determination if there is a conflict.

6. Federal and State Guidelines and Regulations

All work performed under this Contract must satisfy FAA and applicable agency standards, and be accomplished in accordance with applicable federal, state and local guidelines and regulations, including FAA Advisory Circulars, NEPA and Arizona environmental statutes.

Consultants shall perform the services as described in approved Contract in accordance with the applicable requirements imposed by PMGAA, ADOT, FAA and any other applicable sponsoring agencies. Consultants and its subconsultants/subcontractors, if any, shall comply with any and all applicable laws, regulations, executive orders, policies, guidelines, and any other requirements for FAA Airport Improvement Program (AIP) projects. Consultants shall provide PMGAA all information, reports, documents, and/or certifications requested by PMGAA for the satisfaction of any grant requirements for the reimbursement of services, including, without limitation, identifying the specific services provided by Consultants and the billing period(s) during which services were or are to be provided. Nothing herein shall be construed as making the FAA or ADOT a party to this Contract.

7. Right to Contract With Other Firms

PMGAA shall have the right to contract with other firms and/or persons and/or to self-perform additional services, which may be the subject of this Contract. Consultants shall conduct its operations and perform any services authorized under the Contract so as not to interfere with or hinder the progress of completion of the work being performed by PMGAA and/or other firms and/or persons. Consultants working on the same project shall cooperate with each other in the performance, scheduling, and, if applicable, the integration of their respective services.

8. Independent Contractor Status

At all relevant times, Consultants are - and shall remain - an independent contractor with regard to performance of its services. PMGAA retains no control over Consultants, the performance of its work or services, or the safety of its employees. Consultants are not authorized to enter into any contract or commitment, authorize any payment, or accept any document, services, goods or materials for, in the name of, or on behalf of PMGAA.

EXHIBIT D – PMGAA STANDARD TERMS & CONDITIONS

1. **Certification.** Consultants certifies:
   a. The award of this Contract did not involve collusion or other anti-competitive practices.
   b. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. Section 31-1461, et. seq.
   c. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; and Consultants hereby certify that the individual signing this Contract is an authorized agent for Consultant and has the authority to bind the Consultant to the Contract.

2. **Termination of Contract.**

   a. Termination for cause. PMGAA reserves the right to cancel this Contract in whole or in part due to failure of Consultants to carry out any term, promise, or condition of the Contract. At least ten (10) business days before terminating the Contract, PMGAA will issue a written notice of default specifying one of the following reasons. PMGAA shall, at all times during the term of the Contract or any extension term thereto, have the sole authority to determine if the default has been cured to its satisfaction. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this Contract.

      (1) Consultants have provided personnel that do not meet the requirements of the Contract.

      (2) Consultants have failed to perform adequately the stipulations, conditions or services/specifications required in this Contract.

      (3) Consultants have attempted to impose on PMGAA personnel or materials, products, or workmanship of unacceptable quality.

      (4) Consultants have failed to furnish the required service(s) and/or product(s) within the time stipulated in the Contract or associated Authorization of Services.

      (5) Consultants have failed to make progress in the performance of the requirements of the Contract or Authorization of Services, or Consultants fails to give PMGAA adequate assurance the Consultants will perform the Contract in full and on time.

      (6) Each payment obligation of PMGAA created hereby is conditioned on the availability of PMGAA, state, or federal funds appropriated for payment of the obligation. If funds are not available or allocated by PMGAA for continuance of service under this Contract, then PMGAA may terminate the Contract. PMGAA shall promptly notify Consultants regarding the service that may be affected by a shortage of funds. No penalty accrues to PMGAA if this provision is exercised, and PMGAA shall not be liable for any future payments due or for any damages as a result of termination under this paragraph.

   b. Termination for convenience. This Contract may be terminated at any time by mutual written consent or by PMGAA - with or without cause - provided the terminating party gives fourteen (14) calendar days' advance written notice to the other party. PMGAA may terminate this Contract, in whole or in part, for PMGAA's convenience and with fourteen (14) days' written notice. If this Contract is terminated, then PMGAA is liable only for services rendered and material received, certified, and approved by PMGAA under the Contract before the termination effective date.

   c. Upon termination of the Contract, the Consultants must deliver to PMGAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

3. **Dispute Resolution**.

   a. **Negotiations**. If a dispute arises out of or relates to this Contract or its breach, the parties to this Contract shall endeavor to settle the dispute through direct discussions as a condition precedent to mediation or binding dispute resolution.

b. **Mediation**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations, the parties to this Contract, upon the written request of either, shall engage in mediation, to be administered privately by a mediator and according to rules mutually agreed upon by the parties to this Contract, or, the absence of such mutual agreement, by a mediator appointed by JAMS and administered by JAMS in accordance with its then-current mediation rules. The fees and costs of mediation shall be split equally by the parties to this Contract, but subject to reallocation following binding dispute resolution.

c. **Binding Dispute Resolution**. Should the parties to this Contract be unable to resolve their dispute through direct negotiations or mediation, either party may, within the time limitations for bringing claims under Arizona law and this Contract, commence formal dispute resolution proceedings. Both parties to this Contract consent to binding arbitration administered by JAMS according to its then current arbitration rules, provided, however, that (i) in the event both parties agree, the arbitration may be administered privately by an arbitrator and according to rules mutually agreed upon by the parties to this Contract, and (ii) in the event any party seeks relief against the other party or against a non-party which cannot fully be granted in arbitration, by reason of non-joinder or otherwise, the parties to this Contract are excused from this arbitration requirement and the parties to this Contract shall proceed in the state or federal courts of competent jurisdiction and located in Maricopa County, Arizona. In any arbitration or litigation, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs as determined by the arbitrator or court as applicable.

4. **Independent Contractor.** At all times, each party acts in its individual capacity not as agent, employee, partner, joint venturer, or associate of the other party. An employee or agent of one party may not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Neither Consultants nor any of its employees are entitled to compensation from PMGAA in the form of salaries, paid vacation, or sick days. PMGAA will not provide any insurance to Consultants, including *Workers' Compensation* coverage. PMGAA will not withhold FICA, taxes, or any similar deductions from PMGAA's payments under this Contract.

5. **Affirmative Action.** Consultants shall abide by all the federal and state of Arizona provisions for equal opportunity in the work place.

6. **Human Relations**. Consultants shall abide by all the federal and state of Arizona provisions against discrimination of disadvantaged business enterprises in applicable PMGAA contracts.

7. **Non-Exclusive Contract**. This Contract is for the sole convenience of PMGAA. PMGAA reserves the right in its discretion to obtain the same or similar goods or services from any other source.

8. **Americans with Disabilities Act.** Consultants shall comply with all applicable provisions of the *Americans with Disabilities Act* (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the *Act*.

9. **Confidentiality of Records**. Consultants shall establish and maintain procedures and controls that are acceptable to PMGAA for the purpose of assuring that no information contained in its records or obtained from PMGAA or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under this Contract. Persons requesting such information should be referred to PMGAA. Consultants also agree that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultants as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by PMGAA.

10. **Gratuities.** PMGAA may, by written notice to the Consultants, cancel this Contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by Consultants or any agent or representative of Consultants, to any officer or employee of PMGAA involved in the amending, or the making of any determinations with respect to the performing of such Contract. If this Contract is

canceled by PMGAA under this provision, PMGAA shall, in addition to any other rights and remedies, repay to the Consultants the amount of the gratuity.

11. **Applicable Law.** Contract shall be governed by the laws of the state of Arizona, and suits pertaining to this Contract shall be brought only in federal or state courts in the state of Arizona.

12. **Contract**. This Contract is based on and the result of a negotiated Scope of Work and Proposal, Bid or Statement of Qualifications submitted by Consultants under an RFP, IFB or RFQ. The Contract contains the entire agreement between PMGAA and Consultants. No prior oral or written agreements, contracts, proposals, negotiations, purchase orders, or master agreements (in any form) are enforceable between the parties.

13. **Contract Amendments**. This Contract shall be modified only by a written amendment signed by the PMGAA Executive Director or his/her designee, and persons duly authorized to enter into contracts on behalf of Consultants.

14. **Provisions Required by Law**. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall forthwith be physically amended to make such insertion or correction.

15. **Severability.** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract, which may remain in effect without the valid provision, or application.

16. **Protection of Government Property.** Consultants shall use reasonable care to avoid damaging all PMGAA property, including buildings, equipment, and vegetation (such as trees, shrubs, and grass). If Consultants damage PMGAA's property in any way, Consultants shall immediately report such damage to PMGAA and repair or replace the damage at no cost to PMGAA, as directed by the PMGAA Executive Director. If Consultants fail or refuses to repair or replace the damage, then PMGAA may terminate the Contract, and PMGAA shall deduct the repair or replacement cost from money due Consultants under the Contract.

17. **Interpretation – Parol Evidence.** This Contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms thereof. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

18. **Subcontracts.** Consultants shall not assign any rights or interest nor enter into any subcontract with any other party to furnish any of the materials, goods or services specified herein without the prior written permission of PMGAA. PMGAA may, at its sole discretion, accept or reject proposed subcontractors or assignment. PMGAA shall notify Consultants of its acceptance or rejection within forty-five (45) days or written request by Consultants. All subcontracts shall comply with federal and state laws and regulations applicable to the materials, goods or services covered by the subcontract and shall include all the terms and conditions set forth herein, which shall apply with equal force to the subcontract, as if the subcontractor were the Consultants referred to herein. Consultants are responsible for Contract performance whether subcontractors are used.

19. **No Waiver.** No provision in this Contract shall be construed, expressly or by implication, to waive either party's existing or future claim, right, or remedy available by law for breach of contract. The failure of either party to insist on strict performance of any Contract term or condition; to exercise or delay exercising any right or remedy provided in the Contract or by law; or to accept materials, services, or Consultants' services under this Contract or imposed by law, shall not be deemed a waiver of any right of either party to insist upon strict performance of the Contract.

20. **Warranties.** Consultants warrant that all materials and services delivered under this Contract shall conform to the specifications thereof. Mere receipt of shipment of the material or service specified and any

inspection incidental thereto by PMGAA, shall not alter or affect the obligations of Consultants or the rights of PMGAA under the foregoing warranties. Additional warranty requirements may be set forth in this Contract.

21. **Indemnification.** To the fullest extent permitted by law, Consultants shall defend, save, indemnify, and hold harmless PMGAA, its agents, representatives, officers, directors, officials, and employees (collectively the "Indemnitees"), for, from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the Consultants' acts, errors, omissions, or mistakes relating to Consultants' services under this Contract.

22. **Right to Assurance.** Whenever one party to this Contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. If a demand is made and no written assurance is given within five (5) business days, the demanding party may treat this failure as an anticipatory repudiation with this Contract.

23. **Advertising.** Consultants shall not advertise or publish information concerning this Contract without prior written consent of PMGAA.

24. **Right to Inspect.** PMGAA may, at reasonable times, and at PMGAA's expense, inspect the place of Consultants' or any of Consultants' subcontractor's business, which is related to the performance of this Contract or related subcontract.

25. **Force Majeure.** In the event either party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Contract to be performed by such party ("Required Act"), and such delay or hindrance is due to causes entirely beyond its control such as riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God ("Force Majeure Event"), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of delay. For purposes of this Contract, the financial inability of Consultants to perform any Required Act, including, without limitation, failure to obtain adequate or other financing shall not be deemed to constitute a Force Majeure Event. A Force Majeure Event shall not be deemed to commence until ten (10) days before the date on which the party who asserts some right, defense, or remedy arising from or based upon such Force Majeure Event gives written notice thereof to the other party. If abnormal adverse weather conditions are the basis for a claim for an extension of time due to a Force Majeure Event, the written notice shall be accompanied by data substantiating (a) that the weather conditions were abnormal for the time and could not have been reasonably anticipated and (b) that the weather conditions complained of had a significant adverse effect on the performance of a Required Act. To establish the extent of any delay to the performance of a Required Act due to abnormal adverse weather, a comparison will be made of the weather for the time of performance of the Required Act with the average of the preceding ten (10) years' climatic range based on the National Weather Service statistics for the nearest weather reporting station to the Premises. No extension of time for or excuse for a delay in the performance of a Required Act will be granted for rain, snow, wind, cold temperatures, flood, or other natural phenomena of normal intensity for the locality where the Premises are located.

26. **Inspection.** All material or service is subject to final inspection and acceptance by PMGAA. Material or service failing to conform to the specifications of this Contract will be held at Consultants' risk and may be returned to Consultants. If so returned, all costs are the responsibility of Consultants. Noncompliance shall conform to the cancellation clause set forth in this Contract.

27. **Exclusive Possession.** All services, information, computer program elements, reports, and other deliverables, which may be created under this Contract, are the sole property of PMGAA and shall not be used or released by Consultants or any other person except with prior written permission by PMGAA.

28. **Title and Risk of Loss.** The title and risk of loss of materials or services shall not pass to PMGAA until PMGAA actually receives the material or service at the Airport, unless otherwise provided within this Contract.

29. **Liens.** All materials, services, and other deliverables supplied to PMGAA under this Contract must be free of all liens and other encumbrances. Upon request of PMGAA, Consultants shall provide a formal release of all liens.

30. **Licenses.** Consultants shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by Consultants as applicable to this Contract.

31. **Subsequent Employment.** PMGAA may cancel this Contract without penalty or further obligation in accordance with A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the PMGAA is or becomes, at any time while the Contract or any extension of the contract is in effect, an employee of, or a contractor to any other party to this Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to this Contract receive written notice from PMGAA, unless the notice specifies a later time.

32. **Clean Up.** Consultants shall at all times keep Contract performance areas, including storage areas used by the Consultants, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of PMGAA. Upon completion of any repair, Consultants shall leave the work and premises in clean, neat, and workmanlike condition.

33. **Patents.** Consultants shall defend, indemnify, and hold harmless PMGAA, its officers and employees from all liabilities, claims, damages, costs, or expenses, including, but not limited to attorneys' fees, for any alleged infringement of any person's patent rights or copyrights in consequence of the use by PMGAA, its officers, employees, agents, and other duly authorized representatives of tangible or intellectual property supplied to PMGAA by Consultants under this Contract.

34. **Records and Audit Rights.** Consultants' and all of its approved subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of all Consultants and subcontractor employees that work on the Contract (all the foregoing collectively referred to as "Records"), must be open to inspection and subject to audit and/or reproduction during normal working hours by PMGAA. PMGAA is entitled to evaluate and verify all invoices, payments or claims based on Consultants' and its subcontractor's actual costs (including direct and indirect costs and overhead allocations) incurred or units expended directly in the performance of work under this Contract. For any audit under this Section, Consultants and its subcontractors hereby waive the right to keep such Records confidential. PMGAA is entitled to access to these Records from the effective date of this Contract for the duration of the work and until five years after the date of final payment by PMGAA to Consultants under the Contract. During normal working hours, PMGAA is entitled to access to all necessary Consultants and subcontractor facilities and shall be provided adequate and appropriate workspace, in order to conduct audits under this Section. PMGAA shall give Consultants or subcontractors reasonable advance notice of intended audits. Consultants shall require its subcontractors to comply with the provisions of this Section by including its requirements in all subcontracts related to this Contract.

35. **E-Verify Requirements.** To the extent applicable under A.R.S. § 41-4401, Consultants and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees, and compliance with the E-Verify requirements under A.R.S. §23-214(A). Consultants' or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by PMGAA. PMGAA shall have the right to inspect the papers of Consultants' and any of Consultants' subcontractor's employee who works on this Contract to ensure the Consultants are complying with this paragraph.

EXHIBIT E – CONSULTANTS' RFQ SUBMITTAL

Consultants' Statement of Qualifications, dated April 1, 2024, in response to Phoenix-Mesa Gateway Airport Authority's Solicitation 2024-006-RFQ is hereby incorporated herein and made part of this Contract.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: June 2024 Financials
Date: August 20, 2024

Attached is the monthly Financials Report for June 2024.

Phoenix-Mesa Gateway Airport Authority

AIRPORT - All Operations P&L

June, 2024

PRELIMINARY

	Month of June 2024				Y-T-D as of June 2024			
	June FY23 Actual	June FY24 Actual	YOY Variance	B/(W)	YTD FY23 Actual	YTD FY24 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	21,841	36,719	14,877	68%	290,927	385,681	94,754	33%
Fuel Flowage Fees	59,225	63,612	4,387	7%	654,118	635,061	(19,057)	-3%
Landing Fees	134,388	144,744	10,356	8%	1,449,905	1,624,059	174,154	12%
Lease Income Aero	281,840	320,993	39,153	14%	3,233,354	4,076,662	843,308	26%
Fuel Sales	414,217	642,430	228,213	55%	7,304,272	7,761,831	457,559	6%
Services Sold - Aero	619,924	602,394	(17,530)	-3%	5,929,722	5,856,795	(72,927)	-1%
Sub-total Aero Operating Revenues	1,531,435	1,810,892	279,457	18%	18,862,297	20,340,089	1,477,791	8%
Non-Aeronautical Operating Revenues								
Concessions	121,016	130,949	9,933	8%	1,481,006	1,424,638	(56,368)	-4%
Lease Income Non-Aero	136,077	109,938	(26,139)	-19%	1,357,811	1,322,035	(35,776)	-3%
Parking	468,548	548,870	80,322	17%	4,648,800	5,088,368	439,568	9%
Rental Car Fees	161,795	196,369	34,574	21%	3,058,465	3,024,669	(33,796)	-1%
Svcs Sold - Non Aero	3,220	2,096	(1,124)	-35%	173,114	199,633	26,519	15%
Sub-total Non-Aero Operating Revenues	890,656	988,222	97,566	11%	10,719,196	11,059,344	340,146	3%
Total Operating Revenues	**2,422,091**	**2,799,114**	**377,023**	**16%**	**29,581,493**	**31,399,432**	**1,817,937**	**6%**
Operating Expenses								
Cost of Goods Sold	338,069	415,186	(77,118)	-23%	5,131,232	5,343,774	(212,542)	-4%
Personnel	982,662	1,320,660	(337,998)	-34%	10,249,475	11,201,016	(951,541)	-9%
Comm & Utilities	90,636	103,181	(12,544)	-14%	933,711	1,078,116	(144,405)	-15%
Contractual Services	544,581	627,564	(82,983)	-15%	6,229,748	6,799,423	(569,675)	-9%
Insurance	53,553	52,215	1,339	2%	658,116	638,960	19,156	3%
Other	219,843	184,795	35,048	16%	497,251	459,239	38,012	8%
Repair & Maintenance	165,237	113,112	52,125	32%	1,052,285	889,688	162,597	15%
Supplies & Materials	94,433	92,795	1,638	2%	938,405	863,484	74,921	8%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [2,812,142]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,489,014**	**2,909,508**	**(420,493)**	-17%	**25,690,223**	**27,273,700**	**(1,583,476)**	-6%
Operating Income (Loss) Before Depreciation	**(66,923)**	**(110,394)**	**(43,469)**	-65.0%	**3,891,271**	**4,125,732**	**234,462**	6%
	-2.8%	-3.9%			13.2%	13.1%		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
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www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **August 20, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2024-006-RFQ	FBO Consulting Services	August 2024
Request for Proposals	2024-015-RFP	Common Use Passenger Processing System (CUPPS)	August 2024
Invitation for Bid	2024-018-IFB	New Airport Entry Monument	August 2024
Request for Qualifications	2025-001-RFQ	CMAR for In-Line Baggage Improvements	October 2024

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2025-002-RFP	7,000 Gallon Aircraft Refueler	August 2024	October 2024
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	September 2024	February 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $700.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Bob Draper, Engineering and Facilities Director**
Through: **Chuck Odom, Chief Financial Officer**
J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: **Center Runway 12C/30C Asphalt Mill & Replacement, Lighting & Signage Upgrade – Increased Costs**
Date: **August 20, 2024**

On May 21, 2024, the Board approved a contract for Construction Services for the Asphalt Mill & Replacement, Lighting & Signage Upgrade of the Center Runway 12C/30C Reconstruction Project with Combs Construction Company, Inc., Resolution #24-21, in an amount not to exceed $3,756,592 under CIP1243. The total construction budget for the project is $3,817,922.00. Since the project has been underway, Airport staff has issued one change order against the contract:

Change order #1: Reduction of effective tax rate due to Military Reuse Zone transaction privilege tax (sales tax) credits.	reduction	$ 145,958.00

Due to unforeseen asphalt conditions of the runway, It is necessary for Airport staff to issue a second change order:

Change order #2: Upon completion of milling the runway down 2 inches per plan, it was discovered the previous Airforce runway asphalt surface course had been exposed (in localized areas) due to delamination of a subsequent overlay (done approximately in 1996). The remaining portions of the previous overlay (left after the milling process) are crumbling and raveling. The preferred course of action is to repair the runway correctly by removing the remaining crumbling/failing overlay and replace it with new asphalt. This cost includes; milling the rest of the failing overlay, additional asphalt required to meet pre-project grades, and additional mobilization and contractor staffing costs.	addition	$1,015,593.16
Total Revised Construction Services Amount		$4,626,227.16

This project is funded utilizing FAA, ADOT and PMGAA Matching Grant Funds. For the above change order #2, the FAA anticipates funding $152,338.97 and ADOT anticipates funding $40,623.72. PMGAA will utilize PFC funds in the future to recover the balance.

If additional change orders that increase the contract amount are incurred, Airport staff will provide an MIR to the Board.

Phoenix-Mesa Gateway Airport

Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for Tuesday, September 17, 2024, has been cancelled.

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, October 15, 2024 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 4th day of September, 2024.

I Misty Johnson, do hereby certify that I caused to be posted this 4th day of September, 2024, the Notice of Cancellation of the Tuesday, September 17, 2024 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com ; 2) Gateway Administration Building.

Misty Johnson

Misty Johnson, Clerk of the Board

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, October 15, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Julia Wheatley, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Julia Wheatley, Chair)

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   a) Pursuant to A.R.S. § 38-431-03 (A)(1), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the Executive Director/CEO's annual review.

5. **Motion to reconvene into Regular Session**

6. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

7. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

8. **Audited Financials Report** – Jean Dietrich, Principal CliftonLarsonAllen,

9. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **August 20, 2024**.

   b) **Resolution No. 24-50 –** Approving a tenth amendment to the **Executive Director's** employment agreement effective October 1, 2024.

   c) **Resolution No. 24-51 –** Authorizing a purchase with **CDW Government LLC (CDW)** for annual Microsoft licensing renewals, in an amount not to exceed $57,222.13.

   d) **Resolution No. 24-52 –** Authorizing Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, **USI Insurance Services LLC**, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This

consists of a 12-month renewal January 1, 2025 through December 31, 2025 with an estimated plan cost of $1,296,557.

e) **Resolution No. 24-53 –** Authorizing an increase in spending for Air Service Development Consulting Services with **Mead & Hunt, Inc. (Mead & Hunt)**, in an amount not-to-exceed $90,000 for the remainder of the contract for a total not-to-exceed amount of $140,000**.**

f) **Resolution No. 24-54 –** Authorizing the purchase of one new 7,000-gallon aircraft refueler from **SkyMark Refuelers, LLC (SkyMark)** in an amount not to exceed $373,961.40.

g) **Resolution No. 24-55 –** Authorizing a contract for the Roof Coating Phase 2 Project with **Jim Brown and Sons Roofing Co., Inc., dba JBS Roofing (JBS),** to complete roof repairs and recoating on a number of PMGAA owned facilities, in an amount not to exceed $175,983.49 under CIP1262.

h) **Resolution No. 24-56 –** Authorizing the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute a Facility Lease with **Top Aces Corp**. for the property located at 6229 South Sossaman Road, Mesa, AZ 85212 with an Effective Date of November 1, 2024. The Term for this agreement is two (2) years, terminating on October 31, 2026, with three (3), one-year (1) options to renew; with an Initial Term Lease Rate of $332,835 annually.

Consideration and Possible Approval of:

10. **Resolution No. 24-57 –** Authorizing the Fifth Amendment to the Master Development Agreement with **Mesa SkyBridge, LLC** to modify infrastructure and development phasing and to authorize an Amendment to the Master Lease with Mesa SkyBridge, LLC to establish a flat percentage annual increase in base rent instead of triennial CPI adjustments and updated the Development Lease template.

11. **Board Member Comments/Announcements**

12. **Next Meeting: Tuesday, November 19, 2024 at 9:00 a.m.**

13. **Adjournment**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

- Phoenix-Mesa Gateway Airport Authority's Fiscal Year 2024 Review
- Record Summer Travel at Phoenix-Mesa Gateway Airport
- PMGAA Meets with Congressional Delegation and FAA in Washington, DC
- Developer Breaks Ground on Gateway Commerce Center III Project
- Center Runway Mill and Overlay Complete; New LED Lights Installed
- Certified Therapy Alpacas Mingle with Passengers in Airport Terminal

Executive Director's Report
October 2024

XNRGY Climate Systems 275,000 Sq. Ft. Manufacturing Facility and U.S. Headquarters

Phoenix-Mesa Gateway Airport Authority's Fiscal Year 2024 Review

Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) is the envy of airports across the country. In recent years, the Airport has received significant federal entitlement, discretionary, and Bipartisan Infrastructure Law (BIL) grants and State of Arizona funding to construct an air traffic control tower, five-gate 30,000 sq. ft. terminal addition, enclosed terminal connector walkway, and several important airfield infrastructure improvement projects. The Airport has also attracted more than one million square feet of private development, representing thousands of high wage jobs and hundreds of millions of dollars in regional economic impact.

The information that follows is intended to highlight many of Phoenix-Mesa Gateway Airport Authority's (PMGAA, Authority) accomplishments during the twelve-month period of Fiscal Year 2024 (FY24).

Summary of FY24 PMGAA Organizational Achievements

- Airport Activity
  - Achieved second-best year of passenger activity – 1,839,977 total passengers
  - Allegiant added nonstop service to Portland, OR
  - Sun Country returned for the winter season with nonstop service to Minneapolis, MN
  - Continued airline recruitment efforts, meeting with current and prospective airlines during the year
  - Staff attended NBAA-BACE, MRO Americas, Allegiant Airports Conference, Mead & Hunt Air Service Conference, and 2024 Take-Off North America Air Service Conference
  - Celebrated Airport's twenty-millionth passenger
  - DSV completed scheduled weekly international air cargo flights using B-747 aircraft
- Achieved strong FY24 financial performance - $4,125,732 in net operating revenue and surpassed $30 million ($31,399,432) in operating revenue for the first time
- Successfully completed FY24 FAA Part 139 Certification Inspection with no findings
- Successfully completed FY24 TSA Security Inspection with no findings
- Received clean FY24 Independent Financial Audit
- Assisted in passage of Military Reuse Zone legislation and FAA Reauthorization Pilot Program establishing a process for contract towers to become FAA towers
- Expanded A.V.I.A.T.O.R. Terminal Volunteer Program
- Created PMGAA Employee Customer Service Training Program
- Expanded social media presence and improved Airport website
- PMGAA Featured in ***Airport Improvement*** magazine and ***Phoenix Business Journal***
- Completed Gateway Tomorrow East Side Terminal Planning Study
- PMGAA Construction Projects:
  - Completed Runway 12C-30C mill and overlay project
  - Completed construction of 5-gate, 30,000 sq. ft. passenger terminal addition
  - Completed construction of enclosed terminal connector walkway
  - Completed construction of 250,000 sq. ft. Alpha Apron Phase IV expansion
  - Completed construction of 150,000-gallon Fuel Farm expansion
  - Completed construction of Rental Car Care Facility improvements
  - Completed new terminal counter for Avis Budget Group

- Demolished 13 aging Airport structures and readied 10-acre aeronautical redevelopment opportunity
- Removed Airport Surveillance Radar (ASR) Facility
- Began reconstruction of Runway 12R-30L (Phase I)
- Began reconstruction of a portion of Taxiway Whiskey
- Designed new Airport entrance monument sign for intersection of Ray and Sossaman Roads
- Continued design of new TSA in-line checked baggage screening system and facility
- City of Mesa completed first 1,000 feet of Gateway Blvd and east side utility infrastructure

- Private Development Projects:
  - SkyBridge Arizona Master Development (Mesa SkyBridge, LLC)
    - Completed construction of two 250,000 sq. ft. industrial buildings
    - Completed construction of several interior public roadways and utility infrastructure
  - Gateway East Master Development (The Boyer Company, LC)
    - Began construction of 275,000 sq. ft. XNRGY Climate Systems U.S. Headquarters and manufacturing facility
    - Constructed Aviation Way, Technology Ave., and other portions of internal roadway system
  - Virgin Galactic – Nearing completion of 35,000 sq. ft. hangar and 115,000 sq. ft. manufacturing facility
  - Gulfstream Aerospace Corp.
    - Nearing completion of 225,000 sq. ft. West Coast Service Center
    - Hired more than 250 local employees
  - Gateway Commerce Center III – Completed design, permitting, and began construction on two industrial buildings totaling approximately 98,000 sq. ft.
  - Terminal Concessions - Opened First Jet Market in the new five-gate, 30,000 sq. ft. commercial passenger terminal addition

Financial Snapshot

OPERATING INCOME	August		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY24	FY25	
Revenues	$2,384,970	$2,349,504	**($35,466)**	$5,090,592	$5,399,747	**$309,155**
Less Expenses	$2,049,575	$2,176,926	**$127,351**	$3,975,245	$4,416,310	**$441,065**
Operating Income *(Before Depreciation)*	**$335,395**	**$172,578**	**($162,817)**	**$1,115,347**	**$983,437**	**($131,910)**

Investment Fund Balances: As of August, the Local Governmental Investment Pool (LGIP) 700 = $6,558,286; Wells Fargo; Collateralized Money Market = $9,036,188 and Commercial/Paper Brokered CD's = $53,216,954; Total $68,811,428. PMGAA invests in fixed rate instruments.

Finance and Accounting

PMGAA reported a net operating income of $172,578 for August 2024, compared to $335,395 in August 2023. August aeronautical revenues decreased by 5%, primarily due to a decrease in U.S. Forest Service and military activity. August non-aeronautical revenues increased by 5%, with rental car fees up by 25%.

Operating expenditures for August increased by 6% and totaled $2,176,926. The increase is attributed to the increased Aviation Fuel – Cost of Goods Sold due to increased fuel sales during the month.

Fiscal-year-to-date 2025 (FYTD25) operating expenditures are 3% below budget.

Active/Pending Solicitations

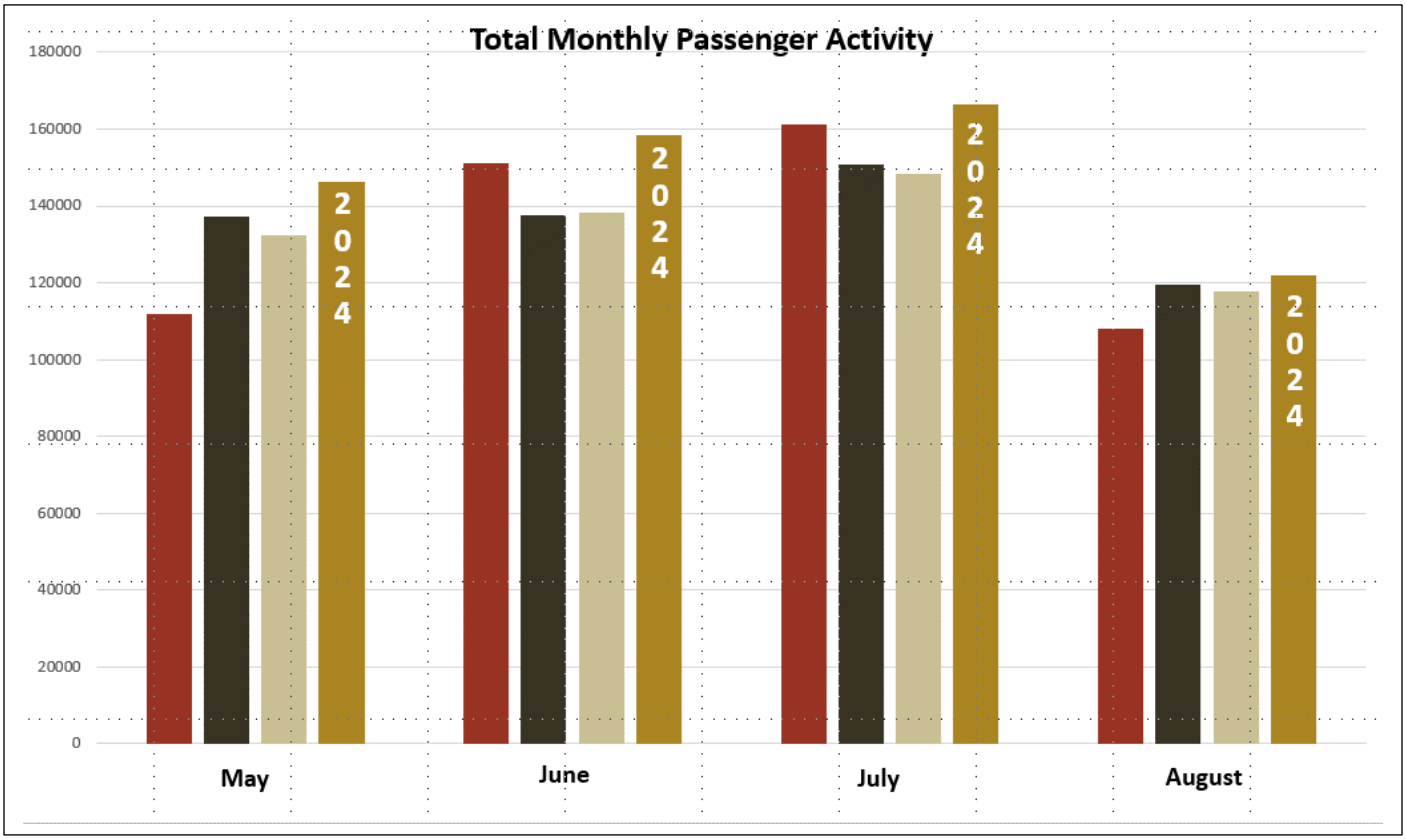
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-001-RFQ	CMAR for Baggage Make-up	October 2024
Request for Proposals	2025-002-RFP	7,000 Gallon Aircraft Refueler	October 2024
Request for Qualifications	2025-003-RFQ	South Ramp Aeronautical Development	March 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025

Airport Operations

Record Summer Travel at Phoenix-Mesa Gateway Airport



More and more greater Phoenix residents and sun-seeking visitors from across the country are discovering the ease, convenience, and value of using Gateway Airport when they travel. The number of travelers flying through the Airport this summer has set a new record, with 2024 marking the busiest May to August period ever at the Airport. 593,231 passengers came through the Airport during this time period, a 9% increase over the previous summer season record set in 2022.

PASSENGER COUNTS		August		% Change	FYTD		% Change
		2023	2024		FY24	FY25	
Passengers	TOTAL	117,609	122,066	4%	266,014	288,335	8%
	Deplaned	58,880	61,389	4%	133,700	146,825	10%
	Enplaned	58,729	60,677	3%	132,314	141,510	7%
Allegiant	Scheduled	117,489	121,908	4%	265,894	288,177	8%
Sun Country	Scheduled	120	158	32%	120	158	32%

OPERATIONS	August		% Change	FYTD		% Change
	2023	2024		FY24	FY25	
Air Carrier	829	798	-4%	1,680	1,903	13%
Military	163	79	-52%	349	180	-48%
General Aviation	19,925	24,104	21%	35,706	46,318	30%
TOTAL	**20,917**	**24,981**	**19%**	**37,735**	**48,401**	**28%**

Community Noise Report

CALLERS	August		FYTD	
	2023	2024	FY24	FY25
Total	7	5	17	12

AIRCRAFT TYPE	August		FYTD	
	2023	2024	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	5	1	14	4
GA Total	2	4	3	8
Helicopter	0	0	0	0
Military	0	0	0	0
Total	7	5	17	12

PMGAA received communications from a total of five individuals regarding aircraft noise issues during the month of August 2024, compared to seven individuals last August.

LOCATION	August		FYTD	
	2023	2024	FY24	FY25
Mesa	4	1	6	3
Gilbert	3	3	6	4
Gold Canyon	0	0	0	0
Queen Creek	0	0	4	1
Queen Valley	0	1	1	2
Apache Junction	0	0	0	0
San Tan Valley	0	0	0	1
Chandler	0	0	0	0
Florence	0	0	0	1
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	7	5	17	12

Gateway Aviation Services

PMGAA pumped approximately 1.21MM gallons of aviation fuel during the month of August 2024, a 6% increase compared to the 1.14MM gallons dispensed last August.

FUEL (Gallons)	August			FYTD		
	2023	2024	% Change	FY24	FY25	% Change
AvGas	29,712	46,105	55%	56,272	88,630	58%
Retail Jet A	47,427	68,230	44%	93,266	147,936	59%
Contract	347,572	228,784	-34%	828,781	589,009	-29%
Commercial	716,370	865,738	21%	1,671,967	2,128,704	27%
Cargo	3,409	2,485	-27%	3,409	2,485	-27%
TOTAL	**1,144,490**	**1,211,342**	**6%**	**2,653,693**	**2,956,764**	**11%**

Business Development

Developer Breaks Ground on Gateway Commerce Center III Project

Located at the intersection of Sossaman Road and Velocity Way, Gateway Commerce Center III is a private development project comprised of two mid-sized industrial building totaling approximately 98,000 sq. ft. The developer has worked with PMGAA and the City of Mesa to enhance both the design of the structures and property landscaping.

Gateway Commerce Center III is scheduled to be complete in fall 2025.

Engineering, Planning, and Facilities

Center Runway Mill and Overlay Complete: New LED Lights Installed

Thanks to an approximately $4MM FAA BIL grant, PMGAA milled and overlayed its center runway, Runway 12C-30C, and replaced older runway lighting with new LED lights.

The Airport has three 10,000-ft. runways to continually improve and maintain. PMGAA couldn't keep its airfield in such good condition without strong support from the FAA and the State of Arizona.

Communications and Government Relations

PMGAA Meets with Congressional Delegation and FAA in Washington, DC

PMGAA Delegation with U.S. Sen. Mark Kelly

Mesa Mayor and PMGAA Board member John Giles recently led a delegation of PMGAA and City of Mesa officials to Washington, DC to meet with members of Arizona's Congressional Delegation and the FAA. Their mission, offer PMGAA's assistance and expertise to the FAA in creating a pilot program that would establish a pathway for eligible contract air traffic control towers like Gateway Airport to become FAA-controlled towers.

Thanks to earlier efforts by the Authority, the City, and the Delegation, a provision was included in the most recent FAA Authorization legislation to create the pilot program, clearing the way for Gateway Airport to apply and compete to become an FAA-controlled air traffic control tower.

PMGAA Team Member Spotlight

Employee Name: **Mitch Johnson**
Employee Title: **Airfield Critical Systems Electrician**
PMGAA Department: **Operations, Security, and Maintenance**
Years with PMGAA: **6.5+ Years**

What are your job responsibilities for PMGAA? I am part of the Critical Systems Team which maintains, repairs, and does installations on the airfield lighting systems, navigational aids, emergency generators, tower, and the transmitter site.

What is your most memorable Gateway Airport moment? I have many memorable moments at Gateway, two of them that stand out the most are being apart of the new tower, and transmitter site projects. Those are both rare opportunities, which I am very grateful to have been involved in.

What is something people may not know about you? From age 4-8 I lived on a Navajo Indian reservation; there I developed a passion for artwork because on my exposure to some very talented Indian children in school. As a result of that I had my own art business for about 10 years, which I mainly reproduced my oil painting into canvas giclee prints, framed them and sold them to two chain stores.

Certified Therapy Alpacas Mingle with Customers in Airport Terminal

Kip and Napoleon Meeting Airport Passengers in the Terminal

Air travel can often be a stressful experience for some people. The thought of getting to the airport on time, parking, checking in, going through security screening, and boarding the aircraft can often create angst and uneasy feelings.

What better way to calm your nerves than with a couple of friendly alpacas dressed up as commercial pilots? Meet Kip and Napolean, two Arizona Goat Yoga therapy alpacas that visited Gateway Airport on September 18th. These cute Airport Ambassadors were a huge hit with passengers, "meeters & greeters", and Airport company employees. The theme of the day's event was **Alpaca Your Bags and Get Away to One of Allegiant's 45 Nonstop Destinations from Gateway Airport!**

Don't forget to get your Real ID/Travel ID Compliant Arizona Driver's License before the May 7, 2025 Deadline!

Looking to escape the lingering summer heat? Book a flight on Allegiant, and go hiking in Portland, Oregon!

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Phoenix-Mesa Gateway Airport Authority (PMGAA), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise PMGAA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of PMGAA, as of June 30, 2024, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PMGAA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PMGAA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PMGAA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PMGAA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of PMGAA's proportionate share of the net pension and OPEB liability and contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of revenues and expenditures (budgetary basis) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of PMGAA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PMGAA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PMGAA's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 30, 2024

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REQUIRED SUPPLEMENTARY INFORMATION

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

The management of Phoenix-Mesa Gateway Airport Authority (PMGAA) offers readers this overview and analysis of PMGAA's financial statements and activities for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of PMGAA exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by $388.5 million (net position). Total net position increased by $22.6 million during the fiscal year.
- PMGAA's operating revenues increased $0.9 million (2.9%) from the prior fiscal year.
- During the current year, member governments contributed $4.06 million to PMGAA. These contributions were utilized to fund capital projects at PMGAA.
- Capital Grants and Contributions decreased $12.1 million from the previous year as PMGAA close out several grant funded projects in the current year.
- Investment income increased $1.9 million (83%) from the prior year as a result of a favorable interest rate environment for PMGAA's investments.
- PMGAA's operations resulted in a net operating loss of $11.6 million for the fiscal year. This loss is attributable to non-cash depreciation expense on assets. These assets were contributed by the federal government, acquired with the aid of grants, or constructed using contributions from PMGAA's member governments or PMGAA's own operating reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to PMGAA's basic financial statements. PMGAA's basic financial statements are divided into four sections:

1. Fund financial statements.
2. Notes to the basic financial statements.
3. Required supplementary information other than MD&A.
4. Other information.

As PMGAA presents only one fund type, separate government-wide financial statements have not been prepared.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, PMGAA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Unlike most other governments, which have multiple funds, all PMGAA's activities are business-type activities and are accounted for in a single proprietary fund.

Proprietary funds. PMGAA maintains its accounting records in a single enterprise fund. An enterprise fund is a type of proprietary fund used to report business-type activities.

The proprietary fund financial statements can be found on pages 11 - 14 of this report.

The *statement of net position* presents information on PMGAA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being shown as net position.

The *statement of revenues, expenses and change in net position* presents information on how PMGAA's net position changed during the fiscal year.

All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *statement of cash flows* presents PMGAA's cash flow (sources and uses) related to operating activities, non-capital financing activities, capital financing activities, and investing activities during the year.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to basic financial statements can be found on pages 15 - 39 of this report.

Required Supplementary Information other than MD&A

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to PMGAA's pension plan as required by the GASB to supplement information found in the notes to the basic financial statements. These schedules are included on pages 40 - 43 of this report.

Other Information

PMGAA annually prepares a full capital and operating budget, which is submitted to the Board of Directors for approval during the spring of each year. Although the budget is not legally binding, it is an important management tool used throughout the fiscal year. During the fiscal year, actual activity is compared to the budget on a monthly basis to assess operating results.

Budget to actual results for the full year, presented on a budgetary basis, are included as other information on page 44 of this report.

FINANCIAL ANALYSIS

Net position represents the accrued results of a government's operations and, over time, increases or decreases in net position may serve as a useful indicator of whether PMGAA's financial position is improving or deteriorating. At the end of the fiscal year, PMGAA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $388.5 million.

Airports are capital-intensive enterprises. 83.6% of PMGAA's net position is invested in capital assets (net of any outstanding debt used to acquire those assets).

PMGAA uses these assets to provide aviation access and services to the flying public and the surrounding communities, consequently these assets are not available for future spending. Although PMGAA's investment in its capital assets is reported net of related debt, the resources needed to pay such debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Certain of PMGAA's funding sources impose external restrictions upon the use of funds. In the event that PMGAA has unspent restricted resources, this balance is reported as restricted net position and is not available for use to meet ongoing obligations. PMGAA ended the current year with no unspent restricted resources, and therefore reports no restricted net position.

The remaining balance of unrestricted net position (16.4%) may be used to meet PMGAA's ongoing obligations.

The table below presents a summary of PMGAA's net position for the fiscal years ended June 30, 2024 and 2023 respectively.

	Business-Type Activities	
	2024	2023
ASSETS		
Current and Other Assets	$ 79,220,426	$ 82,211,422
Noncurrent Assets	353,745,444	332,126,185
Total Assets	432,965,870	414,337,607
DEFERRED OUTFLOWS OF RESOURCES	1,357,764	1,560,941
LIABILITIES		
Current and Other Liabilities	6,095,969	10,902,447
Long-Term Liabilities	24,238,313	24,955,164
Total Liabilities	30,334,282	35,857,611
DEFERRED INFLOWS OF RESOURCES	15,533,480	14,230,741
NET POSITION		
Net Investment in Captial Assets	324,839,831	305,159,251
Unrestricted	63,616,041	60,650,945
Total Net Position	$ 388,455,872	$ 365,810,196

Net position increased by $22.6 million (6.2%) from the previous fiscal year-end driven by increases in fueling operations and airport usage fees as a result of expanded aviation activity.

Net investment in capital assets increased $19.7 million from the prior year as the acquisition of new assets exceeded depreciation in the current year and PMGAA continued to pay down debt.

Unrestricted net position increased $3.0 million from the prior year as the growth in operating revenues exceeded the growth in expenses.

The table below presents the significant elements of revenue and expenses for PMGAA comparatively for the current and prior fiscal year.

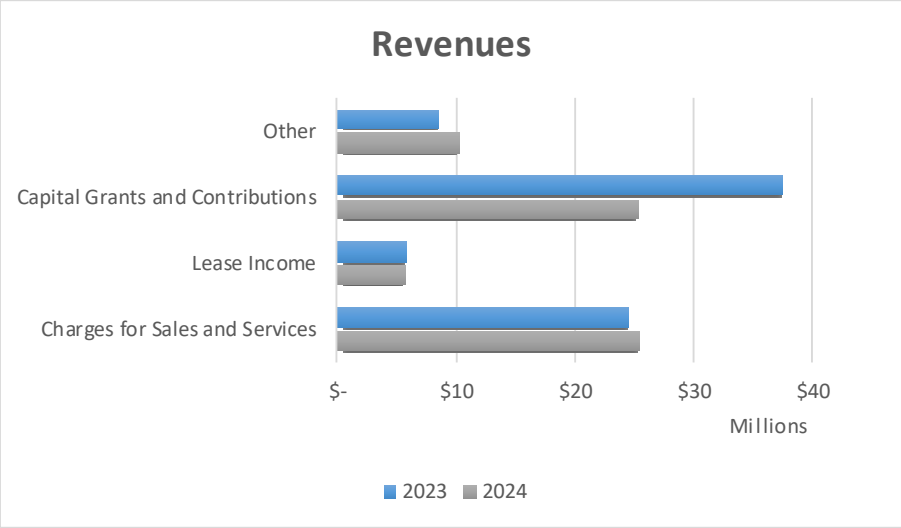
	Business-Type Activities	
	2024	2023
REVENUES		
Charges for Sales and Services	$ 25,530,606	$ 24,565,407
Lease Income	5,800,508	5,889,849
Capital Grants and Contributions	25,375,473	37,523,747
Other	10,364,661	8,602,992
Total Revenues	67,071,248	76,581,995
EXPENSES		
Cost of Sales	5,343,774	5,131,232
Other Operating Expenses	22,092,210	20,620,035
Depreciation	15,513,965	16,558,213
Non-Operating Expenses	1,475,623	744,706
Total Expenses	44,425,572	43,054,186
CHANGE IN NET POSITION	22,645,676	33,527,809
Net Position - Beginning of Year	365,810,196	332,282,387
NET POSITION - END OF YEAR	$ 388,455,872	$ 365,810,196

Revenues

Overall revenues declined $9.5 million from the previous fiscal year. This decline in revenues was substantially the result of a $12.1 million decline in capital grants and contributions from the previous year. As PMGAA completed several large projects in the current year, including the construction of a new terminal south concourse and pedestrian walkway along with the reconstruction of portions of a runway, capital contributions decreased with the conclusion of these projects.

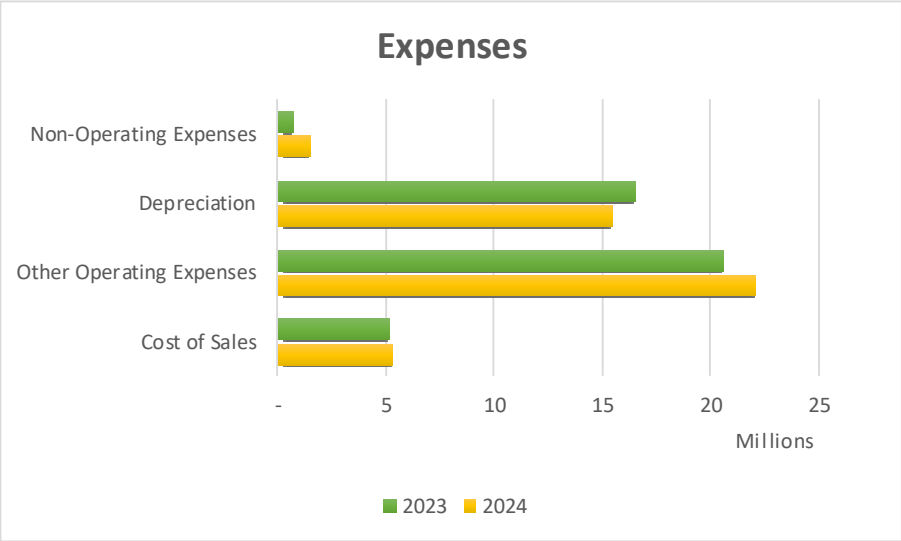
Increases in airport usage fees ($0.6 million) and fueling operations ($0.4 million), driven by increased private and military user activity at the airport, help to offset the declines in capital contributions. Additionally, PMGAA saw a significant increase ($1.9 million) in investment income from the previous year, benefiting from a strong interest rate environment.

Lease interest income ($0.7 million) recognized by PMGAA in the current year represents imputed interest reported in accordance with GASB Statement No. 87 *Leases,* was consistent with the previous year as was lease income generally.



Expenses

PMGAA's expenses excluding depreciation increased $1.7 million (6.5%) over the prior year, with significant increases in personnel costs, professional services, and utilities. Increases in professional services ($0.6 million), and utilities ($0.2 million) were driven by higher costs for services and utilities due to increased activity and the expansion of PMGAA facilities. Increases in personnel costs ($1.2 million) reflect market driven pay increases to remain competitive and retain talent. PMGAA's overall expenses increased only $0.6 million (1.5%) aided by a substantial reduction in depreciation expense ($1.0 million) as older assets became fully depreciated and new assets brought in service did not have full year depreciation. Depreciation expense is expected to increase in future periods as new assets are placed in service.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

At June 30, 2024, PMGAA's capital assets totaled $339.0 million (net of accumulated depreciation). Capital assets include land; runways, taxiways, and apron areas; buildings; improvements; machinery, vehicles, equipment, and software. A large majority of these assets were contributed to PMGAA directly or were purchased with the aid of federal and state grants.

The table below summarizes PMGAA's capital assets (net of accumulated depreciation) by major asset class as of June 30, 2024 and 2023, respectively:

	Business-Type Activities	
	2024	2023
Land	$ 91,188,500	$ 91,188,500
Construction in Progress	10,584,822	84,456,847
Buildings & Improvements	99,097,319	36,797,429
Infrastructure	128,761,219	98,521,826
Machinery & Equipment	9,358,388	7,599,257
	$ 338,990,248	$ 318,563,859

Major capital asset events during the current fiscal year included the following:

- Construction of new Terminal Concourse ($14.6 million)
- Construction of new Pedestrian Walkway ($3.8 million)
- Rental Car Care Facility Construction ($8.2 million)
- Reconstruction of Taxiway Circle ($0.4 million)
- Replacement of Fire Suppression Pumps ($0.3 million)

Additional information on PMGAA's capital assets may be found in the notes to the basic financial statements in Note 3.A.4 and 3.B.

Long-term debt

At the end of the current fiscal year, PMGAA had total debt outstanding of $14.3 million. Payments on PMGAA's outstanding special facilities revenue bonds are funded through lease payments from the City of Mesa, Arizona, and secured via pledged excise tax revenue by the City of Mesa through its lease and financing agreement with PMGAA.

Overall, PMGAA's outstanding debt decreased $0.6 million from the prior fiscal year due to regularly scheduled principal payments.

The following schedule shows the outstanding debt of PMGAA as of June 30, 2024 and 2023.

Additional information on PMGAA's long-term debt may be found in the notes to the basic financial statements in Note 3.C.

	Business-Type Activities	
	2024	2023
Special Facility Revenue Bonds	$ 14,340,000	$ 14,915,000
Unamortized Premium on Bonds	366,032	392,177
	$ 14,706,032	$ 15,307,177

ECONOMIC FACTORS

PMGAA depends on annual contributions from its member governments to cover some of its capital costs. This makes PMGAA susceptible to downturns in the economy and other difficulties that could affect member governments' abilities to provide this annual funding. However, member government support of this kind has been consistent over the last several years.

With PMGAA's largest fueling customers being the government and commercial airlines, a significant portion of fueling revenue depends on continuation of military activity and commercial passenger operations.

PMGAA also depends on capital grants, mostly from the FAA and the Arizona Department of Transportation (ADOT), to continue its current level of capital improvement and renewal programs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of PMGAA's finances for all those who are interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Phoenix-Mesa Gateway Airport Authority, 5835 S. Sossaman Road, Mesa, AZ 85212.

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BASIC FINANCIAL STATEMENTS

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

	Business-type Activities Proprietary Fund
ASSETS	
Current Assets:	
Cash and Investments	$ 69,576,596
Accounts Receivable, Net	2,060,603
Due from Other Governments	2,251,164
Lease Receivable	1,237,681
Prepaid Costs	689,977
Inventory	195,560
Restricted Assets:	
Cash with Fiscal Agent	36,162
Cash with Trustee	1,327,973
Customer Deposits	1,844,710
Total Current Assets	79,220,426
Noncurrent Assets:	
Lease Receivable	14,436,207
Net OPEB Asset	318,989
Capital Assets:	
Non-Depreciable	101,773,322
Depreciable, Net	237,216,926
Total Noncurrent Assets	353,745,444
Total Assets	432,965,870
DEFERRED OUTFLOWS OF RESOURCES	
Pension and OPEB	1,357,764
Total Deferred Outflow of Resources	1,357,764
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,085,014
Accrued Liabilities	541,217
Unearned revenue	1,028
Current Liabilities Payable from Restricted Assets:	
Customer Deposits	1,844,710
Interest Payable	358,500
Current Portion of Long-Term Liabilities:	
Bonds and Loans Payable	605,000
Compensated Absences	660,500
Total Current Liabilities	6,095,969
Noncurrent liabilities:	
Bonds and Loans Payable	14,101,032
Compensated Absences	572,789
Net Pension and OPEB Liability	9,564,492
Total Noncurrent Liabilities	24,238,313
Total Liabilities	30,334,282
DEFERRED INFLOWS OF RESOURCES	
Pension and OPEB	566,840
Leases	14,966,640
Total Deferred Outflow of Resources	15,533,480
NET POSITION	
Net Investment in Capital Assets	324,839,831
Unrestricted	63,616,041
Total Net Position	$ 388,455,872

See accompanying Notes to Basic Financial Statements.

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024

	Business-type Activities Proprietary Fund
OPERATING REVENUES	
Fueling Operations	$ 13,584,148
Lease Income	5,800,508
Maintenance Services	359,417
Airport Usage Fees	11,587,041
Total Operating Revenues	31,331,114
OPERATING EXPENSES	
Personnel Costs	11,416,344
Professional Services	6,843,458
Cost of Goods Sold - Fueling Operations	5,268,500
Cost of Goods Sold - Maintenance Services	75,274
Repair and Maintenance	771,246
Utilities	1,087,068
Insurance	638,960
Other Expense	1,335,134
Depreciation	15,513,965
Total Operating Expenses	42,949,949
Operating Loss	(11,618,835)
NONOPERATING REVENUE (EXPENSES)	
Investment Income	4,083,440
Lease Interest Income	684,422
PFC Income	4,175,776
CFC Income	1,331,757
Other Income	8,004
Loss from Disposition of Assets	(784,768)
Intergovernmental Revenue	81,262
Interest Expense	(690,855)
Total Nonoperating Revenues (Expenses)	8,889,038
Income Before Capital Grants and Contributions	(2,729,797)
Capital Grants and Contributions	25,375,473
Change in Net Position	22,645,676
Total Net Position - Beginning of Year	365,810,196
TOTAL NET POSITION - END OF YEAR	$ 388,455,872

See accompanying Notes to Basic Financial Statements.

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024

	Business-type Activities Proprietary Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Providing Services	$ 30,735,224
Payments to Employees	(10,873,429)
Payments to Suppliers	(16,050,781)
Customer Deposits and Prepayments	(404,197)
Net Cash Flows Provided by Operating Activities	3,406,817
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Lease Interest Income	684,422
Operating Grants from Other Governments	81,262
Net Cash Flows Provided by Non-Capital Financing Activities	765,684
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Construction and Acquisition of Capital Assets	(41,036,136)
Capital Contributions from Member Governments	4,060,000
Capital Grants from Other Governments	26,592,663
Passenger Facility Charges received	4,175,776
Customer Facility Charges received	1,331,757
Proceeds from Sale of Equipment	46,297
Principal Paid on Capital Debt	(575,000)
Interest Paid on Capital Debt	(731,375)
Net Cash Flows Used for Capital and Related Financing Activities	(6,136,018)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	2,111,006
Gain (Loss) on Change in Fair Market Value	1,972,434
Other Income (Expense)	8,004
Net Cash Flows Provided by Investing Activities	4,091,444
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,127,927
Cash and Cash Equivalents - Beginning of Year	70,657,514
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 72,785,441
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and cash equivalents	$ 69,576,596
Restricted cash	3,208,845
Total Cash and Cash Equivalents	$ 72,785,441

(Continued)

See accompanying Notes to Basic Financial Statements.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024

	Business-type Activities Proprietary Fund
(Concluded)	
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (11,618,835)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	15,513,965
Change in Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Accounts Receivable	(271,871)
Lease Receivable	(1,587,480)
Prepaid Costs	459,473
Inventories	32,369
Net OPEB Asset	16,372
Accounts Payable and Accrued Liabilities	(95,889)
Unearned Revenue	(92,969)
Tenant Deposits	(404,197)
Deferred Outflows Related to Pension and OPEB	203,177
Deferred Inflows Related to Pension and OPEB	(53,691)
Deferred Inflows Related to Leases	1,356,430
Net Pension and OPEB Liability	(195,193)
Compensated Absences	145,156
Net Cash Provided by Operating Activities	$ 3,406,817
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Loss on Disposal of Capital Assets	$ (831,065)
Amortization of Bond Issue Premium	26,145
Net Non-Cash Investing, Capital, and Financing Activities	$ (804,920)

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Phoenix-Mesa Gateway Airport Authority (PMGAA) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of PMGAA's more significant accounting policies follows.

A. Reporting Entity

Phoenix-Mesa Gateway Airport Authority was established on May 19, 1994 as a joint powers' airport authority pursuant to Arizona Revised Statutes Title 28, Chapter 25, Article 8. Originally incorporated as Williams Gateway Airport Authority, PMGAA's name was officially changed to Phoenix-Mesa Gateway Airport Authority on July 1, 2007. PMGAA operates 3,042 acres as Phoenix-Mesa Gateway Airport.

PMGAA is overseen by a six-person board consisting of representatives from each of PMGAA's member governments. Membership in PMGAA is comprised of the Gila River Indian Community; Town of Gilbert, Arizona; City of Mesa, Arizona; City of Phoenix, Arizona; Town of Queen Creek, Arizona; and City of Apache Junction, Arizona.

PMGAA is further governed by a variety of federal, state, and local laws, agreements and regulations. The Federal Aviation Administration (FAA) has jurisdiction over airport operations, including aircraft, personnel, facilities, and many technical issues, including noise limits and reasonableness of fees. Under federal law and the FAA's regulations and grant agreements, PMGAA cannot legally transfer revenues to its member governments except in exchange for fair value received.

PMGAA is legally separate from other state and local governments. There are no component units combined with PMGAA for financial statement presentation purposes and PMGAA is not included in any other governmental reporting entity. Consequently, these financial statements present the financial position and activities of PMGAA, for which its governing board is financially accountable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

PMGAA earns revenue from aeronautical and non-aeronautical activities. Fees received for use of the airport include, but are not limited to, landing fees, tie down fees, terminal usage fees, fuel flowage fees, parking fees, rental car fees, and concession fees. PMGAA also owns and operates a fixed base fueling operation, leases land and facilities to various tenants, and contracts with tenants and users of the facilities within the airport area to provide maintenance services. Major expenses include salaries and fringe benefits; professional services for fire, police protection, and parking services; legal and development consulting; maintenance, and utilities.

B. Basis of Presentation

PMGAA engages solely in business-type activities and presents only a single enterprise fund for external reporting purposes. Accordingly, PMGAA does not present government-wide financial statements, and the statements of net position, of revenues, expenses and changes in net position and the statement of cash flows report information for that single enterprise fund only.

C. Basis of Accounting

1. Measurement Focus, Basis Accounting, and Financial Statement Presentation

The statement of net position and statement of revenues, expenses and changes in net position are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Such revenue is subject to review by the funding agency, which may result in disallowance in subsequent periods.

Proprietary, or, enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

2. Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act (Act), which authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. In May 1991, the Federal Aviation Administration issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects that meet at least one of the following criteria: (1) preserve or enhance safety, security, or capacity of the national transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among carriers.

PMGAA was granted permission to begin collection of a $4.50 per passenger PFC beginning with PMGAA's first application effective November 1, 2008. This authority continues with each successive application approved by the FAA for PMGAA's collection of PFCs, the most recent of which, application 21-08-C-00-IWA, awarded on November 10, 2021, grants PMGAA permission to impose and collect PFCs through June 1, 2043.

The PFC, less an $0.11 per passenger administrative fee charged by the airlines for processing, is collected by the airlines and remitted on a monthly basis to PMGAA. PFCs are not a grant to PMGAA, but rather a fee earned by PMGAA for passenger use of the airport facilities and is considered revenue when collected and remitted. However, as the use of the PFCs is restricted to those specific purposes approved by the FAA as part of each application by PMGAA, the revenue from PFCs is reported as nonoperating revenue in PMGAA's statement of revenues, expenses, and changes in net position. Unspent PFCs are reported as restricted cash, and restricted net position, in PMGAA's financial statements.

3. Use of Restricted Resources

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is PMGAA's policy to use restricted resources first before using unrestricted resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Cash and Investments

PMGAA's cash and cash equivalents are comprised of cash on hand, demand deposits, cash and investments held by the State Treasurer and highly liquid investments with maturities of three months or less from the date of acquisition. Cash and investments are pooled, except for funds required to be held by fiscal agents or restricted under provisions of bond indentures.

State Statutes and Authority policy authorize PMGAA to invest in obligations of U.S. Treasury and U.S. Agencies, certificates of deposit and repurchase agreements held in eligible depositories, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state, highly rated commercial paper, or the State Treasurer's Local Government Investment Pool. Investments are stated at fair value or amortized cost.

2. Receivables and Intergovernmental Receivables

All customer and non-governmental receivables are shown net of an allowance for uncollectible receivables. PMGAA annually reviews the balance in the reserve account to determine if, based on history, the allowance is adequate to cover current receivables, and adjusted accordingly. Receivables from other governments are assumed to be entirely collectible and are therefore not included in this analysis. Current and long-term lease receivables represent the present value of future minimum non-cancelable payments on lease agreements in which PMGAA is the lessor. These receivables are calculated and presented in accordance with GASB Statement No. 87.

3. Inventories and Prepaid Items

Supply inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of inventory is reported as an expense at the time the individual items are consumed. Fuel inventories are valued at cost using the moving average method.

Certain payments to vendors reflect costs applicable to future accounting periods and accordingly are recorded as prepaid items in the proprietary fund financial statements. These items are expensed as consumed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

4. Restricted Assets

As required by applicable law, regulation and agreement, certain resources are set aside for debt service requirements on bonds and loans. Additionally, unspent PFC funds and related receivables and customer deposits, upon which there are legal or external restrictions as to use, are set aside as restricted.

5. Capital Assets

Capital assets, which include property, plant, infrastructure, machinery and equipment, and vehicles, are defined by PMGAA as those assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	5 – 30 years
Infrastructure	5 – 40 years
Machinery, Vehicles, and Equipment	3 – 10 years

When assets are retired or sold, the costs of those assets and the related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is charged to income or expense.

6. Deferred Outflows and Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

7. Compensated Absences

The liability for compensated absences reported in the statement of net position consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

All employees (after a probationary period) are eligible for full payout of their vacation leave upon separation from service. Employees who retire in good standing from PMGAA are eligible for payment of 50% of their unused sick leave.

Further, PMGAA's employee vacation policy provides for granting vacation leave payouts to eligible employees annually who meet the criteria. Every year, employees are eligible for payout of their accrued vacation balances in excess of PMGAA's 240-hour limit, provided the employee has taken at least 80 hours of vacation during the previous fiscal year. The employee is compensated at their current rate of pay.

8. Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

9. Pension Plan and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities (assets), deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. Net Position

In the statement of net position, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets is reported separately because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside of PMGAA. Unrestricted net position is the remaining net position not included in the previous two categories.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

PMGAA uses a budget process that culminates in the adoption of a formal annual budget by the board of directors. The budget is a planning and control device; it is not legally binding in the sense of appropriations commonly required in municipal governments. However, certain budget changes require board approval per certain PMGAA board policies and organizational policies and procedures.

NOTE 3 DETAILED NOTES

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2024 consist of the following:

Cash on Hand	$	800
Deposits:		
Cash in Bank		1,254,675
Investments:		
Money Market		13,111,037
State Treasurer's Investment Pool		6,478,464
Commercial Paper		41,590,726
Corporate Bonds		10,349,739
Total Deposits and Investments		72,785,441
Less Restricted Assets		(3,208,845)
Cash and Investments on Statement of Net Position	$	69,576,596

Investments and Fair Value Measurements – PMGAA uses fair value measurements to record value adjustments to certain assets and to determine fair value disclosures. PMGAA follows accounting principles generally accepted in the United States of America that define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

The fair value measurements framework utilizes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Fair value measurements define levels within the hierarchy based on the reliability of inputs.

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Financial assets recorded on the statement of net position are categorized based on inputs to the measurement framework as follows:

Level 1 – Financial assets are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in an active over-the-counter-market.

Level 2 – Financial assets are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset.

PMGAA's investments at June 30, 2024, categorized within the fair value hierarchy detailed above, were as follows:

		Fair Value Measurements Using		
	June 30, 2024	(Level I)	(Level II)	(Level III)
Investments by Fair Value Level				
Commercial Paper	$ 41,590,726	$ -	$ 41,590,726	$ -
Corporate Bonds	10,349,739	10,349,739	-	-
Total Investments by Fair Value Level	$ 51,940,465	$ 10,349,739	$ 41,590,726	$ -
External Investment Pools				
Measured at Fair Value				
State Treasurer's Investment Pool	$ 6,478,464			
Total Investments by Fair Value Level				
Investments by Amortized Costs				
Money Market	$ 13,111,037			
Total Investments	$ 71,529,966			

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The value of investments in LGIP 700 has been adjusted to fair market value at June 30, 2024. LGIP shares are not identified with specific investments held for PMGAA in physical or book entry form. Investments in the State Treasurer's Local Government Investment Pools are not insured or collateralized.

Custodial Credit Risk – Custodial Credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. PMGAA is not subject to custodial credit risk since its investments are not identified with specific investments held by others for PMGAA in physical or book entry form. PMGAA does not have a formal policy regarding credit risk. However, collateralization is addressed in the investment policy.

As of June 30, 2024, all PMGAA's funds held on deposit were fully collateralized through collateral pledged by PMGAA's banking institution in PMGAA's name.

Concentration Risk – Concentration risk is the increased risk to the organization when a significant portion of its resources are invested with a single issuer. PMGAA does not have a formal policy for concentration of credit risk. However, diversification of portfolio assets is addressed in the investment policy. The LGIP portfolio is not directly rated but holds only assets rated AAA by Moody's. Concentration percentages are shown below.

As of June 30, 2024, PMGAA had the following investments:

Rating Agency Investment	Rating	Amount	Percent
Moody's Investor Service			
Commercial Paper	A-1/P-1 - A-2/P-2	$ 41,590,726	58%
Corporate Bonds	A-1/P-1 - A-2/P-2	$ 10,349,739	14
Not Rated			
Money Market	N/A	13,111,037	18
State Treasurer's Investment Pool	N/A	6,478,464	9

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Interest rate risk – Due to the short maturities of PMGAA's investments, the risk of losses due to market interest rate changes is minimal. PMGAA does not have a formal policy regarding interest rate risk. The following table shows the investment maturities by year and type of security:

	Maturity			
Investment Type	Less Than 1 Year	1-3 Years	More Than 3 Years	Total
State Treasurer's Investment Pool	$ -	$ 6,478,464	$ -	$ 6,478,464
Commercial Paper	41,590,726	-	-	41,590,726
Corporate Bonds	10,349,739	-	-	10,349,739
Total	$ 51,940,465	$ 6,478,464	$ -	$ 58,418,929

2. Restricted cash

Certain assets of PMGAA are classified as restricted assets because their use is restricted by grant or contractual agreements. Restricted assets include the following:

Customer Deposits	$ 1,844,710
Current & Future Debt Service Reserves	1,364,135
Total Restricted Cash and Investments	$ 3,208,845

3. Receivables

At June 30, 2024, receivables were comprised of the following receivable balances, reduced as applicable by an allowance for uncollectible amounts:

	Receivables	Allowance	Net
Business-Type Activities:			
Accounts Receivable, Net	$ 2,170,047	$ (109,444)	$ 2,060,603
Due from Other Governments	2,251,164	-	2,251,164
Lease Receivables	15,673,888		15,673,888
Total Business-Type Activities	$ 20,095,099	$ (109,444)	$ 19,985,655

NOTE 3 DETAILED NOTES (CONTINUED)

A. Assets (Continued)

4. Capital assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 91,188,500	$ -	$ -	$ 91,188,500
Construction in Progress	84,456,847	36,186,046	(110,058,071)	10,584,822
Total Capital Assets Not Being Depreciated	175,645,347	36,186,046	(110,058,071)	101,773,322
Capital Assets Being Depreciated				
Buildings & Improvements	101,405,757	66,725,113	(3,579,789)	164,551,081
Infrastructure	270,800,790	40,383,044	(144,343)	311,039,491
Machinery, Vehicles, & Equipment	24,420,550	3,535,287	(496,566)	27,459,271
Total Capital Assets Being Depreciated	396,627,097	110,643,444	(4,220,698)	503,049,843
Less Accumulated Depreciation For:				
Buildings & Improvements	(64,608,328)	(3,594,158)	2,748,724	(65,453,762)
Infrastructure	(172,278,964)	(10,143,651)	144,343	(182,278,272)
Machinery, Vehicles, & Equipment	(16,821,293)	(1,776,156)	496,566	(18,100,883)
Total Accumulated Depreciation	(253,708,585)	(15,513,965)	3,389,633	(265,832,917)
Total Capital Assets Being Depreciated, Net	142,918,512	95,129,479	(831,065)	237,216,926
Business-type Activities Capital Assets, Net	$ 318,563,859	$ 131,315,525	$(110,889,136)	$ 338,990,248

NOTE 3 DETAILED NOTES (CONTINUED)

B. Purchase Commitments

PMGAA had major contractual commitments related to various capital projects at June 30, 2024, for the construction or acquisition of various improvements. PMGAA's commitments remaining open with contractors relating to these projects were as follows:

Project	Spent-to-Date	Remaining Commitment
Design & Recon Twy H Btwn B & 12R	$ 151,995	$ 1,248,005
Eastside Development	225,586	14,111
Taxiway W Rehab	88,507	2,111,493
Fuel Farm Study Design and Construction	5,638,754	6,049,315
Design Road & Utility Extensions	193,651	27,946
Reconstruct Rwy 12R 30L & Twy H	1,122,352	23,425,675
Eastside Terminal Analysis	340,536	159,464
Relocation of RTR, Demo Other Facilities	2,033,052	1,436,948
TSA Bag Make-up Expansion	196,762	659,517
New Airport Entrance Monument Signs	69,830	930,170
Safety Management System	142,507	187,186
RWY C Asphalt Mill & Replc signs	174,163	3,933,992
Add Uninterrupted Power Bag Belts	57,194	42,806
Replc Terminal Seats Ph1 2 Gates	79,814	80,186
Baggage Claim 2 Canopy	21,589	183,411
Replc Defuel/Refuel Cart EQP-277	35,868	35,170
Lenel Gate Controls	12,662	12,338
	$ 10,584,822	$ 40,537,733

NOTE 3 DETAILED NOTES (CONTINUED)

C. Long-Term Obligations

On February 29, 2012, PMGAA issued $19,220,000 in Special Facility Revenue Bonds (Mesa Project) Series 2012. Previous to the issuance, on March 21, 2011, PMGAA entered into a Memorandum of Understanding (MOU) with the City of Mesa (the City) for the development, construction and lease of an aircraft maintenance, repair, and overhaul facility at Phoenix-Mesa Gateway Airport. Under the terms of the MOU, PMGAA issued Special Facility Revenue Bonds which financed the construction of the facility, which was leased to the City through a property and special facility lease on February 1, 2012 (the Agreement). The facility is further subleased by the City under a separate agreement.

Under the terms of the agreement, the City will pay rent to PMGAA, comprised of base rent for the building and premises rent for the property. The City's base rent payments due under the terms of the Agreement will be in sums sufficient to pay, amongst other things, the principal of and interest on the Series 2012 Special Facility Revenue Bonds as they come due, as well as all charges and expenses of the Trustee.

Further, in connection with the issuance of the special facility revenue bonds, The City pledged a portion of its excise taxes, defined in the Series 2012 Special Facility Revenue Bond Official Statement, as security for payment of the base rent. The pledge of such excise taxes will be a junior lien, subordinate to certain outstanding senior obligations.

Annual principal and interest payments on the bonds are expected to require 100% of revenues pledged for base rent less all charges and expenses of the trustee. Interest is paid semi-annually based upon the principal amount of the bonds outstanding during such period. The bonds are payable from the future lease revenues from the City of Mesa through 2039. During that time frame total principal and interest to be paid on the bonds will be $35,216,300, with $20,405,750 remaining to be paid as of June 30, 2024. For the current fiscal year, $1,251,317 in base rent payments along with $70,683 in earnings in excess of reserve requirements were utilized to repay $575,000 in principal and $717,000 in interest.

NOTE 3 DETAILED NOTES (CONTINUED)

C. Long-Term Obligations (Continued)

The maturity schedule for the PMGAA Series 2012 Special Facility Revenue Bonds is as follows:

Purpose	Interest Rate	Maturity Date	Original Amount	Outstanding Amount
Business-Type Activities:				
Special Facility Revenue Bonds:				
Series 2012	5.00%	07/01/24-38	$ 19,220,000	$ 14,340,000

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Loans Payable					
Special Facilitiy Revenue Bonds	$ 14,915,000	$ -	$ (575,000)	$ 14,340,000	$ 605,000
Unamortized Premium on Bonds	392,177	-	(26,145)	366,032	-
Total Bonds and Loans Payable	15,307,177	-	(601,145)	14,706,032	605,000
Other Liabilities					
Compensated Absences	1,088,133	931,410	(786,254)	1,233,289	660,500
Business-Type Long-Term Liabilities	$ 16,395,310	$ 931,410	$ (1,387,399)	$ 15,939,321	$ 1,265,500

Debt service requirements on long-term debt at June 30, 2024, including future interest based on current repayment schedules, are as follows:

Fiscal Year Ending June 30,	Special Facility Revenue Bonds	
	Principal	Interest
2025	$ 605,000	$ 686,750
2026	635,000	655,000
2027	665,000	621,750
2028	700,000	586,750
2029	735,000	550,000
2030-2034	4,255,000	2,132,250
2035-2039	6,745,000	833,250
Total	$ 14,340,000	$ 6,065,750

NOTE 3 DETAILED NOTES (CONTINUED)

D. Leases

PMGAA, acting as lessor, leases land and facilities on the airport for office buildings, hangars, and ground leases for tenant development. A limited number of these agreements include up to two renewal terms ranging from one to ten years. These leases expire at various dates through 2081, inclusive of any options to renew expected to be exercised.

In accordance with GASB Statement No. 87 *Leases,* PMGAA recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases subject to external regulation and for those leases that are short-term in nature. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term.

With few exceptions, PMGAA's leases include escalation clauses, which will result in increases in future rents. The escalation clauses typically provide for annual rent increases of 5 percent or the change in the Consumer Price Index. To the extent that such increases are known or can be determined, they have been included in the measurement of the lease receivable.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2024, PMGAA received variable payments as required by lease agreements totaling $3,453,847.

Total future minimum lease payments to be received under lease agreements are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2025	$ 1,237,681	$ 732,652	$ 1,970,333
2026	1,227,817	671,784	1,899,601
2027	1,063,139	615,335	1,678,474
2028	1,005,059	566,440	1,571,499
2029	1,059,617	516,545	1,576,162
2030-2034	2,578,058	2,010,780	4,588,838
2035 and thereafter	7,502,517	8,279,915	15,782,432
Total minimum lease payments	$ 15,673,888	$ 13,393,451	$ 29,067,339

NOTE 3 DETAILED NOTES (CONTINUED)

E. Regulated Leases

Certain leases entered into by PMGAA are subject to external laws, regulations, legal rulings, and agreements promulgated and enforced by the FAA. Under these regulations, the leases entered into between PMGAA and any air carrier or other aeronautical user (as defined in FAA Order 5190.6B Change 3 *Airport Compliance Manual*) must adhere to the following requirements:

1. Lease rates cannot exceed a reasonable amount (i.e. market rates), with reasonableness being subject to determination by the FAA.
2. Lease rates must be similar for lessees which are similarly situated.
3. PMGAA, as lessor, cannot deny potential lessees the right to enter into leases if facilities are available (or land is available for the lessee to build their own facility), provided that the lessee's use of the facilities complies with airport minimum standards and use restrictions.

Under the provisions of GASB Statement No. 87, leases subject to external regulation should be excluded from the measurement of the lease receivable and, accordingly, PMGAA has excluded these agreements from the measurement of its receivable.

For the year ended June 30, 2024, PMGAA received $4,055,110 in payments from leases under regulated lease agreements. Future noncancelable minimum payments under regulated lease agreements are as follows:

Year Ending June 30,	
2025	$ 4,993,264
2026	5,224,141
2027	4,636,491
2028	4,357,795
2029	3,849,056
2030-2034	18,430,327
2035 and thereafter	75,554,604
Total minimum lease payments	$117,045,678

These future regulated lease revenues include $38,282,710 in base rent from the City of Mesa that will be used to service the debt on the Series 2012 Special Facility Bonds.

NOTE 4 OTHER INFORMATION

A. Risk Management

In addition to safety efforts, PMGAA's risk management activities include purchase of commercial insurance for all significant risks. Risks retained by PMGAA include normal deductibles and the small risk of losses in excess of insurance coverage. The amounts of settlements have not exceeded insurance coverage for the past three years. There have been no significant reductions in insurance coverage. The financial statements do not include any liability for claims at June 30, 2024.

Losses arising from claims and judgments are expensed when (1) it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements, and (2) the amount of the loss can be reasonably estimated.

B. Contingencies

Air Force Prime Lease and Deed

In January 1996, PMGAA entered into a prime lease with the United States Air Force for the real property encompassing approximately 3,005 of PMGAA's 3,042 acres of land, which comprised the majority of the former Williams Air Force Base, including the three runways, and 120 buildings or facilities (such as navigational aids) ("the property") for the purpose of developing a public airport. Since then, portions of the property have been deeded to PMGAA as environmental clearances have been completed. Today less than one acre remains under lease pending environmental clearance. The real property conveyed via quitclaim deed was recorded at estimated fair market value at the date of the transfer.

Under the terms of the deed, the property is restricted for public airport purposes for the use and benefit of the public. No land or improvements can be used, leased, sold, salvaged, or disposed of by PMGAA for other than airport purposes without the written consent of the Administrator of the FAA. The term "airport purposes" as used in this deed includes the use and/or development of the property, including hotel development, to produce sources of revenue from nonaviation business.

Non-compliance with the terms of the indenture could, at the option of the Federal government, result in the property reverting to the United States of America.

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Related Party Transactions

PMGAA has earned revenues, incurred expenses, and made other payments involving some of its member governments. Following is a summary of these transactions:

Related Party	Member Contributions	Operating Revenues	Operating Expenses	Sales Tax Collected/ Remitted
City of Apache Junction, Arizona	$ 130,000	$ -	$ -	$ -
City of Mesa, Arizona	1,700,000	552,257	2,734,540	348,001
City of Phoenix, Arizona	1,300,000	-	-	-
Gila River Indian Community	450,000	-	-	-
Town of Gilbert, Arizona	350,000	-	-	-
Town of Queen Creek, Arizona	130,000	-	-	-
	$ 4,060,000	$ 552,257	$ 2,734,540	$ 348,001

PMGAA revenues above consist of member contributions, real property leases, and minor maintenance work. PMGAA expenses include airport rescue and firefighting (ARFF), police protection, water and trash utilities, lobbyist services, and permits. Included in City of Mesa expenses is $304,433 in accounts payable at June 30, 2024.

D. Pension and Other Postemployment Benefits

Arizona State Retirement System

Plan Description – PMGAA employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona.

The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65	30 Years, Age 55 25 Years, Age 60 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 120 Months	Highest 60 Consecutive Months of Last 120 Months
Benefit Percentage Per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With Actuarially Reduced Benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and statute required PMGAA to contribute at the actuarially determined rate of 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% for long-term disability) of the active members' annual covered payroll. In addition, PMGAA was required by statute to contribute at the actuarially determined rate of 9.99% (9.94% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for PMGAA in positions that an employee who contributes to the ASRS would typically fill.

PMGAA's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were $1,072,982, $9,586, and $13,218, respectively.

Liability – At June 30, 2024, PMGAA reported the following assets and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net Pension/OPEB (Asset) Liability
Pension	$ 9,556,761
Health Insurance Premium Benefit	(318,989)
Long-term Disability	7,731

The net asset and net liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

PMGAA's proportion of the net asset or net liability was based on PMGAA's actual contributions to each plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. PMGAA's proportionate share of each plan measured as of June 30, 2023, and the change from its proportionate share of each plan measured as of June 30, 2022 were:

	Proportion June 30, 2023	Increase (Decrease) from June 30, 2022
Pension	0.05906%	(0.00070)
Health Insurance Premium Benefit	0.05908%	(0.00101)
Long-term Disability	0.05900%	(0.00083)

Expense – For the year ended June 30, 2024, PMGAA recognized the following pension and OPEB expense:

	Pension/OPEB Expense
Pension	$ 1,096,547
Health Insurance Premium Benefit	(37,556)
Long-term Disability	7,460

Deferred Outflows/Inflows of Resources –At June 30, 2024, PMGAA reported deferred outflows of resources and deferred inflows of resources related to pension and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit		Long-term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 215,945	$ -	$ 13,461	$ 118,959	$ 6,980	$ 4,351
Changes of Assumptions or Other Inputs	-	-	-	6,348	2,040	11,254
Net Difference between Projected and Actual Earnings on Plan Investments	-	338,127	-	14,011	-	619
Changes in Proportion and Differences between PMGAA Contributions and Proportionate Share of Contributions	20,194	71,416	2,595	416	763	1,339
PMGAA Contributions Subsequent to the Measurement Date	1,072,982	-	9,586	-	13,218	-
	$ 1,309,121	$ 409,543	$ 25,642	$ 139,734	$ 23,001	$ 17,563

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

The amounts as deferred outflows of resources related to pension and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources for pension and OPEB will be recognized in expense as follows:

Year Ending June 30,	Pension	Health Insurance Premium Benfit	Long-Term Disability
2025	$ (68,199)	$ (52,733)	$ (868)
2026	(427,587)	(57,996)	(2,145)
2027	364,400	(7,075)	76
2028	(42,018)	(6,950)	(2,271)
2029	-	1,076	(2,178)
Thereafter	-	-	(394)

Actuarial assumptions- The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial Valuation Date	June 30, 2022
Actuarial Roll Forward Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation	Fair Value
Discount Rate/Investment Rate of Return	7.0%
Project Salary Increases	2.9 - 8.4% for Pensions/Not Applicable for OPEB
Inflation	2.3%
Permanent Benefit Increase	Included for Pensions/Not Applicable for OPEB
Mortality Rates	2017 SRA Scale U-MP for Pensions and Health Insurance Premium Benefit
Recovery Rates	2012 GLDT for Long-Term Disability
Healthcare Cost Trend Rate	Not Applicable

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return
Public Equity	44%	3.50%
Credit	23%	5.90%
Real Estate	17%	5.90%
Private Equity	10%	6.70%
Interest Rate Sensitive	6%	1.50%
Total	100%	

Discount Rate—At June 30, 2023, the discount rate used to measure the total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of PMGAA's Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate—The following table presents PMGAA's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what PMGAA's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PMGAA's Proportionate Share of the Net Pension Liability	$ 14,314,625	$ 9,556,761	$ 5,589,545
Net Insurance Premium Benefit Liability (Asset)	(222,959)	(318,989)	(400,593)
Net Long-Term Disability Liability	11,305	7,731	4,215

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Pension and Other Postemployment Benefits (Continued)

Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Contributions Payable – PMGAA's accrued payroll and employee benefits included $106,559 of outstanding pension and OPEB contribution amounts payable to the ASRS for the year ended June 30, 2024.

Deferred Compensation Plan

PMGAA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Section 457 requires that the assets and income of a qualifying plan be held in trust for the exclusive benefit of participants and their beneficiaries. The plan, available to all PMGAA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Bi-weekly contributions to the plan are deducted from the wages of employees who choose to participate as prescribed by federal law and regulations. PMGAA offers a matching contribution up to $50 per pay period. These combined contributions are deposited with the third-party vendor in PMGAA's name and in trust on behalf of PMGAA employees. PMGAA has little administrative involvement and does not perform investing functions for this plan, therefore, this plan is not reflected in PMGAA's financial statements.

PMGAA contributions to the plan for the year ended June 30, 2024 were $31,500.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
SCHEDULE OF PMGAA'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY
COST-SHARING PLANS
JUNE 30, 2024

Pension

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
PMGAA's Proportion of the Net Pension Liability	0.05906%	0.05976%	0.05933%	0.06247%
PMGAA's Proportionate Share of the Net Pension Liability	$ 9,556,761	$ 9,754,159	$ 7,795,699	$ 10,823,877
PMGAA's Covered Payroll	7,761,072	7,144,721	6,689,029	6,845,232
PMGAA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	123.14%	136.52%	116.54%	158.12%
Plan Fiduciary net Position as a Percentage of the Total Pension Liability	75.47%	74.26%	78.58%	69.33%

Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
PMGAA's Proportion of the Net OPEB (Asset) Liability	0.05908%	0.06009%	0.05967%	0.06272%
PMGAA's Proportionate Share of the Net OPEB (Asset) Liability	$ (318,989)	$ (335,361)	$ (290,717)	$ (44,406)
PMGAA's Covered Payroll	7,761,072	7,144,721	6,689,029	6,845,232
PMGAA's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-4.11%	-4.69%	-4.35%	-0.65%
Plan Fiduciary net Position as a Percentage of the Total OPEB Liability	134.37%	137.79%	130.24%	104.33%

Long-term Disability

	Reporting Fiscal Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
PMGAA's Proportion of the Net OPEB (Asset) Liability	0.05900%	0.05983%	0.05947%	0.06256%
PMGAA's Proportionate Share of the Net OPEB (Asset) Liability	$ 7,731	$ 5,526	$ 12,276	$ 47,459
PMGAA's Covered Payroll	7,761,072	7,144,721	6,689,029	6,845,232
PMGAA's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	0.10%	0.08%	0.18%	0.69%
Plan Fiduciary net Position as a Percentage of the Total OPEB Liability	93.70%	95.40%	90.38%	68.01%

Reporting Fiscal Year (Measurement Date)					
2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
0.06220%	0.06082%	0.05781%	0.05524%	0.05129%	0.05309%
$ 9,050,824	$ 8,482,250	$ 9,005,671	$ 8,916,291	$ 7,988,900	$ 7,855,199
6,574,179	6,069,562	5,529,421	5,133,214	4,722,184	4,761,393
137.67%	139.75%	162.87%	173.70%	169.18%	164.98%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

Reporting Fiscal Year (Measurement Date)			
2020 (2019)	2019 (2018)	2018 (2017)	2017 Through 2013
0.06217%	0.06096%	0.05800%	Information Not Available
$ (17,181)	$ (21,951)	(31,575)	
6,574,179	6,069,562	5,529,421	
-0.26%	-0.36%	-0.57%	
101.62%	102.20%	103.57%	

Reporting Fiscal Year (Measurement Date)			
2020 (2019)	2019 (2018)	2018 (2017)	2017 Through 2013
0.06209%	0.06091%	0.05776%	Information Not Available
$ 40,448	$ 31,826	20,937	
6,574,179	6,069,562	5,529,421	
0.62%	0.52%	0.38%	
72.85%	77.83%	84.44%	

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
SCHEDULE OF PMGAA PENSION/OPEB CONTRIBUTIONS
JUNE 30, 2024

Pension	Fiscal Year			
	2024	2023	2022	2021
Statutorily Required Contribution	$ 1,072,982	$ 918,945	$ 854,986	$ 777,064
PMGAA's Contributions in relation to the Statutorily Required Contribution	1,072,982	918,945	854,986	777,064
PMGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
PMGAA's Covered Payroll	$ 8,729,569	$ 7,761,072	$ 7,144,721	$ 6,689,029
PMGAA's Contributions as a Percentage of Covered Payroll	12.29%	11.84%	11.97%	11.62%

Health Insurance Premium Benefit	Fiscal Year			
	2024	2023	2022	2021
Statutorily Required Contribution	$ 9,586	$ 8,281	$ 14,658	$ 26,087
PMGAA's Contributions in relation to the Statutorily Required Contribution	9,586	8,281	14,658	26,087
PMGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
PMGAA's Covered Payroll	$ 8,729,569	$ 7,761,072	$ 7,144,721	$ 6,689,029
PMGAA's Contributions as a Percentage of Covered Payroll	0.11%	0.11%	0.21%	0.39%

Long-term Disability	Fiscal Year			
	2024	2023	2022	2021
Statutorily Required Contribution	$ 13,218	$ 10,674	$ 13,262	$ 12,040
PMGAA's Contributions in relation to the Statutorily Required Contribution	13,218	10,674	13,262	12,040
PMGAA's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
PMGAA's Covered Payroll	$ 8,729,569	$ 7,761,072	$ 7,144,721	$ 6,689,029
PMGAA's Contributions as a Percentage of Covered Payroll	0.15%	0.14%	0.19%	0.18%

Fiscal Year					
2020	2019	2018	2017	2016	2015
$ 781,806	$ 733,438	$ 658,962	$ 596,071	$ 556,955	$ 514,245
781,806	733,438	658,962	596,071	556,955	514,245
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214	$ 4,722,184
11.42%	11.16%	10.86%	10.78%	10.85%	10.89%

Fiscal Year					
2020	2019	2018	2017	2016	2015
$ 33,542	$ 30,241	$ 26,706	$ 30,965	$ 25,666	$ 27,861
33,542	30,241	26,706	30,965	25,666	27,861
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214	$ 4,722,184
0.49%	0.46%	0.44%	0.56%	0.50%	0.59%

Fiscal Year					
2020	2019	2018	2017	2016	2015
$ 11,637	$ 10,519	$ 9,711	$ 7,741	$ 6,160	$ 5,667
11,637	10,519	9,711	7,741	6,160	5,667
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,845,232	$ 6,574,179	$ 6,069,562	$ 5,529,421	$ 5,133,214	$ 4,722,184
0.17%	0.16%	0.16%	0.14%	0.12%	0.12%

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OTHER INFORMATION

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY-BASIS
YEAR ENDED JUNE 30, 2024

AIRPORT - All Operations

	Budget	Actual	Variance
OPERATING REVENUES			
Aeronautical Operating Revenues			
Aircraft Parking	$ 243,129	$ 385,681	$ (142,552)
Fuel Flowage Fees	769,638	637,895	131,743
Landing Fees	1,615,226	1,702,303	(87,077)
Lease Income Aero	3,682,210	4,055,110	(372,900)
Fuel Sales	6,571,400	7,761,831	(1,190,431)
Services Sold - Aero	6,080,516	5,856,795	223,721
Non-Aeronautical Operating Revenues			
Concessions	1,209,836	1,424,638	(214,802)
Lease Income Non-Aero	1,165,801	1,322,036	(156,235)
Parking	4,166,487	5,088,360	(921,873)
Rental Car Fees	2,665,424	3,024,669	(359,245)
Svcs Sold - Non Aero	150,520	201,193	(50,673)
Total Operating Revenues	28,320,187	31,460,511	(3,140,324)
OPERATING EXPENSES			
Personnel	11,670,064	11,329,603	340,461
Costs of Goods Sold	6,093,710	5,343,774	749,936
Comm & Utilities	905,502	1,087,068	(181,566)
Contractual Services	7,359,350	6,843,458	515,892
Insurance	696,578	638,960	57,618
Other	499,792	485,421	14,371
Repair & Maintenance	1,365,650	771,246	594,404
Supplies & Materials	1,105,779	849,713	256,066
Air Service Incentives	2,000,000	-	2,000,000
Operating Contingency	1,237,142	-	1,237,142
Total Operating Expenses	32,933,567	27,349,243	5,584,324
OPERATING INCOME - BUDGETARY-BASIS	**$ (4,613,380)**	4,111,268	**$ (8,724,648)**

RECONCILIATION OF BUDGETARY-BASIS STATEMENT TO GAAP-BASIS	
Depreciation is a GAAP-only Expenditure	(15,513,965)
Certain Expenditures (i.e. Compensated Leave) are recognized in Expense when Earned on a GAAP Basis, when Paid on a Budgetary-Basis	(116,078)
Pension and OPEB Expense is a GAAP-only Expenditure	(1,066,451)
Pension and OPEB Contributions are an Expense on a Budgetary-Basis	1,095,786
A Portion of Lease Income is presented as non-operating on a GAAP Basis	(453,373)
Lease Income Excludes Bond-Related Lease Income on a Budgetary-Basis	323,978
Operating Loss - GAAP Basis	**$ (11,618,835)**

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

SINGLE AUDIT ACT REPORTS

FISCAL YEAR ENDED JUNE 30, 2024

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Phoenix-Mesa Gateway Airport Authority (PMGAA), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise PMGAA's basic financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PMGAA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PMGAA's internal control. Accordingly, we do not express an opinion on the effectiveness of PMGAA's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of PMGAA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Board of Directors
Phoenix-Mesa Gateway Airport Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PMGAA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PMGAA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PMGAA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Phoenix, Arizona
September 30, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited PMGAA's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of PMGAA's major federal programs for the year ended June 30, 2024. PMGAA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, PMGAA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PMGAA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of PMGAA's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to PMGAA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PMGAA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PMGAA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding PMGAA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of PMGAA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of PMGAA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Board of Directors
Phoenix-Mesa Gateway Airport Authority

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of PMGAA as of and for the year ended June 30, 2024, and have issued our report thereon dated September 30, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

Phoenix, Arizona
September 30, 2024

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2024

Section I – Summary of the Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? _____ yes ___X___ no
   - Significant deficiency(ies) identified? _____ yes ___X___ none reported
3. Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

1. Internal control over major programs:
   - Material weakness(es) identified? _____ yes ___X___ no
   - Significant deficiency(ies) identified? _____ yes ___X___ none reported
2. Type of auditors' report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes ___X___ no

Identification of Major Program

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ___X___ yes _____ no

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2024

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Transportation				
Direct Grants				
Airport Improvement Program	20.106	AIP3-04-0078-051-2022	$ 10,287.00	$ -
Airport Improvement Program	20.106	AIP3-04-0078-054-2022	3,347,577	-
Airport Improvement Program	20.106	AIP3-04-0078-055-2023	3,400,206	-
Airport Improvement Program	20.106	AIP3-04-0078-057-2023	6,000,000	-
Airport Improvement Program	20.106	AIP3-04-0078-058-2024	129,767	-
Total U.S. Department of Transportation			12,887,837	-
Total Expenditures of Federal Awards			$ 12,887,837	$ -

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2024

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of Phoenix-Mesa Gateway Airport Authority. PMGAA's reporting entity is defined in Note 1.A. to the basic financial statements for the year ended June 30, 2024. All federal awards received directly from federal agencies are included in the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to PMGAA's basic financial statements for the year ended June 30, 2024.

NOTE 3 INDIRECT COST RATE

PMGAA did not elect the 10% de minimus indirect cost rate as covered in 2CFR 200.414.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona

Report on Compliance for the Passenger Facility Charge Program

Opinion on Compliance for the Passenger Facility Charge Program

We have audited Phoenix-Mesa Gateway Airport Authority's (PMGAA) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2024.

In our opinion, PMGAA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2024.

Basis for Opinion on Compliance for the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PMGAA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of PMGAA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to PMGAA's passenger facility charge program.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PMGAA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PMGAA's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding PMGAA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of PMGAA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of PMGAA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charges on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charges will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charges that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of PMGAA as of and for the year ended June 30, 2024, and issued our report thereon dated September 30, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the *Passenger Facility Charge Audit Guide for Public Agencies* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of passenger facility charges is fairly stated, in all material respects, in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 30, 2024

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY PROGRAM
FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2024

CURRENT YEAR FINDINGS

None.

SCHEDULE OF PRIOR FINDINGS

None.

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FISCAL YEAR ENDED JUNE 30, 2024

	September 30	December 31	March 31	June 30	Totals
21-07-C-00-IWA	$ 654,090	$ -	$ 67,013	$ 65,086	$ 786,189
22-08-C-00-IWA	$ 110,555	$ 3,580	$ -	$ -	$ 114,135
Total	$ 764,645	$ 3,580	$ 67,013	$ 65,086	$ 900,324

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Board of Directors
Phoenix-Mesa Gateway Airport Authority
Mesa, Arizona

We have audited the financial statements of the business-type activities of Phoenix-Mesa Gateway Airport Authority (PMGAA) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 30, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated August 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PMGAA are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during the year.

We noted no transactions entered into by the PMGAA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

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Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify, and we did not notify them of any financial statement misstatements.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in a separate management representation letter dated September 30, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the PMGAA's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the PMGAA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required Supplementary Information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated September 30, 2024.

With respect to the schedule of expenditures of passenger facility charges (PFC) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedule of expenditures of PFC to determine that the schedule of expenditures of PFC complies with the requirements of *Passenger Facility Charge Audit Guide for Public* Agencies, the method of preparing it has not changed from the prior period or the reasons for such changes, and the schedule of expenditures of PFC is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of PFC to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated September 30, 2024.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of schedule of revenues and expenditures (budgetary basis). Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

This communication is intended solely for the information and use of the board of directors and management of PMGAA and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
September 30, 2024

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 Brigette 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.

DRAFT

- 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 Brigette 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 Brigette 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 Brigette 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 Brigette 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 Brigette 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

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-50

To:	**Board of Directors**
From:	**Chris Brady, Mesa City Manager**
Through:	**Jill Casson Owen, Snell & Wilmer**
Subject:	**Employment Contract Amendment – Executive Director**
Date:	**October 15, 2024**

Proposed Motion
To approve a tenth amendment to the Executive Director's employment agreement effective October 1, 2024.

Narrative
The Board of Directors has approved annual and unscheduled employment contract adjustments with Mr. J. Brian O'Neill since he assumed the position of PMGAA Executive Director in 2016. The tenth amendment to Mr. O'Neill's Employment Agreement provides for a four percent (4%) increase in his base salary, effective October 1, 2024. There are no other changes to the Agreement.

RESOLUTION NO. 24-50

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to approve a tenth amendment to the Executive Director's employment agreement effective October 1, 2024;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby approves a tenth amendment to the Executive Director's employment agreement effective October 1, 2024. This resolution also authorizes the Chair to execute such agreement, with such insertions, deletions, and changes as may be approved by the Chair, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212-6014

EXECUTIVE DIRECTOR'S OFFICE
PHONE (480) 988 7600
FAX (480) 988 2315

J. Brian O'Neill Fiscal Year 2024 (FY24) PMGAA Annual Performance Review

Phoenix-Mesa Gateway Airport (Airport) is the envy of airports across the country. In recent years, the Airport has received significant federal entitlement, discretionary, and Bipartisan Infrastructure Law grants and State of Arizona funding to construct an air traffic control tower, five-gate 30,000 sq. ft. terminal addition, enclosed terminal connector walkway, and several important airfield infrastructure improvement projects. The Airport has also attracted more than one million square feet of private development projects, representing over a thousand high wage jobs and hundreds of millions of dollars in regional economic impact.

Over the past decade, Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) has assembled an experienced team of highly motivated subject-matter experts serving all aspects of the Airport's operation. As Executive Director/CEO of PMGAA, my management philosophy continues to be recruit the best candidates, train them to successfully perform their unique duties, and provide them with a supportive and positive work environment. My primary responsibility is to ensure that the Airport is operated in a safe, secure, customer-focused, efficient, environmentally friendly, and financially sustainable manner.

Each year, I strive to effectively communicate and work cooperatively with the PMGAA Board of Directors and Gateway Senior Staff as representatives of PMGAA's five Member Communities; federal, state, and local partners; and other key stakeholder groups to grow and improve the Airport in a responsible manner that maximizes its economic contribution to the Phoenix East Valley region.

In FY24, PMGAA achieved a very strong financial performance and successfully completed its FAA Part 139 Certification Inspection, TSA Security Inspection, and Independent Financial Audit.

PMGAA staff continues to be guided by seven organizational goals identified by the PMGAA Board of Directors - **Increase Air Service; Maintain a High Level of Community Support; Strengthen Financial Sustainability; Invest in People and Operational Assets; Attract Commercial Development; Plan, Build, and Maintain Infrastructure; and Promote Regional Tourism**.

The information that follows is intended to highlight many of PMGAA's accomplishments during FY24.

Summary of FY24 PMGAA Organizational Achievements

- Airport Activity
  - Achieved second-best year of passenger activity – 1,839,977 total passengers
  - Allegiant added nonstop service to Portland, OR
  - Sun Country returned for the winter season with nonstop service to Minneapolis, MN
  - Continued airline recruitment efforts, meeting with current and prospective airlines Avelo, Sun Country, Southwest, JetBlue, United, Breeze, and Allegiant during the year
  - Staff attended NBAA-BACE, MRO Americas, Allegiant Airports Conference, Mead & Hunt Air Service Conference, and 2024 Take-Off North America Air Service Conference
  - Celebrated Airport's twenty millionth customer
  - DSV completed scheduled weekly international air cargo flights using B-747 aircraft
- Achieved strong FY24 financial performance - $4,125,732 in net operating revenue and surpassed $30 million ($31,399,432) in operating revenue for the first time
- Successfully completed FY24 FAA Part 139 Certification Inspection with no findings
- Successfully completed FY24 TSA Security Inspection with no findings
- Received clean FY24 Independent Financial Audit
- Facilitated passage of Military Reuse Zone legislation and FAA Reauthorization Pilot Program establishing a process for contract towers to become FAA towers
- Expanded A.V.I.A.T.O.R. Terminal Volunteer Program
- Created PMGAA Employee Customer Service Training Program
- Expanded social media presence and improved Airport website
- Featured articles in ***Airport Improvement*** magazine and ***Phoenix Business Journal***
- *2024 Best of Arizona Award* from the Arizona Association for Economic Development (AAED)
- *2024 Gold Level Award* from the Healthy Arizona Worksites Program (HAWP)
- *2024 Build Arizona Award* from the AZ Chapter of the Associated General Contractors (AGC)
- *2024 Award of Merit* from Engineering News Record (ENR)
- Completed Gateway Tomorrow East Side Terminal Planning Study and produced final report
- PMGAA Construction Projects:
  - Completed Runway 12C-30C mill and overlay project
  - Completed construction of 5-gate, 30,000 sq. ft. passenger terminal addition
  - Completed construction of enclosed terminal connector walkway
  - Completed construction of 250,000 sq. ft. Alpha Apron Phase IV expansion
  - Completed construction of 150,000-gallon Fuel Farm expansion
  - Completed construction of Rental Car Care Facility improvements
  - Completed new terminal counter for Avis Budget Group
  - Demolished 13 aging Airport structures and readied 10-acre aeronautical redevelopment opportunity
  - Removed Airport Surveillance Radar (ASR) Facility
  - Began reconstruction of Runway 12R-30L (Phase I)
  - Began reconstruction of a portion of Taxiway Whiskey

- Designed new Airport entrance monument sign for intersection of Ray and Sossaman Roads
- Continued design of new TSA in-line checked baggage screening system and facility
- City of Mesa completed first 1,000 feet of Gateway Blvd and east side utility infrastructure

- Private Development Projects:
  - SkyBridge Arizona Master Development (Mesa SkyBridge, LLC)
    - Completed construction of two 250,000 sq. ft. industrial buildings
    - Completed construction of several interior public roadways and utility infrastructure
  - Gateway East Master Development (The Boyer Company, LC)
    - Began construction of 275,000 sq. ft. XNRGY Climate Systems U.S. Headquarters and manufacturing facility
    - Constructed Aviation Way, Technology Ave., and other portions of internal roadway system
  - Virgin Galactic – Nearing completion of 35,000 sq. ft. hangar and 115,000 sq. ft. manufacturing facility
  - Gulfstream Aerospace Corp.
    - Nearing completion of 225,000 sq. ft. West Coast Service Center
    - Hired more than 250 local employees
  - Gateway Commerce Center III – Completed design and COM permitting for two industrial buildings totaling 98,000 sq. ft.
  - Terminal Concessions - Opened First Jet Market

FY24 Operational Metrics

Fiscal Year End 2024 Operational Performance Metrics				
METRIC	FY22	FY23	Prelim. FY24	%
Total Commercial Passengers	1,815,369	1,917,911	1,839,977	-4%
Total Aircraft Operations	246,314	247,381	300,296	21%
Aircraft Landing Fee Revenue	$1,562,305	$1,449,905	$1,624,059	12%
Terminal Tenant Lease Revenue	$161,418	$160,449	$172,634	8%
Airline Terminal Use Fee Revenue	$292,225	$271,675	$284,915	5%
Operating Revenue	$27,718,906	$29,581,494	$31,399,432	6%
Terminal Concession Revenue	$1,205,103	$1,481,006	$1,424,638	-4%
Facility/Land Lease Revenue	$4,726,455	$4,159,042	$4,941,148	19%
Ground Transportation Revenue	$220,792	$243,141	$246,768	1%
Car Rental Revenue	$2,577,700	$3,058,465	$3,024,669	-1%
Vehicle Parking Revenue	$3,921,418	$4,648,800	$4,841,600	4%
Fuel Sales	$6,324,413	$7,304,272	$7,761,831	6%
Net Operating Income	$4,739,767	$3,891,271	$4,125,732	6%

FY25 PMGAA Organizational Goals

- Successfully open Gulfstream Aerospace Corp. West Coast Service Center
- Successfully open Virgin Galactic hangar and manufacturing facility
- Complete reconstruction of Runway 30L-12R (Phase II)
- Complete reconstruction of a portion of Taxiway Whiskey
- Continued design of new TSA in-line checked baggage screening system and facility
- Continue PMGAA's Participation in Regional Transportation Planning Initiatives
- Maintain strategic partnerships with Airport tenants, ASU, and CGCC
- Extinguish easement for ASR Facility
- Increase net operating income and days of available cash on-hand
- Continue to control operational expenditures
- Promote SkyBridge Arizona Master Development
- Promote Gateway East Master Development
- Pursue all available federal, state, and local grants and other creative funding sources
- Continue providing guidance to adjacent communities on land use compatibility and other regional planning issues
- Lease Airport land to at least one new private development project
- Continue to recruit new airlines, pursue additional nonstop destinations, and increase passenger activity
- Continue to expand air cargo operations
- Achieve an exceptional FY25 FAA Part 139 Certification Inspection
- Achieve an exceptional FY25 TSA Security Inspection
- Receive a clean FY25 Independent Financial Audit
- Continue to explore opportunities to increase aeronautical and non-aeronautical revenues
- Expand Community Outreach and Social Media Programs
- Support PMGAA staff development and subject-matter training opportunities

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-51

To:	**Board of Directors**
From:	**Art Montoya, Information Technology Director**
Through:	**Chuck Odom, Chief Financial Officer/CFO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Microsoft Licensing Renewals – CDW Government LLC**
Date:	**October 15, 2024**

Proposed Motion
To authorize a purchase with CDW Government LLC (CDW) for annual Microsoft licensing renewals, in an amount not to exceed $57,222.13.

Narrative
Multiple Microsoft software and programs are currently used throughout the Airport. This software requires annual licensing renewals. CDW is an authorized Microsoft reseller.

Board authorization for the purchase of the Microsoft annual software licensing renewals is necessary for continued use of the Microsoft software including the cloud-based Office 365 product suite.

Having executed a Cooperative Purchasing Agreement with the State of Arizona, PMGAA is able to procure goods and services under state contracts that have been competitively bid. The State has currently contracted with CDW for computer software under contract CTR070896. It is through this cooperative purchasing agreement that PMGAA will utilize CDW for Microsoft licensing renewals. This contact is available upon request.

Fiscal Impact
This purchase was included in the FY25 ITS Operating Budget.

Attachment(s)
Quote

RESOLUTION NO. 24-51

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a purchase with CDW Government LLC (CDW) for annual Microsoft licensing renewals, in an amount not to exceed $57,222.13;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a purchase with CDW Government LLC (CDW) for annual Microsoft licensing renewals, in an amount not to exceed $57,222.13. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Thank you for choosing CDW. We have received your quote.

Hardware Software Services IT Solutions Brands Research Hub

QUOTE CONFIRMATION

J. BRIAN O'NEILL,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

Quote valid for 30 days, subject to OEM price changes.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
PCCS827	9/9/2024	ANNUAL PAYMENT DUE 11/1	11231946	$57,222.13

IMPORTANT - PLEASE READ

Special Instructions: Annual Payment due 11/1
EA 80745099
Terms 11/1/2024 - 10/31/2025

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
MS EA O365 E3 GCC P USER Mfg. Part#: AAA-11894-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	130	3753337	$236.97	$30,806.10
Microsoft Entra ID P1 - subscription license - 1 user Mfg. Part#: MQM-00001-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	130	5430962	$54.96	$7,144.80
Microsoft Core CAL Bridge for Office 365 - subscription license (1 month) - Mfg. Part#: AAA-12414-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	130	3931585	$20.20	$2,626.00

QUOTE DETAILS (CONT.)				
Microsoft Audio Conferencing Select Dial Out - subscription license - 1 lic Mfg. Part#: NYH-00001-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	130	6976615	$0.01	$1.30
MS EA WIN SVR DCCORE SA MVL Mfg. Part#: 9EA-00278-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	42	4354663	$126.81	$5,326.02
MS EA VISIO P2 GCC P USER Mfg. Part#: P3U-00001-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	16	3576069	$137.33	$2,197.28
Microsoft Office Professional Plus - software assurance - 1 PC Mfg. Part#: 269-05704-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	11	2084640	$110.52	$1,215.72
Microsoft Exchange Online Plan 1 - subscription license - 1 user Mfg. Part#: 3MS-00001-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	10	3083170	$36.59	$365.90
MS EA PROJECT P3 GCC P USER Mfg. Part#: 7MS-00001-12-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	6	4381361	$274.67	$1,648.02
Microsoft SQL Server Standard Core Edition - software assurance - 2 cores Mfg. Part#: 7NQ-00292-SLG TERMS 11/1/2024 - 10/31/2025 This order is non-cancelable, non-returnable unless warranted by the manufacturer Electronic distribution - NO MEDIA Contract: SVAR_AZ_CTR070896 (CTR070896)	4	2716749	$590.58	$2,362.32
MS EA VISIO P2 GCC P USER Mfg. Part#: P3U-00001-12-SLG	1	3576069	$137.33	$137.33

QUOTE DETAILS (CONT.)

TERMS 11/1/2024 - 10/31/2025
This order is non-cancelable,
non-returnable unless warranted by
the manufacturer
Electronic distribution - NO MEDIA
Contract: SVAR_AZ_CTR070896 (CTR070896)

SUBTOTAL	$53,830.79
SHIPPING	$0.00
SALES TAX	$3,391.34
GRAND TOTAL	**$57,222.13**

PURCHASER BILLING INFO	**DELIVER TO**
Billing Address: PHOENIX-MESA GATEWAY AIRPORT AUTH ACCOUNTS PAYABLE 5835 S SOSSAMAN RD MESA, AZ 85212-6014 **Phone:** (480) 988-7619 **Payment Terms:** Net 30 Days-Govt State/Local	**Shipping Address:** PHOENIX-MESA GATEWAY AIRPORT ATTN: J. BRIAN O'NEILL PHOENIX MESA GATEWAY AIRPORT 5835 S. SOSSAMAN ROAD MESA, AZ 85212 **Phone:** (480) 988-7619 **Shipping Method:** ELECTRONIC DISTRIBUTION
	Please remit payments to:
	CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515

Sales Contact Info

Chris Anderson | (877) 570-2643 | chrande@cdwg.com

Need Help?

My Account | Support | Call 800.800.4239

About Us | Privacy Policy | Terms and Conditions

This order is subject to CDW's Terms and Conditions of Sales and Service Projects at
http://www.cdwg.com/content/terms-conditions/product-sales.aspx
For more information, contact a CDW account manager.

© 2024 CDW•G LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-52

To:	**Board of Directors**
From:	**Veronica Lewis, Human Resources Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Employee Benefits Package for Calendar Year 2025**
Date:	**October 15, 2024**

Proposed Motion

To authorize Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2025 through December 31, 2025 with an estimated plan cost of $1,296,557.

Narrative

PMGAA's benefit broker, USI Insurance Services LLC, received quotes from several industry-leading insurance carriers for a 12-month renewal period. USI negotiated the best possible rate from each carrier resulting in a 9.6% increase in costs for the medical plan, which is in line with industry average. PMGAA staff is proposing that Blue Cross Blue Shield continue to be the carrier for medical benefits and offer the same two plan coverage options that are currently available.

PMGAA staff proposes that Delta Dental continue to be the carrier for dental, EyeMed continue to be the carrier for vision, and Mutual of Omaha for basic life/accidental death & dismemberment and short-term disability as there were no changes in rates. It is recommended that we maintain our Employee Assistance program with IBH Population Health Solutions.

PMGAA has found that providing a competitive benefits package is a major employee retention and attraction tool that reduces the costs – overtime, training, workplace inefficiency – associated with high employee turnover.

Fiscal Impact

Cost of the benefits package for Calendar Year 2025 is estimated to be $1,116,465 (employer's portion) and $180,092 (employee's portion) for a total of $1,296,557. This reflects an 8% increase from the previous calendar year.

Attachment(s)

2025 Renewal Presentation

RESOLUTION NO. 24-52

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Authority's insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2025 through December 31, 2025 with an estimated plan cost of $1,296,557;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Authority's insurance broker, USI Insurance Services LLC, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2025 through December 31, 2025 with an estimated plan cost of $1,296,557. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

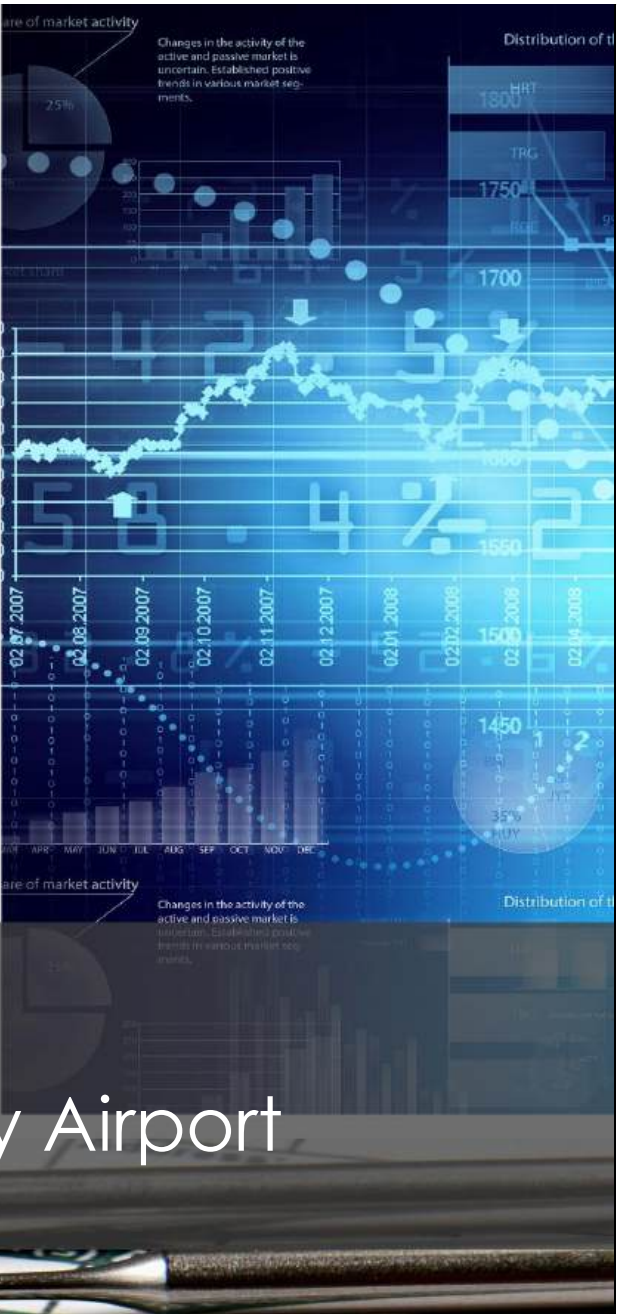
Julia Wheatley, Chair

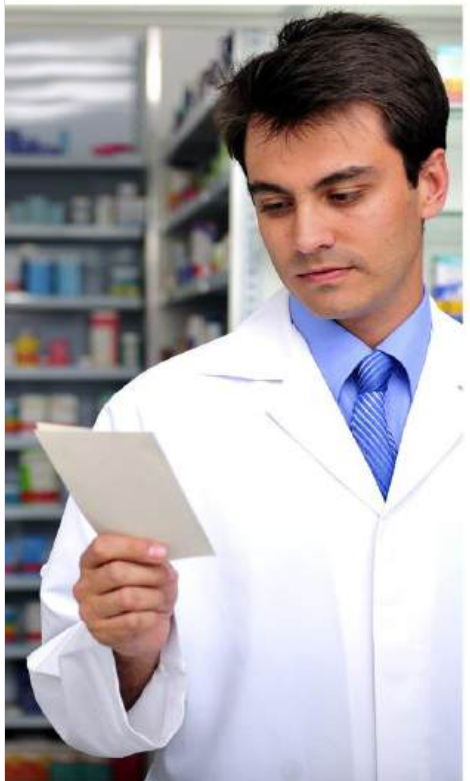
ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney





September 23, 2024

2025 Renewal Presentation

Phoenix-Mesa Gateway Airport Authority

Jack Bender, Consultant | Kanta Benjamin, Account Manager
www.usi.com

Disclaimer

The information contained in this report is for general information purposes only. The information is provided by USI Insurance Services and while we endeavour to keep the information up to date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the report or the information, products, services, or related graphics contained in the report for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

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Phoenix Mesa Gateway Airport Authority (PMGAA)
Cost Summary
January 1, 2025 Renewal Date

Carriers	Current	Renewal	Neg. Renewal
Medical	BCBS of AZ	BCBS of AZ	BCBS of AZ
Dental	Delta Dental	Delta Dental	Delta Dental
Vision	EyeMed	EyeMed	EyeMed
Life / AD&D	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Voluntary Life / AD&D	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Short Term Disability	Mutual of Omaha	Mutual of Omaha	Mutual of Omaha
Employee Assistance Program	Uprise	Uprise	Uprise

Total Annual Cost

Medical	$1,011,671	$1,158,401	$1,107,744
Dental	$55,969	$55,969	$55,969
Vision	$10,489	$10,489	$10,489
Life / AD&D	$13,751	$13,751	$13,751
Short Term Disability	$14,506	$14,506	$14,506
Employee Assistance Program	$3,600	$3,600	$3,600
Annual Total	**$1,109,986**	**$1,251,716**	**$1,206,059**
Change from Current		**$146,731**	**$96,073**
Percentage Change		**13.3%**	**8.65%**

Notes

1. Voluntary Life / AD&D is omitted from total annual cost as this coverage is fully employee paid.

Executive Summary

January 1, 2025

USI Insurance Services is pleased to present Phoenix-Mesa Gateway Airport Authority with the renewal and marketing evaluation for the 2025 plan year. The following outlines the strategies and projections for your consideration.

Medical Renewal - BCBS
Initial Renewal: 14.5%
USI's Financial Projection: No projection; First Year Fully- Insured
Negotiated Renewal:

With no plan changes: 9.5% (Includes $7,500 Wellness Fund & $5,000 general fund)

Dental Renewal - Delta Dental
Renewal: 0% increase

Delta Dental's renewal reflects no changes in benefits. Rates are guaranteed to January 1, 2025.

Vision Renewal - EyeMed
Renewal: 0% increase

EyeMed's contract is under a rate guarantee until January 1, 2025. There are no changes in benefits.

Life and Accidental Death & Dismemberment - Mutual of Omaha
Renewal - 0% Increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Voluntary Life and Accidental Death & Dismemberment - Mutual of Omaha
Renewal 0% increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Short Term Disability - Mutual of Omaha
Renewal 0% Increase

Mutual of Omaha is in rate guarantee until January 1, 2025

Critical Illness - UNUM
UNUM is in rate guarantee until January 1, 2025

Employee Assistance Program (EAP) - IBH Population Health Solutions
Renewal 0% Increase

Uprise is in rate guarantee until January 1, 2025
As of January 1, 2024, Uprise has switch from monthly billing to annual invoicing.

Thank you for this opportunity to present Phoenix-Mesa Gateway Airport Authority's renewal and market analysis. We value your business and look forward to another successful year.

Phoenix Mesa Gateway Airport Authority (PMGAA)
Medical Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

$12,500 Implementation Fund
$7,500 Annual Wellness Fund

$7,500 Annual Wellness Fund

Benefit Outline	Current Base	Current Buy-up	Renewal Base	Renewal Buy-up
Carrier	BCBS of AZ	BCBS of AZ	BCBS of AZ	BCBS of AZ
Plan Type, Name, Network	BluePreferred HSA Statewide 3200	BluePreferred PPO Statewide 500	BluePreferred HSA Statewide 3200	BluePreferred PPO Statewide 500
Deductible (Individual / Family)	$3,200 / $6,400	$500 / $1,000	**$3,300 / $6,600**	$500 / $1,000
Non-Network Deductible (Individual / Family)	$6,400 / $12,800	$1,000 / $2,000	$6,400 / $12,800	$1,000 / $2,000
Deductible Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded
Out-of-Pocket Maximum (Individual / Family)	$5,500 / $11,000	$4,500 / $9,000	$5,500 / $11,000	$4,500 / $9,000
Non-Network OOP Max (Individual / Family)	$11,000 / $22,000	$9,000 / $18,000	$11,000 / $22,000	$9,000 / $18,000
Annual HSA Contribution (EE / EE+1 / Family)	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500	N/A
Coinsurance (In / Out)	80% / 50%	80% / 50%	80% / 50%	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%
Primary Care Office Visit	80% after deductible	$25 copay	80% after deductible	$25 copay
Specialist Office Visit	80% after deductible	$45 copay	80% after deductible	$45 copay
Walk-In / Urgent Care Visit	80% after deductible	$60 copay	80% after deductible	$60 copay
Emergency Room	80% after deductible	$350 copay	80% after deductible	$350 copay
Outpatient Lab / X-Ray	80% after deductible	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after deductible
Complex Imaging (MRI, CAT, PET, et al.)	80% after deductible	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after deductible
Outpatient Surgical Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Inpatient Hospital Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Retail Prescription Drug Copays	20% after deductible	$15 / $55 / $85 / $150	20% after deductible	$15 / $55 / $85 / $150
Mail Order Prescription Drug Copays	20% after deductible	$30 / $110 / $170 / $300	20% after deductible	$30 / $110 / $170 / $300
Specialty Prescription Drugs	20% after deductible	$60 / $110 / $160 / $210	20% after deductible	$60 / $110 / $160 / $210

Rates & Total Cost	Base	Buy-up				
Employee	20	27	$447.12	$661.18	$510.75	$758.43
Employee + Spouse	5	6	$983.66	$1,454.60	$1,123.65	$1,668.55
Employee + Child(ren)	1	2	$849.53	$1,256.24	$970.43	$1,441.02
Employee + Spouse & Child(ren)	15	9	$1,430.78	$2,115.78	$1,634.40	$2,426.98
Total Employees	**41**	**44**				
Annual Subtotal			**$434,063**	**$577,608**	**$495,836**	**$662,565**
Percent Change by Plan					**14.2%**	**14.7%**
Annual Premium Total				**$1,011,671**		**$1,158,401**
Change from Current						**$146,731**
Percentage Change						**14.5%**

Phoenix Mesa Gateway Airport Authority (PMGAA)
Medical Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

	$12,500 Implementation Fund		**$5,000 General Fund**	
	$7,500 Annual Wellness Fund		**$7,500 Annual Wellness Fund**	

Benefit Outline	**Base**	**Current Buy-up**	**Neg. Renewal**	
Carrier	BCBS of AZ	BCBS of AZ	BCBS of AZ	BCBS of AZ
Plan Type, Name, Network	BluePreferred HSA Statewide 3200	BluePreferred PPO Statewide 500	BluePreferred HSA Statewide 3200	BluePreferred PPO Statewide 500
Deductible (Individual / Family)	$3,200 / $6,400	$500 / $1,000	**$3,300 / $6,600**	$500 / $1,000
Non-Network Deductible (Individual / Family)	$6,400 / $12,800	$1,000 / $2,000	$6,400 / $12,800	$1,000 / $2,000
Deductible Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded
Out-of-Pocket Maximum (Individual / Family)	$5,500 / $11,000	$4,500 / $9,000	$5,500 / $11,000	$4,500 / $9,000
Non-Network OOP Max (Individual / Family)	$11,000 / $22,000	$9,000 / $18,000	$11,000 / $22,000	$9,000 / $18,000
Annual HSA Contribution (EE / EE+1 / Family)	$1,350 / $1,900 / $2,500	N/A	$1,350 / $1,900 / $2,500	N/A
Coinsurance (In / Out)	80% / 50%	80% / 50%	80% / 50%	80% / 50%
Wellness / Preventive Care	100%	100%	100%	100%
Primary Care Office Visit	80% after deductible	$25 copay	80% after deductible	$25 copay
Specialist Office Visit	80% after deductible	$45 copay	80% after deductible	$45 copay
Walk-In / Urgent Care Visit	80% after deductible	$60 copay	80% after deductible	$60 copay
Emergency Room	80% after deductible	$350 copay	80% after deductible	$350 copay
Outpatient Lab / X-Ray	80% after deductible	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after deductible
Complex Imaging (MRI, CAT, PET, et al.)	80% after deductible	OV copay or 80% after deductible	80% after deductible	OV copay or 80% after deductible
Outpatient Surgical Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Inpatient Hospital Facility	80% after deductible	80% after deductible	80% after deductible	80% after deductible
Retail Prescription Drug Copays	20% after deductible	$15 / $55 / $85 / $150	20% after deductible	$15 / $55 / $85 / $150
Mail Order Prescription Drug Copays	20% after deductible	$30 / $110 / $170 / $300	20% after deductible	$30 / $110 / $170 / $300
Specialty Prescription Drugs	20% after deductible	$60 / $110 / $160 / $210	20% after deductible	$60 / $110 / $160 / $210

Rates & Total Cost	**Base**	**Buy-up**				
Employee	20	27	$447.12	$661.18	$488.93	$724.69
Employee + Spouse	5	6	$983.66	$1,454.60	$1,075.65	$1,594.32
Employee + Child(ren)	1	2	$849.53	$1,256.24	$928.97	$1,376.91
Employee + Spouse & Child(ren)	15	9	$1,430.78	$2,115.78	$1,564.58	$2,319.01
Total Employees	**41**	**44**				
Annual Subtotal			**$434,063**	**$577,608**	**$474,654**	**$633,090**
Percent Change by Plan					**9.4%**	**9.6%**
Annual Premium Total				**$1,011,671**		**$1,107,744**
Change from Current						**$96,073**
Percentage Change						**9.5%**

Phoenix Mesa Gateway Airport Authority (PMGAA)
Dental Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline		Current	Renewal
Carrier		Delta Dental of Arizona	Delta Dental of Arizona
Plan Type		Dental PPO	Dental PPO
Deductible (Individual / Family)		$50 / $150	$50 / $150
Waived For Preventive		Yes	Yes
Annual Maximum		$2,000	$2,000
Preventive Services		100%	100%
Basic Services		90%	90%
Major Services		60%	60%
Endodontics / Periodontics		90%	90%
Implants		60%	60%
Orthodontia		50%	50%
Eligibility		50%	50%
Lifetime Maximum		$1,000	$1,000
Waiting Periods (Prev. / Basic / Major)		None	None
Non-Network		MAC	MAC
Deductible (Individual / Family)		$50 / $150	$50 / $150
Annual Maximum		$2,000	$2,000
Prev. / Basic / Major		100% / 80% / 50%	100% / 80% / 50%
Rate Guarantee		1/1/2024	**1/1/2025**
Rates & Total Cost			
Employee	49	$25.33	$25.33
Employee + 1 Dependent	15	$63.89	$63.89
Employee + 2 Dependent	26	$94.79	$94.79
Total Employees	**90**		
Annual Total		**$55,969**	**$55,969**
Change From Current			$0
Percentage Change			0.0%

Phoenix Mesa Gateway Airport Authority (PMGAA)
Vision Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline		EyeMed Current	EyeMed Renewal
Exam Copay		$20	$20
Materials Copay		$0	$0
Exam		100% after $20 copay	100% after $20 copay
Lenses			
Single		100%	100%
Bifocal		100%	100%
Trifocal		100%	100%
Lenticular		100%	100%
Frames		Up to $130 allowance; 20% off balance	Up to $130 allowance; 20% off balance
Elective Contacts		Up to $130 allowance; 15% off balance	Up to $130 allowance; 15% off balance
Benefit Frequencies (E/L/F/C)		12 / 12 / 12 / 12	12 / 12 / 12 / 12
Non-network Benefits		Schedule	Schedule
Rate Guarantee		1/1/2024	**1/1/2025**
Rates and Premium	**Current**		
Employee	49	$5.61	$5.61
Employee + 1 Dependent	18	$10.67	$10.67
Employee + 2+ Dependents	26	$15.66	$15.66
Total Employees	**93**		
Annual Total		**$10,489**	**$10,489**
Change from Current			**$0**
Percentage Change			**0%**

Phoenix Mesa Gateway Airport Authority (PMGAA)
Life / AD&D Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha Insurance	Mutual of Omaha Insurance
Contributory / Non-Contributory	Non-Contributory	Non-Contributory
Eligibility	FTE Working ≥ 40 HPW	FTE Working ≥ 40 HPW
Class 1	Salaries less than $40K	Salaries less than $40K
Class 2	Salaries greater than $40K	Salaries greater than $40K
Class 3	Executive Director	Executive Director
Benefit Amount (Class 1 / 2 / 3)	Flat / 1x Annual Earnings / 2x Annual Earnings	Flat / 1x Annual Earnings / 2x Annual Earnings
Benefit Maximums (Class 1 / 2 / 3)	$40,000 / $150,000 / $410,000	$40,000 / $150,000 / $410,000
Guarantee Issue	Full Benefit Amount	Full Benefit Amount
Benefit Reductions	Reduces To: 65% at Age 70; 50% at Age 75	Reduces To: 65% at Age 70; 50% at Age 75
Waiver of Premium	9 Mo. Elimination Period	9 Mo. Elimination Period
Benefits Extend To	Age 65	Age 65
If Disabled Prior To	Age 60	Age 60
Accelerated Benefits	Included	Included
Life Expectancy	Terminal Conditin;< 12 Mo.	Terminal Conditin;< 12 Mo.
Benefit Amount Accessible	80%	80%
Portability	Included	Included
Conversion	Included	Included
Rate Guarantee	1/1/2024	**1/1/2025**

Volumes, Rates & Total Cost		
Number of Employees	109	109
Benefit Volume	$8,185,000	$8,185,000
Life Rate Per $1,000	$0.110	$0.110
AD&D Rate Per $1,000	$0.030	$0.030
Rate Per Family Unit		
Annual Total	**$13,751**	**$13,751**
Change From Current		$0
Percentage Change		0.0%

Phoenix Mesa Gateway Airport Authority (PMGAA)
Voluntary Life / AD&D Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha Insurance Company	Mutual of Omaha Insurance Company
Definition of Earnings	Base Salary Only	Base Salary Only
Eligibility	FTE Working ≥ 30 HPW	FTE Working ≥ 30 HPW
Child Age Requirement	14 Days to Age 26	14 Days to Age 26
Benefit Increments		
Employee	$10,000	$10,000
Spouse	$5,000	$5,000
Children	$2,000	$2,000
Benefit Maximums		
Employee	5 x Salary to $500,000	5 x Salary to $500,000
Spouse	100% of EE Amt to $100,000	100% of EE Amt to $100,000
Children	$10,000	$10,000
Guarantee Issue		
Employee	$100,000	$100,000
Spouse	$25,000	$25,000
Children	Full Benefit Amount	Full Benefit Amount
Benefit Reductions	Reduces To: 65% at Age 70; 50% at Age 75	Reduces To: 65% at Age 70; 50% at Age 75
Waiver of Premium	9 Mo. Elimination Period	9 Mo. Elimination Period
Benefits Extend to	Age 65	Age 65
If Disabled Prior to	Age 60	Age 60
Portability	Included	Included
Conversion	Included	Included
Rate Guarantee	1/1/2024	**1/1/2025**
Life Per $1,000	**Employee / Spouse**	**Employee / Spouse**
Under Age 25	$0.090	$0.090
25-29	$0.090	$0.090
30-34	$0.090	$0.090
35-39	$0.120	$0.120
40-44	$0.180	$0.180
45-49	$0.300	$0.300
50-54	$0.480	$0.480
55-59	$0.800	$0.800
60-64	$0.990	$0.990
65-69	$1.470	$1.470
70-74	$2.840	$2.840
75-99	$2.840	$2.840
Child Life	$0.245	$0.245
AD&D Per $1,000		
EE / SP AD&D	$0.030	$0.030
Child AD&D	$0.030	$0.030

Phoenix Mesa Gateway Airport Authority (PMGAA)
Short Term Disability Plan
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline	Current	Renewal
Carrier	Mutual of Omaha	Mutual of Omaha
Definition of Earnings	Base Salary Only	Base Salary Only
Contributory / Non-Contributory	Non-Contributory	Non-Contributory
Eligibility	FTE Working ≥ 30 HPW	FTE Working ≥ 30 HPW
Elimination Period		
Accident	30 days	30 days
Sickness	30 days	30 days
Benefit Percentage	60%	60%
Maximum Weekly Benefit	$1,000	$1,000
Definition of Disability	Duties and Earnings	Duties and Earnings
Benefit Duration (after EP)	26 weeks	26 weeks
Pre-Existing Conditions Exclusion	None text	None text
Rate Guarantee	1/1/2024	**1/1/2025**
Volumes, Rates & Total Cost		
Number of Employees	109	109
Volume: Covered Benefit	$80,588	$80,588
STD Rate Per $10	$0.150	$0.150
ASO / ATP Rate PEPM		
Annual Total	**$14,506**	**$14,506**
Change From Current		$0
Percentage Change		0.0%

Phoenix-Mesa Gateway Airport Authority (PMGAA)
Voluntary Critical Illness
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

UNUM - Current / Renewal

Benefit Outline

UNUM - Traditional Enrollment		
Eligibility	All active FTE's working ≥ 30 hpw	
Covered Conditions	**1st Occurrence**	**2nd Occurrence**
Cancer		
Invasive Cancer	100%	100%
Carcinoma in Situ	25%	25%
Benign Brain Tumor	100%	100%
Skin Cancer	$500	$500
Vascular		
Heart Attack	100%	100%
Stroke	100%	100%
Heart Failure	100%	100%
Coronary Arteriosclerosis	50%	50%
Other		
Organ Failure	100%	100%
Kidney Failure	100%	100%
Wellness Benefit	$50 per year payment for wellnes screenings	
Dependent Age Limit	0 days old to 26 years old	
Pre-Existing Conditions	12 / 12	
Benefit Increments	Employee: $10,000 | Spouse: 50%	
Guarantee Issue	Employee: $20,000 | Spouse: 50%	
Benefit Separation Period	3 months	
Participation (Required)	10 enrolled or 5%, the greater of	
Rate Guarantee	To January 1, 2024	

Monthly Premium

Employee

Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18
$20,000	$4.28	$5.48	$7.08	$8.88	$12.68	$18.48

	50-54	55-59	60-64	65-69	70-74	75-79
$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78
$20,000	$27.68	$39.08	$56.88	$84.28	$126.68	$177.68

	80-84	85+
$10,000	$123.68	$194.18
$20,000	$245.48	$386.48

Spouse

Benefit Amount	< 25	25-29	30-34	35-39	40-44	45-49
$5,000	$2.48	$2.78	$3.18	$3.63	$4.58	$6.03
$10,000	$3.08	$3.68	$4.48	$5.38	$7.28	$10.18

	50-54	55-59	60-64	65-69	70-74	75-79
$5,000	$8.33	$11.18	$15.63	$22.48	$33.08	$45.83
$10,000	$14.78	$20.48	$29.38	$43.08	$64.28	$89.78

	80-84	85+
$5,000	$62.78	$98.03
$10,000	$123.68	$194.18

Phoenix Mesa Gateway Airport Authority (PMGAA)
Employee Assistance Program
Benefit Outline and Cost Summary
January 1, 2025 Renewal Date

Benefit Outline	Current/Renewal
Carrier	IBH Population Health Solutions
Number of In-Person Counseling Visits	6
Available to dependents	Yes
Telephonic Counseling	Included
Online Counseling	Included
Child Care Consultation	Included
Elder Care Consultation	Included
Financial Consultation	Included
Legal Consultation	Included
School Selection Assistance/College Assistance	Included
Online Member Portal	Included
Wellbeing Assessement w/ Personalized care Plan	Not Included
Self-Guided Cognitive Behavioral Therapy	Not Included
Uprise Health Digital EAP Platform	Not Included
Health Coaching	Not Included
Employee | Supervisor Training	Included
Rate Guarantee	

Rates & Total Cost	
Number of Employees	109
PEPM Fee	N/A
Quarterly Fee	$750.00
Annual Total	**$3,600**
Change From Current	$0
Percentage Change	0.0%

Phoenix Mesa Gateway Airport Authority (PMGAA)
USI Administered Employee Benefit Plans
Compensation Disclosure
January 1, 2025 Renewal Date

USI is making the following compensation information available effective with the renewal date above. For ERISA group health plan fiduciaries this is in accordance with requirements under ERISA 408(b)(2).

1. The direct compensation USI expects to receive for servicing your health benefits is:

Broker Fee, independent from any specific coverage/plan below	**Current $32,000 per year**	**Renewal $34,000 per year**

	Plan Type	Negotiated Renwal	
Medical (Fully Insured)	Medical PPO	BCBS of AZ	0.0%
Dental	Dental PPO	Delta Dental of Arizona	0.0%
Vision	Vision	Mutual of Omaha Insurance Company	0.0%
Employee Assistance Program	Employee Assistance Program (EAP)	Uprise	0.0%
Voluntary Critical Illness	Voluntary Critical Illness	Unum Life Insurance Company of America	0.0%

Non health plans; one or more of life, disability, non-ERISA stop loss, other ancillary — Ranges from 0%

2. The expected indirect compensation USI expects to receive is:

It is possible that some of the insurance companies from which USI obtains coverage may pay it additional incentive commissions, sometimes referred to as contingent, supplemental, or bonus commissions, which may be based on the total volume of business we sell for them, and/or the growth rate of that business, retention rate, claims loss ratio, or other factors considering our entire book of business with an insurance company for a designated period of time. Such additional commissions, if any, would be in addition to any other compensation USI may receive. By coverage type indirect compensation ranges are as follows:

Medical & Stop Loss approximately 0%

Dental, Vision, Ancillary approximately 0%

35. The services USI will provide include some or all of the following:

Design of health care plans, cost-containment and other plan design recommendations. Preparation of bid specifications (RFP). Analysis of proposals and presentation of findings. Renewal analysis and negotiation. Reporting/Servicing Meetings. Contract Review. Employee Meetings. Employer/Employee Communications.

4. USI does not offer or provide fiduciary services to the plan.

5. In some cases USI may involve the services of a general agent based carrier requirements or distribution model. In some cases general agent may be owned by USI, and will receive compensation in addition to what is detailed above, and will be in the range of 1% to 2% of medical premium or $3.00 to $16 PEPM based on enrolled and 1% to 6% on dental and vision premium.

6. This disclosure document includes the disclosures USI is required to make in accordance with ERISA Section 408(b)(2). Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosures are not included in this disclosure.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-53

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Air Service Development Consulting Services – Mead & Hunt, Inc.**
Date:	**October 15, 2024**

Proposed Motion
To authorize an increase in spending for Air Service Development Consulting Services with Mead & Hunt, Inc. (Mead & Hunt), in an amount not-to-exceed $90,000 for the remainder of the contract for a total not-to-exceed amount of $140,000.

Narrative
On June 16, 2020, the Board approved a contract for Air Service Development Consulting Services with Mead & Hunt, Resolution #20-20, in an amount not-to-exceed $50,000 for the five-year term of the contract. These services were procured competitively under a formal solicitation. Since contract inception, Airport staff have authorized $44,277.50 for services to Mead & Hunt.

Airport Development Services are critical to the Airport's continued growth and sustainability. Mead & Hunt provides assistance with air service retention and the recruitment of new airlines and additional air service. Airport staff utilizes these resources to provide market and route analysis, airline relationships, airline meeting presentations, incentive program development, and on-call data research.

Additional capacity under Mead & Hunt's contract is required to continue these services.

Fiscal Impact
Funding for this contract is included in the FY25 EDO Operating Budget.

Attachment(s)
N/A

RESOLUTION NO. 24-53

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an increase in spending for Air Service Development Consulting Services with Mead & Hunt, Inc. (Mead & Hunt), in an amount not-to-exceed $90,000 for the remainder of the contract for a total not-to-exceed amount of $140,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes an increase in spending for Air Service Development Consulting Services with Mead & Hunt, Inc. (Mead & Hunt), in an amount not-to-exceed $90,000 for the remainder of the contract for a total not-to-exceed amount of $140,000. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-54

To:	**Board of Directors**
From:	**Matt Nebgen, Gateway Aviation Services Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**7,000 Gallon Aircraft Refueler – SkyMark Refuelers, LLC**
Date:	**October 15, 2024**

Proposed Motion
To authorize the purchase of one new 7,000-gallon aircraft refueler from SkyMark Refuelers, LLC (SkyMark) in an amount not to exceed $373,961.40.

Narrative
Phoenix Mesa Gateway Airport Authority's Fixed Base Operator, Gateway Aviation Services, uses JetA mobile refuelers to service a wide range of customer aircraft including commercial, corporate, military, and general aviation aircraft. The current refueler has reached the end of its useful life cycle and is in need of replacement.

The proposed fuel truck is a 7,000 gallon JetA refueler with upgraded technology for safety and quality control.

The Request for Proposal (RFP), Solicitation 2025-002-RFP was issued on August 8, 2024, and advertised in the Arizona Business Gazette on 8/15, 8/22, 8/29, and 9/5/24. The Notice of RFP was also posted on the AzAA, ACI-NA, and SWAAAE websites, as well as the Phoenix-Mesa Gateway Airport Authority website. In addition, the RFP was emailed to a list of five (5) prospective firms. Airport staff received two (2) proposals:

Garsite, LLC
SkyMark Refuelers, LLC

After reviewing the submitted proposals, the Evaluation Panel selected SkyMark. The proposal met all requirements and minimum specifications. The Panel unanimously ranked SkyMark's proposal as number one based on pricing and payment terms, demonstrated successful performance, and warranty period.

Fiscal Impact
This purchase is included in the FY25 capital budget and is funded with Non-Grant Capital funds as Project #1254.

Attachment(s)
Price Proposal

RESOLUTION NO. 24-54

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the purchase of one new 7,000-gallon aircraft refueler from SkyMark Refuelers, LLC (SkyMark) in an amount not to exceed $373,961.40;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the purchase of one new 7,000-gallon aircraft refueler from SkyMark Refuelers, LLC (SkyMark) in an amount not to exceed $373,961.40. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Attachment B
Price Proposal

Item	Price
One (1) New 7,000 Gallon Aircraft Refueler	$ 333,800.00
Manuals on Maintenance, Operations, and Parts – 1 Set Each (Hard Copy & Digital)	$ Included
Sales Tax, 8.3% PMGAA is NOT tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ 27,705.40
Shipping	$ 6,000.00
Total	$ 367,505.40

ADD ALTERNATE PROPOSAL Items	Price
Passenger side back-up camera	$ 2,000.00
Safety tracking technology	$ N/A
Diagnostic software and technology	$ 4,000.00
Sales Tax, 8.3% PMGAA is NOT tax exempt. If Offeror does not collect sales tax on behalf of the State of Arizona when invoicing, Offeror should still include tax at a rate of 7.6% for Use Tax.	$ 456.00
Total	$ 6,456.00

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-55

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Roof Coating Phase 2 – Jim Brown and Sons Roofing Co., Inc. - CIP1262**
Date:	**October 15, 2024**

Proposed Motion

To authorize a contract for the Roof Coating Phase 2 Project with Jim Brown and Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete roof repairs and recoating on a number of PMGAA owned facilities, in an amount not to exceed $175,983.49 under CIP1262.

Narrative

The Phoenix-Mesa Gateway Airport Authority's (PMGAA) Engineering and Facilities Department is responsible for the maintenance and repair of the Airport's facilities. Many of the roofing systems on PMGAA buildings are in need of repairs and maintenance, which will assist in extending their useful lives.

Roof Coating Phase 1 services were completed in FY24, and Roof Coating Phase 2 services are scheduled to be completed in FY25. These services include repairing and recoating the roofs on nine (9) airport structures. The Scope of Work and quote sheets received from JBS for Roof Coating Phase 2 repairs total $125,983.49, and will include, but are not limited to, removing non-asbestos materials, metal edges and flashing, installation of new roofing materials, labor and a 10-year manufacturing warranty as applicable. Due to the age and condition of these roofs, staff is requesting to have an additional $50,000 available in the event the contractor runs into unexpected issues, and additional funds are needed to complete the repairs.

PMGAA and JBS are both participants of the Mohave Educational Services Cooperative (MESC) Purchasing Group. Under MESC, JBS was awarded Roofing and Roofing Systems Installation, Products, and Services Contract #23L-JBSR-0419, and it is through this competitive selection that PMGAA will utilize JBS for these roofing services. This contract is available upon request.

Fiscal Impact

This project is included in the FY25 Capital Budget, utilizing PMGAA non-grant funding, under CIP1262.

Attachment(s): Scope of Work/Fee Sheets

RESOLUTION NO. 24-55

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize a contract for the Roof Coating Phase 2 Project with Jim Brown and Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete roof repairs and recoating on a number of PMGAA owned facilities, in an amount not to exceed $175,983.49 under CIP1262;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes a contract for the Roof Coating Phase 2 Project with Jim Brown and Sons Roofing Co., Inc., dba JBS Roofing (JBS), to complete roof repairs and recoating on a number of PMGAA owned facilities, in an amount not to exceed $175,983.49 under CIP1262. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

JBS ROOFING
JIM BROWN & SONS ROOFING

ROC 061127, 082024, 198099, 287012

Industrial | Commercial | Residential | Maintenance

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Building #15 Ticketing

ADDRESS, CITY, STATE, ZIP: 6033-1 S Sossaman Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.121r	roof investgation, repairs 2 man crew	hr	16	$190.00	$3,040.00	
1.9d	caulking 1 component	lf	1000	$2.19	$2,190.00	
1.7a	removal of exsting caulking and clean joint	lf	1,000	$0.75	$750.00	
	TOTAL				**$5,980.00**	

DATE	SQUARE FEET	QUOTE VALID
September 12, 2024	**25,900**	**30 DAYS**

Date: September 12, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $5,980.00

Project Name: Building #15 maintenance
Address: 6033 S Sossaman
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419
Square Feet : 25,900 SF

Scope of Work

- Dig out existing caulking at top of wall reglet and clean the joint
- Install new caulking at the top of the wall reglet
- Install TPO patches on the north side of the building covering the punctures in the roof
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

JBS ROOFING
JIM BROWN & SONS ROOFING

ROC 061127, 082024, 198099, 287012

Industrial | Commercial | Residential | Maintenance

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Building #41 **Roof Restoration**

ADDRESS, CITY, STATE, ZIP: 5835 S Sossaman Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.88x	full fabric system	sf	14726	$3.62	$53,308.12	
	TOTAL				**$53,308.12**	

DATE	SQUARE FEET	QUOTE VALID
September 16, 2024	**14,500**	**30 DAYS**

JBS ROOFING
JIM BROWN & SONS ROOFING
ROC 061127, 082024, 198099, 287012
Industrial Commercial Residential Maintenance

Date: September 16, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212

Project Name: Building #41 Roof Restoration
Address: 5835 S Sossaman
City, State, Zip Code: Mesa, AZ. 85212

Grand Total: $53,308.12

MESC #23L-JBSR-0419
Square Feet : 14,500 SF

Scope of Work

- Wash roof clean with bio degradable detergent and high-pressure water and let dry
- Make all necessary repairs to the existing roof using the 3-course method. Products used will be acrylic coatings or brush grade acrylic caulking and polyester web
- Spray a prime coat of acrylic coating at the rate of 1 gallon for every 100 square feet and allow to dry
- Spray a base coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and embed a full length 40" polyester web into the wet base coat and immediately cover the web with an intermediate coat at the rate of 1.5 gallons for every 100 square feet and allow to cure
- Spray a final coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and allow to cure (NO FOOT TRAFFIC FOR 72 HRS AFTER WE LEAVE THE ROOF)
- We will spray the vertical portions of the roof (AC curbs and wall flashings with a total of 3 gallons of acrylic coatings for every 100 square feet done in 3 passes. We will extend the coatings on the inside of the walls approximately 8" above the existing metal wall flashings.
- Provide manufactures 15-year warranty and JBS 2 year workmanship warranty when paid in full
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

5537 N. 59th Ave. • Glendale, AZ 85301-3711 • Phone (623) 247-9252 • Fax (623) 435-8577

JBS ROOFING
JIM BROWN & SONS ROOFING

ROC 061127, 082024, 198099, 287012

Industrial *Commercial* *Residential* *Maintenance*

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Building #45

ADDRESS, CITY, STATE, ZIP: 5803 S Sossaman Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.121r	roof investgation, repairs 2 man crew	hr	15	$190.00	$2,850.00	
1.9d	caulking 1 component	lf	640	$2.19	$1,401.60	
1.7a	removal of exsting caulking and clean joint	lf	640	$0.75	$480.00	
	TOTAL				**$4,731.60**	

DATE	SQUARE FEET	QUOTE VALID
September 12, 2024	**21,000**	**30 DAYS**

JBS ROOFING
JIM BROWN & SONS ROOFING

ROC 061127, 082024, 198099, 287012

Industrial *Commercial* *Residential* *Maintenance*

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Building #45 **Roof Hatch**

ADDRESS, CITY, STATE, ZIP: 5803 S Sossaman Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.121r	roof investgation, repairs 2 man crew	hr	2	$190.00	$380.00	
1.117b	roof hatch steel 2'6 x 3'	ea	1	$2,062.50	$2,062.50	
1.121uu	crane less than 80'	ea	1	$1,500.00	$1,500.00	
	TOTAL				**$3,942.50**	

DATE	SQUARE FEET	QUOTE VALID
September 16, 2024	**NA**	**30 DAYS**

Date: September 12, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $4,731.60

Project Name: Building #45 maintenance
Address: 5803 S Sossaman
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419
Square Feet : 21,000 SF

Scope of Work

- Dig out existing caulking at top of wall reglet and clean the joint
- Install new caulking at the top of the wall reglet
- Provide and install new composite stands for the mini split system on the roof
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

JBS ROOFING
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ROC 061127, 082024, 198099, 287012

Industrial *Commercial* *Residential* *Maintenance*

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Building #1080

ADDRESS, CITY, STATE, ZIP: 6263 S Taxiway Circle Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.121r	roof investgation, repairs 2 man crew	hr	7	$190.00	$1,330.00	
1.88n	add 2 coats of white coatings	sf	1000	$2.24	$2,240.00	
	TOTAL				**$3,570.00**	

DATE	SQUARE FEET	QUOTE VALID
September 12, 2024	**1,000**	**30 DAYS**

Date: September 12, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $3,570.00

Project Name: Building #1080
Address: 6263 S Taxiway Circle
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419
Square Feet : 1,000 SF

Scope of Work

- At upper roof section northwest side we will clean the last 4 seams and roll apply an acrylic coatings over just the seams with 2 passes at 1.5 gallons each pass.
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

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ROC 061127, 082024, 198099, 287012
Industrial Commercial Residential Maintenance

Date: September 13, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $18,641.27

Project Name: 6262 S Taxiway Circle Lower roof Replacement
Address: 6262 S Taxiway Circle
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419

Scope of Work

- Remove existing built up roofing down to deck and dispose of it (owner must have roofing tested for asbestos and provide the report prior to work starting) this price is based on the materials having no asbestos found. If asbestos is found owner must have roof abated by a certified company at an additional charge.
- Un-bolt the metal wall at the lower edge to allow movement so we can install flashing behind wall panel
- Install a ½" primed gypsum coverboard board on the deck using mechanical fasteners and insulation plates
- Install new edge metal at perimeter of roof decks
- Install a 2 ply sbs self-adhered built up roof system over the gypsum coverboard
- Use liquid flashing at irregular pipes
- Re-secure metal wall panel
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**
- Jim Brown and Sons Roofing Co. will provide a Labor Only Warranty for a period of 2 years from the date of completion
- Provide manufactures 10 year NDL warranty when complete and inspected by manufacture

Chester Goldmeer

5537 N. 59th Ave. • Glendale, AZ 85301-3711 • Phone (623) 247-9252 • Fax (623) 435-8577

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ROC 061127, 082024, 198099, 287012
Industrial Commercial Residential Maintenance

Date: September 13, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $15,680.00

Project Name: Allegiant Air Hanger S.W. side section restoration
Address: 6250 S Taxiway Circle
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419
Square Feet : 8,400 SF

Scope of Work

- Wash roof clean with bio degradable detergent and high-pressure water and let dry
- Strip in the drip edge using a 3 course method
- Make repairs to the TPO roof using the 3 course method products include acrylic coatings and or brush grade caulking and polyester web
- Spray (if possible) and back roll a base coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and allow to cure
- Spray (if possible) a final coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and broadcast a ceramic granule into the wet coatings around the HVAC units and at the ladder (due to no walls) and let cure
- Provide manufactures 10-year warranty when complete and paid in full
- Jim Brown and Sons Roofing Co. will provide a Labor Only Warranty for a period of 2 years from the date of completion

- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

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ROC 061127, 082024, 198099, 287012

Industrial *Commercial* *Residential* *Maintenance*

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Allegiant Air Hanger Southwest Side roof restoration

ADDRESS, CITY, STATE, ZIP: 6250 S Taxiway Circle Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.88n	Add acryllic coatings 2 coats	SF	7000	$2.24	$15,680.00	
	TOTAL				**$15,680.00**	

DATE	SQUARE FEET	QUOTE VALID
September 13, 2024	**8,400**	**30 DAYS**

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ROC 061127, 082024, 198099, 287012

Industrial *Commercial* *Residential* *Maintenance*

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport Hanger 31

ADDRESS, CITY, STATE, ZIP: 6229 S Sossaman Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.121r	roof investgation, repairs 2 man crew	hr	8	$190.00	$1,520.00	
	TOTAL				**$1,520.00**	

DATE	SQUARE FEET	QUOTE VALID
September 12, 2024	**NA**	**30 DAYS**

Date: September 12, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $1,520.00

Project Name: Hanger 31
Address: 6229 S Sossaman
City, State, Zip Code: Mesa, AZ. 85212

MESC #23L-JBSR-0419
Square Feet : NA

Scope of Work

- Remove the wind damaged shingles and install new shingles to match as closely as possible
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

Chester Goldmeer

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ROC 061127, 082024, 198099, 287012

Industrial Commercial Residential Maintenance

MESC #18R-JBSR1-0418

JOB NAME: Phoenix - Mesa Gateway Airport 6262 S Taxiway Circle metal roof repairs

ADDRESS, CITY, STATE, ZIP: 6262 S Taxiway Circle Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.34f	remove built up roof non asbestos	sf	500	$1.23	$615.00	
1.96b	remove metal edge	lf	80	$0.28	$22.40	
1.24f	1/2" x 4' x 8' primed gypsum board mechanically attached	sf	500	$0.90	$450.00	
1.94a	24 ga counterflashing	lf	80	$5.08	$406.40	
1.39b	sbs base sheet adhered, sbs cap sheet adhered	sf	500	$3.95	$1,975.00	
1.60b	built up repairs with elestomeric mastic and mesh	sf	120	$4.55	$546.00	
1.116c	remove flashing metal wall pannel bottom edge	lf	120	$2.50	$300.00	
1.121ss	fork lift rental	ea	1	$550.00	$550.00	
1.121g	10 year manufature warranty less than 10,000 SF	ea	1	$800.00	$800.00	
1.121s	labor rate for roofer	hr	111	$95.00	$10,545.00	
				sub total	$16,209.80	
1.121t	fall ristriction surcharge (no walls)	ea	1	15%	$2,431.47	
	TOTAL				**$18,641.27**	

DATE	SQUARE FEET	QUOTE VALID
September 13, 2024	**500**	**30 DAYS**

Date: September 13, 2024

Billing Name: Phoenix Mesa Gateway Airport
Address: 5835 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212
Attn:

Grand Total: $18,610.00

Project Name: Sun Valley Supply West Deck Replacement
Address: 6410 S Sossaman Rd
City, State, Zip Code: Mesa, AZ. 85212

MESC #18R-JBSR1-0418
Square Feet: 1,500

Scope of Work
West deck only

- Remove the failed roofing down to deck and dispose of it. (owner must get roof tested for asbestos prior to work starting and if roof is found to contain asbestos there will be additional charges)
- Inspect decking for bad and replace as needed (extra cost for unforeseen items)
- Install a cover board over decking using screws and plates
- Spray a average of 1" polyurethane foam over cover board terminating at new metal foam stop
- Spray a base coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and let cure
- Spray a intermediate coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and immediately broadcast a granule into the wet coatings at the rate of 20 lbs per 100 square feet and let cure
- Sweep up loose granules then spray a final coat of acrylic coatings at the rate of 1.5 gallons for every 100 square feet and let cure
- **Exclusions: Night Time Working Hours, Building Permit, NESHAP Report, Asbestos Abatement, Structural Report and Davis Bacon Prevailing Wages**

- Jim Brown and Sons Roofing Co. will provide a Labor Only Warranty for a period of 2 years from the date of completion and manufactures labor and material warranty for 10 years

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JIM BROWN & SONS ROOFING

ROC 061127, 082024, 198099, 287012

Industrial | Commercial | Residential | Maintenance

MESC #23L-JBSR-0419

JOB NAME: Phoenix - Mesa Gateway Airport (Sun Valley Supply) Replacement West Decks Only

ADDRESS, CITY, STATE, ZIP: 6410 S Sossaman Rd Mesa, AZ

ITEM #	DESCRIPTION	UNIT	QUANTITY	COST	TOTAL	LOCATION
1.34a	remove built up roof multi ply with rock	sf	1,500	$1.55	$2,325.00	
1.24e	5/8" gypsum fastned	sf	1,500	$1.05	$1,575.00	
1.88a	polyurathane foam first inch	sf	1,500	$1.58	$2,370.00	
1.88n	2 coats of elestomeric	sf	1,500	$2.24	$3,360.00	
1.88s	single loc foam coating	sf	1,500	$2.82	$4,230.00	
1.121s	labor rate for roofer	hr	50	$95.00	$4,750.00	
	TOTAL				**$18,610.00**	

DATE	SQUARE FEET	QUOTE VALID
September 13, 2024	**1,500**	**30 DAYS**

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-56

To: Board of Directors
From: Lori Collins, Business Development Director
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject: Top Aces Corp. – Facility Lease Agreement
Date: October 15, 2024

Proposed Motion

To authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute a Facility Lease with Top Aces Corp. for the property located at 6229 South Sossaman Road, Mesa, AZ 85212 with an Effective Date of November 1, 2024. The Term for this agreement is two (2) years, terminating on October 31, 2026, with three (3), one-year (1) options to renew; with an Initial Term Lease Rate of $332,835 annually.

Narrative

Top Aces Corp. will lease the facility located at 6229 South Sossaman Road, Mesa, AZ 85212 and be permitted to use the Airport for the operation of an Aeronautical storage, maintenance, repair, and overhaul facility for Top Aces Corp. owned aircraft and related administrative/office purposes.

Agreement Term and Rate

The initial term of this Facility Lease Agreement is two (2) years, with three (3), one-year (1) options to renew.

The initial term lease rate is $332,835 annually or $27,736.25 per month, (for approximately 22,189 square feet at $15.00 per square foot, plus applicable taxes).

The initial term lease rate will increase by two and three-quarters percent (2.75%) on every one-year (1) anniversary of the Effective Date.

Attachment(s):

Facility Lease Agreement

RESOLUTION NO. 24-56

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute a Facility Lease with Top Aces Corp. for the property located at 6229 South Sossaman Road, Mesa, AZ 85212 with an Effective Date of November 1, 2024. The Term for this agreement is two (2) years, terminating on October 31, 2026, with three (3), one-year (1) options to renew; with an Initial Term Lease Rate of $332,835 annually;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute a Facility Lease with Top Aces Corp. for the property located at 6229 South Sossaman Road, Mesa, AZ 85212 with an Effective Date of November 1, 2024. The Term for this agreement is two (2) years, terminating on October 31, 2026, with three (3), one-year (1) options to renew; with an Initial Term Lease Rate of $332,835 annually. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-57

To:	**Board of Directors**
From:	**Lori Collins, Business Development Director**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Mesa SkyBridge, LLC – Fifth Amendment to Master Development Agreement and Adjustment Amendment to Master Lease Agreement**
Date:	**October 15, 2024**

Proposed Motion

To authorize the Fifth Amendment to the Master Development Agreement with Mesa SkyBridge, LLC to modify infrastructure and development phasing and to authorize an Amendment to the Master Lease with Mesa SkyBridge, LLC to establish a flat percentage annual increase in base rent instead of triennial CPI adjustments and updated the Development Lease template.

Narrative

The Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Mesa SkyBridge, LLC ("SkyBridge") entered into a Master Lease Agreement on April 1, 2018 for approximately 360-acres located at the southeast corner of Sossaman Road and Velocity Way ("Property"). To date, SkyBridge has constructed Phase 1 utilities and roadway infrastructure including portions of Skybridge Boulevard, International Way and Peak Air Circle and delivered four (4) buildings, totaling more than 630,000 square feet.

The Fifth Amendment to the Master Development Agreement (MDA) modifies required infrastructure and development deadlines and strengthens PMGAA's position with regard to future development deadlines and requirements. Due to rising construction costs and market conditions to finance specialized infrastructure, SkyBridge asked to extend the deadline for delivering Taxilane Sierra to 2030 and instead focus on developing the aeronautical parcels along Taxiway Alpha. SkyBridge adjusted the phasing of its Master Plan and will begin constructing the infrastructure to those sites in early 2025. If Taxilane Sierra is not delivered by the new 2030 deadline, SkyBridge will relinquish all undeveloped lots on Taxiway Alpha back to PMGAA. The order of subsequent parcels to be relinquished was also renegotiated to further incentivize timely completion of development requirements.

Additional items included in the amendment are the removal of the Cargo Inspection Program obligation, updated references to taxilanes and street names and other administrative corrections.

The Adjustment Amendment to the Master Lease Agreement (MLA) replaces the triennial Consumer Price Index (CPI) adjustment with an annual 2.5% increase in rent for the Master Lease and Development Leases. In addition, the Development Lease template attached as an exhibit to the Master Lease Agreement is being updated with current PMGAA and FAA-required language.

Attachment(s)

Fifth Amendment to Master Development Agreement

Master Lease Adjustment Amendment

RESOLUTION NO. 24-57

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Fifth Amendment to the Master Development Agreement with Mesa SkyBridge, LLC to modify infrastructure and development phasing and to authorize an Amendment to the Master Lease with Mesa SkyBridge, LLC to establish a flat percentage annual increase in base rent instead of triennial CPI adjustments ad updated the Development Lease template;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

The Board of Directors of the Authority hereby authorizes the Fifth Amendment to the Master Development Agreement with Mesa SkyBridge, LLC to modify infrastructure and development phasing and to authorize an Amendment to the Master Lease with Mesa SkyBridge, LLC to establish a flat percentage annual increase in base rent instead of triennial CPI adjustments and updated the Development Lease template. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.

Passed and adopted by the Authority this 15th day of October, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

Fifth Amendment to Master Development Agreement

This FIFTH AMENDMENT TO MASTER DEVELOPMENT AGREEMENT ("**Amendment 5**") is executed to be effective as of the ___ (___) day of _____, 2024, by and between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, authorized under the laws of the State of Arizona, its successors and assigns ("**Authority**"), and **MESA SKYBRIDGE, LLC**, an Arizona limited liability company ("**Developer**"). This Amendment 5 hereby amends that certain Master Development Agreement between Authority and Developer dated and effective on November 21, 2017, as amended by those certain (i) First Amendment to Master Development Agreement dated June 1, 2018, (ii) Second Amendment to Master Development Agreement dated July 1, 2019, (iii) Third Amendment to Master Development Agreement dated October 15, 2019, and (iv) Fourth Amendment to Master Development Agreement dated March 18, 2020 (collectively, as amended, "**MDA**") with respect to that certain real property at the Airport located at the Southeast Corner of Sossaman Road and Velocity way and described as the Gateway Aerospace Park, which property is more particularly described and defined in the MDA as the "Park Property." Authority and Developer may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS

A. Authority is the present owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and South Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

B. Authority and Developer desire to enter into this Amendment 5 in order to modify the MDA as provided herein.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment 5 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Cargo Inspection Program**. The Parties agree to eliminate the "Cargo Inspection Program" as a component of the MDA. All references to "Cargo Inspection Program" in the MDA are hereby deleted. Sections 2(a)(i)(A), 6(c)(x), 6(h), 7(h), and Item No. (1) of the Minimum Development Requirements are hereby deleted in their entirety, and the Developer shall have no obligation to establish the Cargo Inspection Program as part of the Project.

2. **Taxiway Lima**. The definition of "Taxiway Lima" and all references to "Taxiway Lima" in the MDA are hereby replaced with "Taxilane Sierra."

3. **Vapor Trail**. The definition of "Vapor Trail" and all references to "Vapor Trail" in the MDA are hereby replaced with "Peak Air Circle."

4. **Minimum Development Requirements and Minimum Development Deadlines**.

A. **Exhibit E** is deleted in its entirety and replaced with **Exhibit E** attached hereto. All defined terms in the MDA with reference to **Exhibit E** shall be deemed to reference **Exhibit E** attached hereto.

B. The following definition is added to SECTION 1, Recital Incorporation and Definitions:

"Minimum Development Deadline #1A" shall have the meaning set forth on Exhibit E hereof.

5. **Extension of Minimum Development Deadlines**. SECTION 9 Minimum Development Requirements, subsection (a), "Extension of Minimum Development Deadlines" shall not apply to Minimum Development Deadline #1A.

6. **Exclusion of Property Option**. SECTION 9 Minimum Development Requirements, subsection (b)(i), "Exclusion of Property Option" is hereby modified as follows:

A. The phrase "Minimum Development Deadline #1A," is inserted immediately following the phrase "Minimum Development Deadline #1," at the end of the second line and in the fifth to last full line of text.

B. The following new second paragraph is inserted:

In the event Developer fails to satisfy Minimum Development Requirement No. 5 prior to Minimum Development Deadline #1A, then Developer shall relinquish Lots 110, 120, 124, 125, and 126 (collectively, "Alpha Property") not previously Takedown without regard to the one third (1/3) of the Park Property limitation in the preceding paragraph. In addition, if the one third (1/3) of the Park Property requirement has not yet been met with the Alpha Property relinquishment, the Authority will identify any additional Relinquished Property on the Exclusion List to be relinquished in accordance with the preceding paragraph.

7. **Exclusion List**. Attached hereto as **Schedule A** is the updated Exclusion List per SECTION 9 Minimum Development Requirements, subsection (b)(i), "Exclusion of Property Option".

8. **Notices**. SECTION 16, Miscellaneous, subsection (b) Notices is hereby deleted in its entirety and replaced with the following:

(b) Notices. Except as expressly set forth herein, normal notices, demands and communications between the Parties will be sufficiently given if, and will not be deemed given unless, delivered personally, dispatched by certified mail, postage prepaid, return receipt requested, or sent by nationally recognized express delivery or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time:

To the Authority:

Phoenix-Mesa Gateway Airport Authority
5835 S. Sossaman Road
Mesa, Arizona 85212
Attention: Director, Business and Economic Development
Email: lcollins@gatewayairport.com

With a copy to (which shall not constitute notice):

Snell and Wilmer L.L.P.
One South Church Avenue
Suite 1500
Tucson, Arizona 85701
Attention: Jill Casson Owen
Email: jowen@swlaw.com

To the Developer:

Mesa SkyBridge LLC
2415 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attention: Will Moseley, General Manager
Felipe Monroy Torres
Email: will.moseley@skybridgedevelopments.com
fmonroy@skybridgedevelopments.com

To the Guarantor:

GRUPO SEGURITECH PRIVADA SA DE CV
Bosque Alisos 45-B, Piso 3
Col Bosque de las Lomas
Cuajimalpa de Morelos
CDMX 05120 México
Attention: Felipe Monroy Torres
Email: fmonroy@seguritech.com

With a copy to (which shall not constitute notice):

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 800
Phoenix, Arizona 85016
Attention: Quinn P. Williams and Kevin Morris
Email: williamsq@gtlaw.com and morriskj@gtlaw.com

9. **Guaranty Financial Reports**. SECTION 17 Guaranty, subsection (f) is hereby amended by adding the following new paragraph to the end of this Section:

> To demonstrate satisfaction of the requirements of this Section, Guarantor will delivery to Authority the following:
>
> (x) Audited annual financial statements consisting of, at a minimum, a balance sheet, income statement, statement of cash flow, and statement of changes in equity, to be delivered within one hundred twenty (120) days of the end of the applicable fiscal year; and
>
> (y) Quarterly updates to the financial statements consisting of, at a minimum a balance sheet, income statement, statement of cash flow, and statement of changes in equity, to be delivered within forty-five (45) days after the end of the applicable financial quarter.

10. **Master Plan**. The Parties agree to work together to make corresponding updates to the Master Plan as needed to be consistent with the terms of this Amendment 5 promptly after the execution and effectiveness of this Amendment 5.

11. **Representations**. Developer warrants and represents to Authority that: (a) all necessary actions have been taken to authorize the execution of this Amendment 5 by Developer; (b) the persons who have executed this Amendment 5 on behalf of Developer are duly authorized to do so; and (c) this Amendment 5 constitutes a legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms and the terms of the MDA.

12. **Effect of Amendment 5**. In all other respects, and except as modified herein, the MDA shall remain unchanged and in full force and effect. The MDA, as amended by this Amendment 5 shall continue to be binding upon the Authority and Developer and their permitted successors and assigns.

13. **Incorporation of Recitals**. The recitals set forth above are incorporated into this Amendment 5 by this reference.

14. **Defined Terms**. All of the capitalized terms not otherwise defined in this Amendment 5 shall have the meaning ascribed to them in the MDA.

[*Remainder of Page Left Intentionally Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have entered into this Amendment 5 as of the date first set forth above.

AUTHORITY:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

DEVELOPER:

MESA SKYBRIDGE, LLC, an Arizona limited liability corporation.

By: _____

Name: _____

Title: _____

GUARANTOR:
Solely with respect to Section 9 hereof:

GRUPO SEGURITECH PRIVADA SA DE CV

By: _____

Name: _____

Title: _____

EXHIBIT E

Minimum Development Requirements

Minimum Development Deadline	Item No.	Minimum Development Requirements	Status as of Amendment 5 Effective Date
On or before the seventh (7th) anniversary of the Closing Date ("Minimum Development Deadline #1")	(1)	The Cargo Inspection Program is operational at the Airport.	Not Applicable – Minimum Development Requirement #1 is deleted
	(2)	The Developer has completed construction of Peak Air Circle and the same has been accepted by the applicable Government Authorities.	Completed
	(3)	The Developer has completed construction and/or reconstruction of Drainage Retention Basins.	Completed
	(4)	The Developer, in coordination with the Authority, has completed the necessary environmental clearances for the Horizontal Improvements to be constructed pursuant to the Master Plan to the satisfaction of the FAA.	Completed
On or before September 1, 2030 ("Minimum Development Deadline #1A")	(5)	The Developer has completed construction of Taxilane Sierra and it has been accepted by the Authority.	Incomplete
On or before the fifteenth (15th) anniversary of the Closing Date ("Minimum Development Deadline #2")	(6)	The Developer and/or Vertical Developer(s) have received certificates of occupancy for at least 400,000 SF of Office Space and/or Warehouse Facilities on non-aeronautical Development Parcels.	556,000 SF constructed; certificate of occupancy not yet issued on part
	(7)	The Developer and/or Vertical Developer(s) have received certificates of occupancy for at least 100,000 SF of Office Space, Warehouse Facilities and/or hangar buildings on aeronautical Development Parcels.	82,000 SF complete.

EXHIBIT E

Minimum Development Requirements

On or before the twentieth (20th) anniversary of the Closing Date ("Minimum Development Deadline #3")	(8)	Office Space and/or Warehouse Facilities for at least 800,000 SF of Office Space and/or Warehouse Facilities on non-aeronautical Development Parcels.	Incomplete
	(9)	The Developer, its Affiliate, or a Vertical Developer has received a certificate of occupancy for at least 200,000 SF of Office Space, Warehouse Facilities and/or hangar buildings on aeronautical Development Parcels.	Incomplete
	(10)	The Developer or its Affiliates shall complete all Horizontal Improvements, pursuant to the Master Plan.	Incomplete
On or before the thirty-fifth (35th) anniversary of the Closing Date ("Minimum Development Deadline #4")	(11)	The Developer, its Affiliate, or a Vertical Developer has received a certificate of occupancy for at least 1,200,000 SF of Office Space and/or Warehouse Facilities on non-aeronautical Development Parcels.	Incomplete
	(12)	The Developer, its Affiliate, or a Vertical Developer has received a certificate of occupancy for at least 400,000 SF of Office Space, Warehouse Facilities and/or hangar buildings on aeronautical Development Parcels.	Incomplete

SCHEDULE A

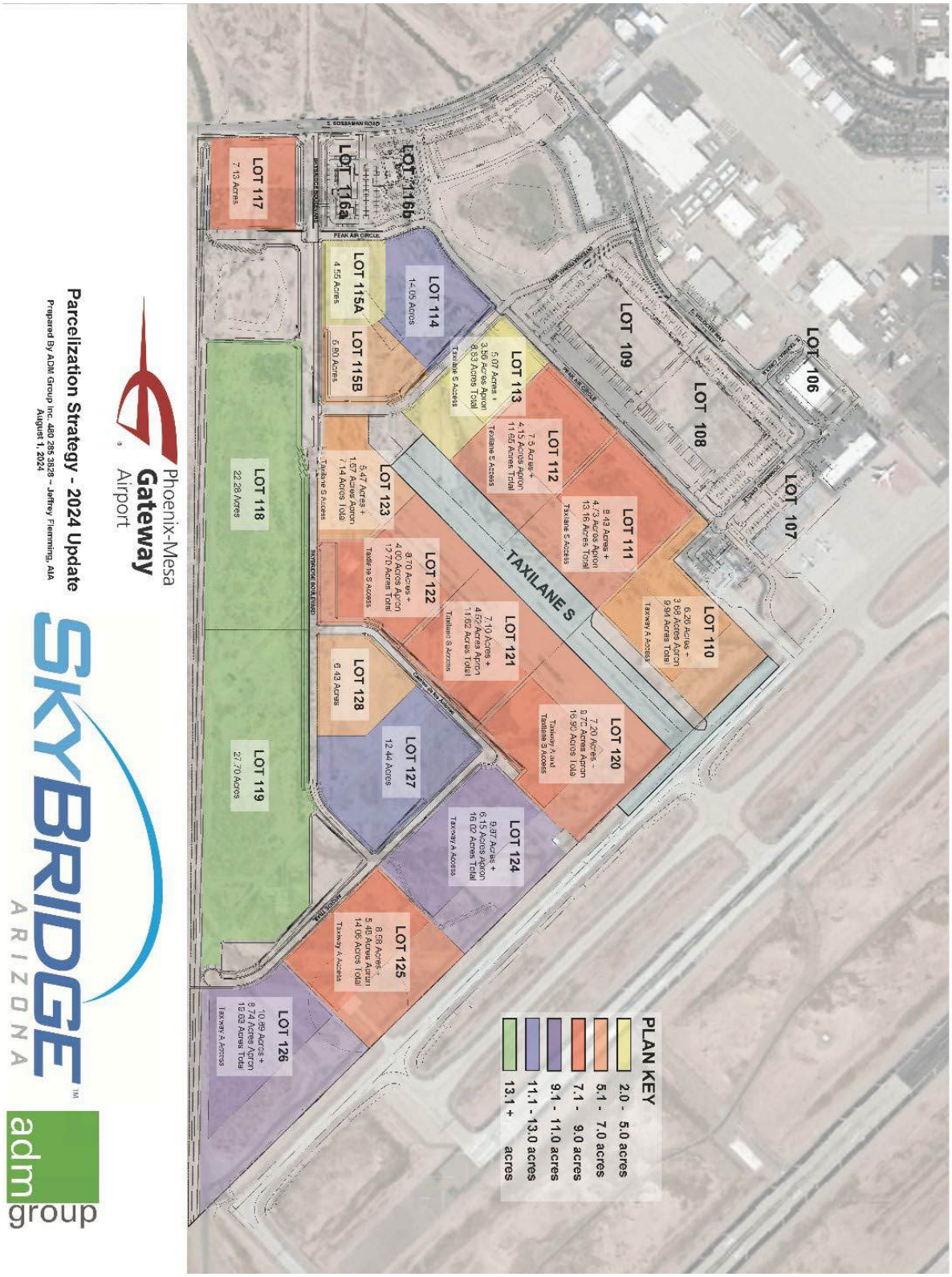
Exclusion List*

Order of Takedown	Parcel #	Acreage	Classification
1	110	9.94	Aero
2	120	16.9	Aero
3	124	16.02	Aero
4	125	14.06	Aero
5	126	19.63	Aero
6	114	14.05	Non Aero
7	115	10.35	Non Aero
8	116A	4.086	Non Aero
9	116B	4.15	Non-Aero
10	111	8.43	Aero
11	112	11.65	Aero
12	117	7.13	Non Aero
13	128	6.43	Non Aero
14	127	12.44	Non Aero
15	113	8.63	Aero
16	121	11.62	Aero
17	122	12.7	Aero
18	123	7.14	Aero
19	118	22.28	Non Aero
20	119	27.7	Non Aero
21	106	0	Developed-Non Aero
22	107	0	Developed-Aero
23	108	0	Developed-Non Aero
24	109	0	Developed-Non Aero
		245.336	total remaining undeveloped

**Parcel #'s correspond to the attached map on the following page.*

SCHEDULE A

<u>Exclusion List</u>*



4861-1416-2390

AMENDMENT TO MASTER LEASE

(Fixed Base Rent Increases)

THIS ADJUSTMENT AMENDMENT TO MASTER LEASE ("**Amendment**") is effective as of the ___ day of _____, 2024 by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **MESA SKYBRIDGE LLC**, an Arizona limited liability company ("**Lessee**"). Lessor and Lessee may be referred to jointly as "**Parties**," and each separately may be referred to as a "**Party**."

RECITALS

A. Lessor and Lessee are parties to that certain Master Lease dated April 1, 2018 (as amended, "**Lease**") covering certain property commonly known as Gateway Aerospace Park at the Phoenix-Mesa Gateway Airport, which property is more particularly described in the Lease, and referred to in the Lease and in this Amendment as "**Property**."

B. The Parties desire to modify the Lease to replace CPI Adjustments (as defined therein) in Development Leases and the Lease with a fixed annual increase, as set forth in this Amendment.

NOW, THEREFORE, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Recitals. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.

2. Development Lease Rent Adjustments.

2.1. The table in Section 2(d) is hereby deleted and replaced with the following:

Term	**Rent (in U.S. Dollars)**
Effective Date of Development Lease to end of Year 2 of such Development Lease	$0.00 / SF
Start of Year 3 of Development Lease to the end of Year 30 of Master Lease	$0.10 per SF per Year*
	**Annual increases equal to 2.5%*
Start of Year 31 of Master Lease	Adjust to Fair Market Value**
	*** Annual increases equal to 2.5% for the remainder of the term starting in year 27 and Market Value adjustments every 10-years for the remainder of the term.*

2.2. The table in Section 2(e) is hereby deleted and replaced with the following:

Term	**Rent (in U.S. Dollars)**
Effective Date of Development Lease to end of Year 2 of such Development Lease	$0.00 / SF
Start of Year 3 of Development Lease	Adjust to Fair Market Value*
	**Annual increases equal to 2.5% for the remainder of the term and Market Value Adjustments every 10-years for the remainder of the term*

3. Master Lease Base Rent Adjustments.

3.1. Section 5.1.2 is modified by deleting the words "triennial CPI Adjustment" and inserting "annual Fixed Rate Adjustment" in their place.

3.2. Section 5.1.3 is modified by deleting the words "triennial CPI Adjustment" and inserting "Fixed Rate Adjustment" in their place.

3.3. Section 5.1.4 is modified by deleting the words "triennial CPI Adjustment" and inserting "annual Fixed Rate Adjustment" in their place.

3.4. Section 5.3, Base Rent Increases, of the Lease is hereby deleted in its entirety and the following inserted in its place:

> 5.3 Annual Base Rent Increases. Commencing on the FOURTH (4th) anniversary of the Effective Date and continuing thereafter on each anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be increased by two and one-half percent (2.5%) ("**Fixed Rate Adjustment**").

4. Form of Development Lease. **Exhibit B** is hereby deleted in its entirety and replaced with **Exhibit B** attached hereto.

5. Miscellaneous.

(a) Capitalized Terms/Definitions. Each capitalized term used in this Amendment and not defined herein shall be deemed to have the same meaning ascribed to it in the Lease.

(b) Continuing Effect. Except as specifically provided in this Amendment, the provisions of the Lease shall remain unchanged and in full force and effect. In the event of a conflict between the Lease and this Amendment, this Amendment shall control.

(c) Authority. Each person executing this Amendment on behalf of a Party represents and warrants that it has the full power, authority, and legal right to execute and deliver this Amendment on behalf of such Party and that this Amendment constitutes the legal, valid and binding obligations of such Party, its heirs, representatives, successors and assigns, enforceable against such Party or Parties in accordance with its terms.

(d) Counterparts. To facilitate execution of this Amendment, this Amendment may be executed in one or more counterparts as may be convenient or required, and an executed copy of this Amendment delivered

electronically by e-mail shall have the effect of an original, executed instrument. All counterparts of this Amendment shall collectively constitute a single instrument; but, in making proof of this Amendment it shall not be necessary to produce or account for more than one such counterpart executed by each Party hereto. It shall not be necessary for the signature of, or on behalf of, each Party hereto, or that the signature of all persons required to bind any such Party appear on each counterpart of this Amendment.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first above written.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By: _____

J. Brian O'Neill, A.A.E.
Executive Director/CEO

LESSEE:

MESA SKYBRIDGE LLC, an Arizona limited liability company

By: _____

Felipe Monroy Torres
CEO

EXHIBIT B

DEVELOPMENT LEASE

Phoenix-Mesa Gateway Airport Authority

DEVELOPMENT LEASE NO. _____
[*an Aeronautical Development Parcel*] [or] [*a Non-Aeronautical Development Parcel*]

with

<**COMPANY**>

Effective Date:

<Month Day, Year>

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Phoenix-Mesa Gateway Airport Authority
DEVELOPMENT LEASE
[*an Aeronautical Development Parcel*] [or] [*a Non-Aeronautical Development Parcel*]

This Development Lease ("**Lease**") is executed to be effective the <number> (<#>) day of <month> <year> ("**Effective Date**") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Lessor**"), and **<TENANT NAME>,** a/an <State> <company type> ("**Lessee**"). Lessor and Lessee may be referred to jointly as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. Lessor is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona ("**Airport**"); and

B. Lessor has the right to lease, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Lease in respect thereof; and

C. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, that certain real property at the Airport located at <address>, and containing approximately <square feet> square feet of land, as set forth in **Exhibit A** attached hereto ("**Premises**");

D. The Premises is identified in the Development Master Plan and the Airport Layout Plan as <an Aeronautical Development Parcel> <a Non-Aeronautical Development Parcel>; and

E. Lessor desires to lease the Premises to Lessee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the Parties do hereby undertake, promise and agree, each for itself and its successors and assigns, as follows:

1. LEASE.

Lessor hereby leases the Premises to Lessee, subject to all easements, deed restrictions and other similar matters of record in the Official Records of Maricopa County, Arizona, that encumber the Premises, and further subject to all operational and use restrictions and other terms and conditions expressly set forth in this Lease.

1.1 Right to Use Premises. Lessor agrees that so long as no Event of Default shall have occurred and is continuing, Lessee shall peaceably have and enjoy the use of the Premises without hindrance from Lessor and those claiming through Lessor. Lessee specially acknowledges that Lessee has inspected the Premises prior to entering into this Lease and agrees to accept the Premises in an "as is, where is" condition without any warranty or representation from Lessor, either express or implied, of any kind or nature whatsoever with respect to the Premises, including, but not limited to, any warranty of merchantability, habitability, or fitness for any particular or specific purpose, and all such warranties are hereby disclaimed, except for representations and warranties contained in this Lease. Should Lessee desire any inspection report, environmental assessment, survey, creation of a legal description, drainage report, or any similar study, Lessee

shall be responsible for the same at Lessee's sole expense, subject to Lessor's duty to cooperate with Lessee (at no or nominal cost to Lessor) in connection with such activities and undertakings.

1.2 Intentionally Omitted.

1.3 Access. Lessee is granted the right of access to and from the Premises via such portions of the Airport as are or may be reasonably necessary to allow Lessee to conduct its business operations permitted herein at and on the Premises and the Airport, provided that Lessor reserves the right to limit access to the Premises in emergencies and in connection with Lessor's construction activities on the Airport, so long as Lessor provides Lessee with reasonable advance written notice of any limitations on Lessee's access to the Premises due to Lessor's construction activities, and Lessor and Lessee coordinate such construction activities and cooperate one with the other to minimize any interference with, or disruption of, Lessee's business activities. Lessor reserves the right to designate the location of such alternative access due to emergencies and Lessor's construction activities, and to change its location from time to time, as Lessor deems reasonably necessary and appropriate; provided such changes do not materially interfere with Lessee's use of or access to the Premises.

1.4 Permitted Uses. Subject to the provisions of Section 1.5, Lessee may use the Premises for <Permitted Use> and for no other use. Lessee shall not use any portion of the Premises for a Prohibited Use, which Prohibited Uses are set forth on **Exhibit E**. Lessee's use of the Premises and operation of its business at and on the Airport and the Premises is subject to all applicable laws, rules and regulations of any governmental authority, including Lessor, and to Lessee's compliance with applicable provisions of the *Airport Rules and Regulations* and *Airport Minimum Standards*.

1.5 Prohibited Activities. Lessee shall not use, or permit its agents, employees or contractors acting for or on behalf of Lessee in connection with their scope of employment to use, the Premises or the Airport for any use that is in violation of the *Airport Rules and Regulations*, the *Airport Minimum Standards*, any matters of record, or applicable laws, or for any other activity or operation not specified in Section 1.4 herein, or that does not have advance, written approval of Lessor's Executive Director or other authorized signatory of Lessor.

Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

1.6 On-Site Manager. Upon commencement of business operations at and on the Premises, Lessee shall designate an on-site manager for the Term of this Lease who shall generally be available to Lessor and Lessee's customers, if any, during Lessee's normal business hours, and otherwise as required by the *Airport Minimum Standards*, as applicable. Lessee may change Lessee's on-site manager from time to time.

1.7 Lessee Acknowledgement. Lessee acknowledges that, except as otherwise provided in this Lease, its obligations to pay Base Rent and all other charges due and owing under the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstances whatsoever, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or the United States of America or anyone else for any reason whatsoever; (ii) any liens, encumbrances or rights of others with respect to the Premises; (iii) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease or any lack of right, power or authority of Lessor or Lessee to enter into this Lease; (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or any other person; or (v) any other cause, whether similar or dissimilar to the foregoing, any future or present law notwithstanding, it being the intention of the Parties hereto that all rent being payable by

Lessee hereunder shall continue to be payable in all events and in the manner and at the times provided herein.

2. TERM.

[Section 2 for a Development Lease of an aeronautical Development Parcel:]

The term of this Lease shall be for a period of FORTY-NINE (49) years, commencing on the Effective Date and terminating on <Date> thereafter ("**Term**").

[Alternate Section 2 for a Development Lease of a non-aeronautical Development Parcel without Renewal Term:]

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on <Date> thereafter ("**Term**").

[Alternate Section 2 for a Development Lease of a non-aeronautical Development Parcel where Lessor and Lessee have agreed to a Renewal Term:]

2.1 Initial Term. The term of this Lease shall be for a period of SIXTY (60) years, commencing on the Effective Date and terminating on <Date> thereafter ("**Term**").

2.2 Renewal Term(s). Provided that no Event of Default shall have occurred and is continuing, Lessee shall have the right and option ("**Renewal Option**") to extend the Term of this Lease for a period of FIFTEEN (15) years ("**Renewal Term**"). If Lessee elects to exercise Lessee's Renewal Option, Lessee shall notify Lessor in writing of such exercise at least one (1) year prior to the expiration of the initial 60-year Term. At the commencement of the Renewal Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market base rental rate as determined herein, subject to the annual Fixed Rate Adjustments set forth in Section 4.2 below. Lessor shall determine the fair market base rental rate for the Premises for the commencement of the Renewal Term and shall notify Lessee of Lessor's determination no later than SIXTY (60) calendar days after Lessor's receipt of Lessee's exercise of Lessee's Renewal Option. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities in the Metropolitan Phoenix area, and also take into consideration the differences between the Airport and other regional, national and international airport facilities in the Metropolitan Phoenix area. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days after the expiration of such 15-business day period, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rental rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of a qualified appraiser. The president of the Board of Realtors shall be asked to select a qualified appraiser within FIFTEEN (15) business days who has not acted in any capacity for either Party within the prior TEN (10) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all relevant information. Within TWENTY (20) business days of the selected qualified appraiser's receipt of the Parties' respective determinations, the appraiser shall review each Party's submittal (and such other

information as the appraiser deems necessary) and shall select one Party's determination as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party. Upon determining the Base Rent for the Premises at the commencement of the Renewal Term, Lessor and Lessee shall promptly enter into an amendment to this Lease to memorialize the Renewal Term and the Base Rent. All other terms of this Lease shall govern during the Renewal Term.

3. NONEXCLUSIVE RIGHTS.

Lessee shall have the exclusive right to lease, use, occupy and develop the Premises in compliance with the terms and conditions of this Lease during the Term. All other rights granted to Lessee under this Lease are nonexclusive. Lessor may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport (other than on the Premises) that Lessor deems appropriate, provided that such activities do not limit, prevent, materially interfere with, or prevent or disrupt the use and development of the Premises by Lessee.

4. RENT.

[Section 4.1 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:]

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("**Base Rent**") for the use of the Premises as follows:

4.1.1 Subject to Section 4.4 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be $0.00 per square foot of the Premises per year.

4.1.2 Commencing on the THIRD (3rd) anniversary of the Effective Date through the end of the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (___) Lease Year, Base Rent shall be $0.10 per square foot of the Premises per year, subject to the annual Fixed Adjustment set forth in Section 4.2 below.

4.1.3 Commencing on the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (___) anniversary of the Effective Date through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.3 below, subject to the annual Fixed Rate Adjustments set forth in Section 4.2 below.

[Alternate Section 4.1 for Development Leases executed on or after the 30th anniversary of the Effective Date of the Master Lease:]

4.1 Base Rent. Lessee agrees to pay Lessor annual rental ("**Base Rent**") for the use of the Premises as follows:

4.1.1 Subject to Section 4.5 below, commencing on the Effective Date through the end of the SECOND (2nd) Lease Year, Base Rent shall be $0.00 per square foot of the Premises per year.

4.1.2 Commencing on the THIRD (3rd) anniversary of the Effective Date through the end of the Term, Base Rent per square foot of the Premises per year shall be an amount equal to fair market value as determined in accordance with Section 4.3 below, subject to the annual Fixed Adjustments set forth in Section 4.2 below.

4.2 Base Rent Adjustments. Commencing on the FOURTH 4TH) anniversary of the Effective Date and continuing thereafter on each anniversary of the Effective Date of this Lease, the annual Base Rent paid by Lessee shall be increased by two and one-half percent (2.5%) ("**Fixed Rate Adjustment**"). Lessor agrees to notify Lessee of the adjustment in Base Rent payments.

4.3 Market Adjustments to Base Rent.

[Section 4.3.1 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:]

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, On (a) the <insert date corresponding with 30th Anniversary of Effective Date of Master Lease> _____ (___) anniversary of the Effective Date of this Lease, and (b) each subsequent TEN (10) year anniversary of the date set forth in Section 4.1.3, the annual Base Rent shall be adjusted (each, a "**Market Adjustment Date**") as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

[Alternative Section 4.3.1 for Development Leases executed one or after the 30th anniversary of the Effective Date of the Master Lease:]

4.3.1 Notwithstanding the Base Rent increases referenced in Section 4.2, On (a) the TENTH (10th) anniversary of the Effective Date of this Lease, and (b) each subsequent TEN (10) year anniversary thereof, the annual Base Rent shall be adjusted (each, a "**Market Adjustment Date**") as hereinafter set forth in this Section. On each such Market Adjustment Date, the Base Rent shall be adjusted to the fair market base rental rate of the Premises, in relation to comparable (in quality, size, and value) airport-related facilities.

4.3.2 Lessor's determination of such fair market base rental rate for the Premises shall be delivered to Lessee no later than ONE HUNDRED TWENTY (120) calendar days prior to the Market Adjustment Date. If Lessee disputes Lessor's determination of such fair market base rental rate, Lessee shall deliver written notice of such dispute, together with Lessee's determination of such fair market base rent rate, to Lessor within SIXTY (60) calendar days of Lessee's receipt of Lessor's determination. The Parties shall then attempt in good faith to agree upon such fair market base rental rate. The fair market base rental rate shall take into consideration and reflect the limitations and restrictions on Lessee and on the use and development of the Premises and the location of the Premises relative to other regional, national and international airport facilities. If the Parties fail to agree within FIFTEEN (15) business days, they shall, within TEN (10) calendar days thereafter, mutually appoint an appraiser to determine the fair market base rental rate. Said appraiser shall be a qualified MAI appraiser, licensed in the state of Arizona, with at least FIVE (5) years of recent continuous experience in determining the fair market rates for commercial properties similar to the Premises and be a member of the Appraisal Institute or comparable professional organization. If the Parties are unable to agree upon an appraiser within such 10-day period, they shall, within FIVE (5) business days thereafter, jointly apply to the president of the local Board of Realtors for the selection of an appraiser. The president of the Board of Realtors shall, within FIFTEEN (15) business days, select an appraiser with the above qualifications who has not acted in any capacity for either Party within the prior FIVE (5) years. Within SEVEN (7) calendar days of the appointment (either by agreement or selection) of the appraiser, the Parties shall submit to the appraiser their respective determinations of the fair market base rental rate and any/all substantiated information. Within TWENTY (20) business days thereafter, the appraiser shall review each Party's submittal (and such other information as the appraiser deems necessary) and shall select one Party's submittal as representing the most reasonable approximation of such fair market base rental rate, and the appraiser's fees and expenses shall be paid one-half each by each Party.

4.4 Vacancy Relief Periods. Provided no Event of Default shall have occurred and is continuing, Lessee shall have the continuing option to exercise up to TWO (2) Vacancy Relief Periods of up to TWELVE (12) months for each Vacancy Relief Period during any period of time that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. Lessee may initiate a Vacancy Relief Period by giving written notice ("**Vacancy Relief Notice**") to Lessor of its desire to do so. Lessee's use and occupancy of the Premises shall not be taken into consideration in determining whether the Improvements are vacant, unless Lessee is actively conducting Lessee's business activities for a Permitted Use within such Improvements. An office maintained by Lessee in the Premises for the purpose of marketing and subleasing the Premises shall not be considered as Lessee actively conducting Lessee's business activities. The Vacancy Relief Notice shall identify the starting date and ending date for the Vacancy Relief Period (not to exceed TWELVE (12) months), and Lessee shall provide, simultaneously with each Vacancy Relief Notice, evidence reasonably satisfactory to Lessor that the Improvements on the Premises are at least FIFTY PERCENT (50%) vacant. During a Vacancy Relief Period, Lessee shall be entitled to pay a reduced Base Rent equal to FIFTY PERCENT (50%) of the Base Rent that would otherwise be applicable during such time. A Vacancy Relief Period shall terminate on the earlier of (a) the expiration of the TWELVE (12)-month period identified in the Vacancy Relief Notice, or (b) the date on which FIFTY-ONE PERCENT (51%) of the occupiable Improvements on the Premises are occupied, evidenced by executed subleases. Upon expiration of the Vacancy Relief Period, Lessee shall resume paying full Base Rent.

Section 4.5 for Development Leases executed prior to the 30th anniversary of the Effective Date of the Master Lease:

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the rate of $0.10 per square foot per year for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the rate of $0.10 per square foot per year during the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

[Alternate Section 4.5 for Development Leases executed on or after the 30th anniversary of the Effective Date of the Master Lease:]

4.5 Construction Rent Period. A modified base rent for a construction period during the first TWO (2) Lease years ("**Construction Base Rent Period**") has been granted to Lessee as additional consideration for entering into this Lease and agreeing to pay the Base Rent and all other charges hereunder, and to perform the terms and provisions otherwise required under this Lease. If an Event of Default by Lessee occurs, which is not cured within the applicable cure period, in addition to all other rights and remedies of Lessor provided by law, equity, statute or otherwise provided in this Lease, at Lessor's option in its sole and absolute discretion, (i) if the Event of Default occurs within the Construction Base Rent Period, Lessee shall commence paying the full Base Rent at the at the fair market value established in accordance with Section 4.3 for the balance of the Construction Base Rent Period, and (ii) if an Event of Default by Lessee occurs during the initial Term, which is not cured within the applicable cure period, Lessee shall immediately pay to Lessor an amount equal to the unamortized portion of Base Rent at the fair market value established in accordance with Section 4.3 for the Construction Base Rent Period, which Lessor shall amortize over the initial Term on a straight-line basis.

4.6 Payment.

4.6.1 Base Rent shall be payable in equal monthly installments, in advance, without any prior demand therefor and without any abatement, deductions or set-offs whatsoever, and tendered in lawful currency of the United States, either by check or electronic transfer. Base Rent and any other charges due for any period during the Term less than ONE (1) calendar month shall be prorated on a daily basis based on a THREE HUNDRED SIXTY-FIVE (365) day year.

4.6.2 No payment to or receipt by Lessor of a lesser amount than that which is due and payable under the provisions of this Lease at the time of such payment shall be deemed to be other than a payment on account of the earliest payment due, nor shall any endorsement or statement on any check or payment prejudice in any way Lessor's right to recover the balance of such payment or pursue any other remedy provided in this Lease or by law.

4.6.3 All payments (and reports, if any) required by this Section 4.6 shall be remitted to the following address by the due date(s) specified hereinabove:

Phoenix-Mesa Gateway Airport Authority
Attn.: Department of Finance (Accounts Receivable)
5835 S. Sossaman Road
Mesa, Arizona 85212-6014

or such other address specified in advance in writing by Lessor to Lessee.

4.7 Finance Charges and Late Fees. If Lessee fails to pay any installment of Base Rent or any other charge due and owing to Lessor in full on or before the applicable due date, Lessee shall be responsible for interest on the unpaid installment at the rate of EIGHTEEN PERCENT (18%) per annum from the due date until payment in full is made. In addition, in the event any installment of Base Rent or other charge owing to Lessor is paid more than TEN (10) days after the due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent Base Rent installment or other charge shall be due and payable in addition thereto.

4.8 Taxes. In the event any governmental authority shall impose a tax or imposition based upon any Base Rent payments or any other sums paid or owing hereunder, or the receipt of such payments by Lessor, Lessee shall pay such amounts to Lessor at the same time and in addition to payments hereunder, which amounts may include, but are not limited to, any or all rental, transaction privilege, sales, excise or other similar tax except income taxes.

4.9 Survival. Lessee's obligation to pay all amounts stated herein, together with any interest thereon and/or penalties therefor, shall survive the termination of this Lease.

4.10 Airport Rates and Charges Schedule. Lessee or its subtenants, as applicable and including its contractors, agents, etc., shall pay all fees identified in the most current *Airport Rates and Charges Schedule* at the time of receipt of any covered service or use of any covered facilities, unless specifically outlined in this Lease. The current *Airport Rates and Charges Schedule* is included as **Exhibit B** and is subject to change upon prior notice to Lessee. Lessee acknowledges and agrees that Lessor may amend the *Airport Rates and Charges Schedule* at any time at Lessor's sole discretion, and that no fee shall apply to the use or occupancy of the Premises or access to and from the Premises.

5. PERFORMANCE GUARANTEE.

5.1 Security Deposit.

5.1.1 On or before the Effective Date, Lessee shall pay to Lessor an amount equal to TWO (2) months' worth of Base Rent payments as of the Effective Date of this Lease, as a security deposit ("**Security Deposit**") to insure the faithful performance of all of Lessee's obligations hereunder.

5.1.2 The Security Deposit, upon the occurrence of an Event of Default, at the election of Lessor, may be applied to any actual loss and/or actual damage sustained by Lessor by reason of the occurrence of such Event of Default by Lessee under this Lease without the waiver of any other right or remedy available to Lessor at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Lessee shall, within FIVE (5) business days after written notice from Lessor, deposit with Lessor immediately available funds in an amount sufficient to restore the Security Deposit to its original amount. In the event of a sale or other transfer of the Premises by Lessor, Lessor shall transfer the remaining balance (if any) of the Security Deposit to Lessor's successor in interest, whereupon the transferor Lessor shall be released from liability to Lessee for the return of such Security Deposit. Unless this Lease is terminated as a result of Lessee's default whereupon Lessee shall immediately forfeit its Security Deposit to Lessor, upon termination or expiration, Lessor shall return to Lessee all portions of the Security Deposit which were not otherwise applied by Lessor as permitted above. Lessor shall have no obligation to maintain a separate account for such security deposit and shall have no obligation to pay interest thereon.

[If Lessee or a proposed Lease guarantor can demonstrate to Lessor's reasonable satisfaction (with audited financial statements) financial strength of a net worth of not less than three (3) times the projected development costs, Section 5.2 will be waived by Lessor. Lessor, in its sole discretion, will consider other waivers on a case by case basis.]

5.2 Improvement Construction Guarantee.

5.2.1 Payment Guarantee. Notwithstanding and in addition to the Security Deposit, Lessee shall protect claimants supplying labor and materials in connection with the construction, by providing, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, one of the following instruments, chosen at Lessee's discretion:

(a) Payment Bond. Lessee shall require the contractor to provide a labor and materials payment bond in the full contract amount to protect claimants supplying labor and materials in connection with the construction. The bond shall comply in all respects with the requirements of A.R.S. § 33-1003 as it may be amended or renumbered from time to time. The parties agree that Lessee is not a public body, and the improvements to be constructed under this Lease by Lessee at Lessee's sole cost are not public buildings, public works or public improvements. The bond shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety. The bond and a copy of the contract shall be recorded in the office of the Maricopa County Recorder as required under A.R.S. § 33-1003, and a copy of the bond shall be provided to Lessor; or

(b) Letter of Credit. Such instrument ("**Letter of Credit**") shall be irrevocable, in an amount equal to the total amount of the construction contract(s) for the construction of the improvements (described in Section 7 herein) plus TEN PERCENT (10%) of such amount ("Improvement **Costs**") and be issued to Lessee by a financial institution ("**Bank**") reasonably acceptable to Lessor. The Letter of Credit shall have a term extending from the date of commencement of construction until the date which is TWENTY-FOUR (24) months thereafter, after which date it shall be renewed on a year-to-year basis until construction of such improvements are completed, and final and unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Should Lessee utilize the Letter of Credit option hereunder, and should Lessee fail to pay any sum owing to contractors supplying labor and materials in connection with the construction then, in addition to any other remedies set forth in this Lease, Lessor shall be entitled to apply to the Bank, following a period of THIRTY

(30) calendar days prior written notice to Lessee (which notice shall include a reasonably-detailed description of Lessee's failure to pay any sum owing), for release to Lessor (in accordance with the terms of the Letter of Credit) from the Letter of Credit of a dollar amount sufficient to pay amounts owing to contractors supplying labor and materials in connection with the construction and obtain final, unconditional lien waivers in connection therewith. Lessor's application shall contain evidence of the failure of payment and the estimated dollar amount needed to satisfy payment obligations. The terms of the Letter of Credit shall require prompt payment to Lessor for the amount set forth in Lessor's application upon satisfaction of the conditions set forth in the Letter of Credit. Upon and following any partial payment to Lessor, the Letter of Credit shall remain in full force for the remaining undisbursed amount of the Letter of Credit to accommodate further applications, if any, and shall not be subject to cancellation or revocation until fully drawn or otherwise released or satisfied upon completion of construction of the improvements and final, unconditional lien waivers have been obtained from all contractors supplying labor and materials in connection with the construction. Lessor must approve the form and content of any Letter of Credit in writing, which approval shall not be unreasonably withheld, conditioned, or delayed.

5.2.2 Performance Guarantee. In addition to the Security Deposit, Lessee's obligation to timely complete the improvements described in Section 7 herein shall be secured, at Lessee's sole cost and expense and prior to commencement of construction of said improvements, by any one of the following instruments, chosen at Lessee's discretion:

(a) Performance Bond. Lessee shall require the contractor to provide a performance bond in the full contract amount conditioned upon the faithful performance of the contract in accordance with plans, specifications and conditions thereof. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.; or

(b) Completion Bond. Lessee shall deliver to Lessor a completion bond in form and substance reasonably acceptable to Lessor pursuant to which Lessor shall have the unconditional, direct and unilateral right to draw upon or use such bond for completion of construction of the Improvements under Section 7.1 of this Lease if an Event of Default occurs and is continuing under Section 7.2.2 of this Lease. The bond shall be in a form reasonably acceptable to Lessor; shall be issued by a surety company reasonably acceptable to Lessor and duly licensed for such undertaking in the state of Arizona; and shall be accompanied by a power of attorney disclosing the authority of the person executing it on behalf of the surety.

6. AIRCRAFT OPERATIONS GUIDELINES.

If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the provisions of **Exhibit C**. If any subtenant, contractor or agent of Lessee conducting activities on or at the Premises for or on behalf of Lessee and acting within the scope of their employment operates aircraft at the Airport, all shall be subject to the provisions of **Exhibit C**, which Lessor may enforce directly against such subtenant, contractor or agent, but Lessee shall have no direct liability or responsibility with respect to such matters; except, however, Lessee shall be responsible for compliance by its subtenants, contractors and/or agents with the *Airport Rules and Regulations* and *Airport Minimum Standards*, as appropriate.

7. IMPROVEMENTS.

7.1 Construction by Lessee. Lessee shall, at its sole cost and expense, construct improvements on the Premises that are generally described as <general project description> and generally shall consist of $<##> ("**Improvements**") in accordance with a site plan prepared by Lessee and approved by Lessor or by Lessor's Design Review Committee, if any, such approval not to be unreasonably withheld, conditioned, or

delayed, and in compliance with all applicable governmental regulations, restrictions, building codes and any declaration of covenants, conditions, restrictions and easements of record affecting the Premises and any design guidelines promulgated pursuant thereto that are applicable to the Premises. Lessor and Lessee agree that Lessee shall be solely responsible for: (i) any connection(s) between the Premises and the terminating point of the existing vehicular access way to the Premises that is required by applicable or utility provider or is requested by Lessee; (ii) constructing all improvements necessary to bring all utilities to the Improvements; (iii) installing all utility meters and water and sewer lines to service all Improvements constructed on the Premises; and (iv) if applicable, constructing all Improvements necessary to connect the Premises to existing taxiways or taxilanes in accordance with and if allowable under all Airport and FAA rules, regulations and other requirements.

7.2 Construction Milestones; Termination. Lessee shall construct its Improvements pursuant to the following schedule (each of which events are herein called a "**Construction Milestone**"):

7.2.1 Lessee shall submit its Improvement design plans to Lessor for review and approval no later than SIX (6) months from the Effective Date.

7.2.2 Lessee shall complete construction of all Improvements to be constructed by Lessee at and on the Premises, and shall have obtained a CofO (or its equivalent) from the City of Mesa therefor, [no later than <_____ (____)> months from the Effective Date] or [no later than <_____ (____)> months from the date that Lessee has a fully executed contract with its general contractor for construction of the Improvements].

7.2.3 If Lessee fails to commence construction within <_____ (____)> calendar days after the issuance of all necessary construction permits and receipt of all approvals required for such, including any approvals required from the FAA, but subject to any applicable notice and cure periods provided for in Section 11, Lessor shall have the right to terminate this Lease by written notice to Lessee delivered at any time prior to commencement of construction. For purposes of this section "commencement of construction" shall be the date on which Lessee has obtained it permits, has executed a contract for construction of the Improvements and engaged in material work, such as grading or pouring of footings and slabs.

7.3 No Alterations. Lessee shall make no material improvements or alterations to the Premises during the Term of this Lease without the prior written permission of Lessor, which shall not be unreasonably withheld, conditioned, or delayed including, if and to the extent applicable, the approval by Lessor's Design Review Committee. The process of approving any material improvements or alterations by Lessor and Lessor's Design Review Committee shall occur within the same period of time (without duplication) given to Lessor for approval of the same. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of material improvements or alterations to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval and suggestions for revisions that would reasonably satisfy Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of material improvements or alterations, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED IMPROVEMENTS AND ALTERATIONS BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed improvements and alterations shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised description of the improvements or alterations for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to

have approved the same. Lessee shall provide Lessor with electronic as-built drawings (or their equivalent) when any improvement or alteration is completed for which such drawings are reasonably required.

7.4 Title to Alterations and Improvements. Title to all Improvements and alterations on the Premises (but not personal property or trade fixtures) shall vest in Lessor upon the expiration of this Lease, and Lessee agrees to execute and deliver to Lessor, within TEN (10) business days after Lessor's written request therefor, a quitclaim deed quitclaiming such Improvements and alterations to Lessor.

7.5 Mechanics' Liens. Lessee shall keep the Premises and all improvements constructed by Lessee thereon free of any mechanic or materialmen's liens. In the event that any such lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Premises by bonding or otherwise within THIRTY (30) calendar days of notice thereof.

7.6 Permit Required. Lessee shall be responsible for determining whether it is subject to local building/construction codes or permit requirements, and for compliance with them to the extent they are applicable. All structural, electrical, plumbing or mechanical construction or reconstruction of the Improvements shall conform to City of Mesa ("**City**") construction and technical codes. No such work shall be commenced without first obtaining required permits from the City. All such work shall be permitted, inspected and approved by the City prior to concealment or use, as required by applicable laws. Lessee shall provide to Lessor a contemporaneous copy of Lessee's permit application and a copy of the final stamped approval and the associated plans and specifications.

7.7 Damage or Destruction. Lessee shall maintain insurance on all of Lessee's Improvements to the Premises. In the event that all or any portion Lessee's Improvements are destroyed or rendered unusable due to fire or other catastrophe, Lessee shall replace, repair, restore, modify or improve said Improvements, subject to the provisions of Section 7.6, using available insurance proceeds together with any additional funds from other available sources. Notwithstanding the foregoing, if any damage or destruction occurs to the Premises during the last <_____ (##)> years of the Initial Term or any Extension Term and the cost to repair the damage exceeds <_____> Dollars (<$##>), Lessee may terminate this Lease upon giving Lessor thirty (30) days' written notice, whereupon Lessee shall pay the replacement cost of the Improvements to Lessor.

8. MAINTENANCE.

8.1 Lessee Responsibilities. Lessee shall, at its sole cost and expense, keep the Premises in a clean condition and in good order, condition and repair throughout the Term, reasonable wear and tear excepted. Lessee's maintenance of the Premises shall consist of, as reasonably necessary, the inspection, servicing and repair of all improvements, including pest control, landscaping and grounds maintenance.

8.2 Damage to Lessor Property. Any real or personal property of Lessor damaged or destroyed by Lessee (or its agents, contractors, employees, managers and representatives) as a result of Lessee's use or occupancy of the Premises shall be promptly repaired or replaced by Lessee to the reasonable satisfaction of Lessor; provided however, that Lessor acknowledges and agrees that Lessor's real property will be permanently altered, changed and modified as a result of the development and use of the Premises, and Lessor hereby consents thereto, and agrees that such development and use of the Premises as permitted in accordance with this Lease shall not constitute waste, damage or destruction to Lessor's real property. Lessor also approves of Lessee demolishing any and all improvements located on or under the Premises.

8.3 Trash Removal. Lessee shall at all times keep the Premises in a clean, safe, sanitary and orderly condition and shall keep such area reasonably free of all trash and debris, and in any event in compliance with all applicable laws and ordinances. Lessee shall be responsible for all trash removal from the

Premises and Lessee shall deposit all trash and debris only at collection stations located on or in proximity to the Premises, in accordance with City code.

8.4 Emergency Repairs. Within FIFTEEN (15) days of the Effective Date, Lessee shall provide Lessor with a list of names and telephone numbers for 24-hour emergency contact for the Premises. Lessee shall promptly provide Lessor with updated lists and changes as necessary.

9. ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS.

9.1 Assignment.

9.1.1 Consent Required. Subject to Lessee's rights under Article 24, Liens and Mortgages, Lessee may not transfer or assign ("**Transfer**") its interest in this Lease or any right or interest hereunder without the prior consent of Lessor, which consent may not be unreasonably withheld, delayed or conditioned. Lessor will have FORTY-FIVE (45) days following receipt of a written request by Lessee for approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day period Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed Transfer shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same. Notwithstanding the foregoing, however, Lessee may assign or encumber its leasehold interest, including any title to any improvements, as security in conjunction with or as part of one or more leasehold mortgages or deeds of trust, including assignments by means of a foreclosures or trustee's sales thereunder without Lessor's consent. In the case of an assignment (other than an assignment or encumbrance as security), the assignee must expressly assume in writing all of Lessee's obligations under this Lease from and after the date of such assignment.

9.1.2 Deemed Transfers. For the purposes of this Lease, a Transfer shall be deemed to include the following: (i) the transfer of any ownership interest in Lessee resulting in a change in the present control of Lessee by the person or persons owning a majority of the ownership interest thereof as of the date of this Lease; provided, however, if Lessee is a corporation whose stock is traded on a nationally recognized stock exchange, the transfer of Lessee's stock shall not constitute a Transfer requiring Lessor's consent; and (ii) the sale of greater than FORTY-NINE PERCENT (49%) or more in value of the assets of Lessee, whether in a single transaction or a series of transactions.

9.2 Subletting.

9.2.1 Lessee may sublease all or portions of the Premises if the following conditions are met:

(a) The sublease and any amendments or modifications thereto are approved in advance and in writing by Lessor (which approval shall not be unreasonably withheld, delayed or conditioned), or is/are in a form which shall have been previously approved in writing (except for changes that do not materially impact Lessor's rights and interests) by Lessor. If a pre-approved form is used, Lessor's advance approval of the actual sublease and any amendments or modifications thereto is not required. Lessor will have FORTY-FIVE (45) days with respect to a new sublease, or FIFTEEN (15) days with respect to amendments or modifications to a sublease, following receipt of a written request by Lessee for

approval of a Transfer to either approve or disapprove the same. If Lessor disapproves, Lessor shall provide Lessee with a reasonably-detailed explanation for Lessor's disapproval. If Lessor fails to respond within such FORTY-FIVE (45)-day or FIFTEEN (15)-day period, as the case may be, Lessee may give a second notice to Lessor requesting approval of a Transfer, on which the following language must appear in bold print: "**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE LESSEE'S PROPOSED TRANSFER BEING DEEMED APPROVED**." If Lessor fails to respond in writing (in the manner described above) to any matter in such second notice within FIVE (5) business days following delivery of such notice, Lessee's proposed sublease, amendment or modification, as the case may be, shall be deemed to have been approved by Lessor. If Lessor disapproves a request for approval and sets forth the reason for its disapproval, then Lessee may resubmit a revised proposal for a Transfer for review and approval. This cycle will repeat itself until Lessor either approves the request or is deemed to have approved the same.

(b) Rent for subleased premises shall not be less than fair market value unless otherwise approved in writing by Lessor.

(c) The sublease(s) and sublessee(s) shall at all times be subject to the terms and conditions of this Lease.

(d) The permitted uses of the Premises under any sublease shall be the same as that permitted under this Lease. Sublessees shall agree in the sublease not to engage in any Prohibited Use.

(e) The term of any sublease shall not extend beyond the stated expiration of this Lease.

(f) Except for the payment of a security deposit, the sublessee under such sublease shall not pay rent more than SIX (6) months in advance of its due date under the sublease.

9.2.2 Upon request from Lessee and/or any sublessee, Lessor shall enter into a Non-Disturbance and Attornment Agreement (in form and substance reasonably acceptable to Lessor, Lessee, sublessee and any applicable Mortgagee of Lessee or sublessee) so long as (i) the conditions of Section 9.2.1 have been met; (ii) the sublessee is not then in default beyond an applicable notice and cure period under the sublease and there is no existing Event of Default under this Lease; and (iii) the sublessee does not have a history of five (5) or more documented events of noncompliance with the *Airport Rules and Regulations* or *Airport Minimum Standards*. All reasonable legal fees incurred by Lessor in connection with any reasonably necessary third-party legal counsel review and approval of a Non-Disturbance and Attornment Agreement shall be paid by Lessee or sublessee.

9.2.3 Lessee shall not permit any sublessee unescorted access to the secured areas of the Airport unless and until the sublessee has obtained its own valid Airport security clearance and access credentials from Lessor. Lessee acknowledges that it may take THIRTY (30) calendar days or more to process sublessee for security clearance and access credentials.

9.2.4 Lessee shall submit a copy of each fully executed sublease to Lessor as soon as possible, but no later than FIVE (5) business days after Lessee receives the fully executed sublease.

9.3 Non-Disturbance. Lessor agrees, for the benefit of all subtenants of all or any part of the Premises, that if this Lease or Lessee's right to possession of the Premises is terminated for default or otherwise, all subleases of all or any part of the Premises, except any sublease to an Affiliate of Lessee, shall continue in full force and effect, notwithstanding the termination, as direct leases between Lessor and the subtenants and all such subtenants shall, upon request, attorn in writing to Lessor.

10. SIGNS.

Lessee may install on the Premises, including the Improvements, one or more signs, including signs identifying its business and, if Lessee so desires, a monument sign on the Premises; provided, however, that the general type, size, and location of such sign(s) shall conform to Lessee's Comprehensive Sign Plan, be approved in writing by Lessor in advance of installation, which approval may not be unreasonably withheld, conditioned or delayed, and be subject to any signage rules, codes and/or regulations of any governmental authority.

11. DEFAULT; TERMINATION BY LESSOR.

11.1 Events of Default. Each of the following shall constitute a material default of this Lease by Lessee ("**Event of Default**"):

11.1.1 Failure to pay any installment of Base Rent or other amount due from Lessee hereunder, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor of a written notice of such failure.

11.1.2 11.1.2 Failure to perform any of its other obligations under this Lease, or failure to perform any of its obligations as a "Lessee" under the Declaration (as defined in Section 44 below), provided that Lessee does not cure such failure within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default; provided, however, if a cure of the default reasonably requires more than THIRTY (30) calendar days to complete, then the time to cure shall be extended so long as the cure is being diligently pursued.

11.1.3 The filing of any mechanic's, materialmen's or other lien or any kind against the Premises because of any act or omission of Lessee which lien is not discharged, by bonding or otherwise, within THIRTY (30) calendar days of receipt of actual notice thereof by Lessee.

11.1.4 The Transfer or attempted transfer of any interest in the Lease to any transferee in violation of Section 9, provided that Lessee does not cancel or otherwise negate such Transfer or attempted transfer within THIRTY (30) calendar days after delivery by Lessor to Lessee of a written notice of such default.

11.1.5 Failure to pay its Proportionate Share of any Common Area Assessment in accordance with the Declaration as provided in Section 44 below, provided that Lessee does not cure such failure within TEN (10) business days after delivery by Lessor to Lessee of a written notice of such failure.

11.2 Lessor's Remedies. Upon the occurrence of an Event of Default under this Lease, Lessor may, without prejudice to any other rights and remedies available to a Lessor at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive:

11.2.1 Terminate this Lease and re-enter and take possession of the Premises; or

11.2.2 Without terminating this Lease, re-enter and take possession of the Premises; or

11.2.3 Without such re-entry, recover possession of the Premises in the manner prescribed by any statute relating to summary process, and any demand for Base Rent, and any and all notices to quit, or other formalities of any nature to which Lessee may be entitled, are hereby specifically waived to the extent permitted by law; or

11.2.4 With or without terminating this Lease, Lessor may re-let the Premises or any portion thereof.

Lessor agrees that Lessor's right to re-enter the Premises under Arizona Revised Statutes Section 33-361 and other similar rights shall arise after, and only after, the applicable notice and cure or grace periods under this Lease have been given and expired without such default or failure having been cured by Lessee.

11.3 No Implied Termination. Lessor shall not be deemed to have terminated this Lease unless Lessor shall have notified Lessee in writing that it has so elected to terminate this Lease. Except for Lessor's negligence or willful misconduct, Lessee hereby waives all claims based on Lessor's reentering and taking possession of the Premises, or removing and storing the property of Lessee, and Lessee shall reimburse Lessor for all reasonable costs incurred by Lessor occasioned thereby. No such reentry shall be considered or construed to be a forcible entry by Lessor.

11.4 Lessor's Current Damages. Upon the occurrence and during the continuance of an Event of Default, Lessor is authorized to make such repairs, refurbishments or improvements to the Premises as may be necessary for the purpose of attempting to re-let the Premises, and the reasonable costs and expenses incurred in respect of such repairs, redecorating, refurbishments and improvements shall be paid by Lessee to Lessor within TEN (10) business days after receipt of Lessor's statement. If Lessor exercises any of the remedies stated above, Lessor shall be entitled to recover from Lessee all actual damages incurred by Lessor by reason of the Event of Default, which shall include, without limitation, (i) the equivalent of the amount of the present value of Base Rent and all other payments which would be payable under this Lease by Lessee for the remainder of the Term as if this Lease were still in effect, less (ii) the net proceeds of any re-letting by Lessor after deducting all of Lessor's reasonable expenses in connection with such re-letting, which shall include, without limitation, repossession costs, repairs, redecorating, refurbishments or improvements to the Premises, brokerage commissions, attorneys' fees, and legal expenses. Lessee shall pay such current damages to Lessor, in the amount set forth in the preceding sentence ("**Deficiency**"), in monthly installments on the days on which the Base Rent would have been payable under this Lease as if this Lease were still in effect. In no event shall Lessee be liable for punitive, consequential or speculative damages under this Lease. Lessor agrees to satisfy its obligations to mitigate its damages.

11.5 Lessor's Final Damages. At any time after an Event of Default, whether or not Lessor shall have collected any monthly Deficiency as set forth above, Lessor shall be entitled to recover (without duplication) from Lessee, and Lessee shall pay to Lessor, promptly on demand, as Lessor's final damages for the applicable Event of Default, the sum of (a) the then present worth (at a discount at the rate of SIX PERCENT (6%) per annum) of (i) the aggregate of the Base Rent and all other amounts to be paid by Lessee hereunder for the unexpired portion of the Term of this Lease (assuming this Lease had not been terminated), less (ii) the amount of Rent and any losses that could have been reasonably avoided, plus (b) reasonable repossession costs, reasonable Lessor's expenses in connection with any attempts it may have made to re-let the Premises (which shall include, without limitation, repairs, refurbishments or improvements to the Premises and brokerage commissions), reasonable attorneys' fees, reasonable legal expenses, and all other actual damages incurred by Lessor as a result of such Event of Default.

11.6 No Waiver by Lessor. No waiver by Lessor of any breach or default by Lessee in the performance of its obligations under this Lease shall be deemed to be a waiver of any subsequent default by Lessee in the performance of any of such obligations, and no express waiver shall affect an Event of Default in a manner other than as specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee.

11.7 Content of Default Notice. Any default notice tendered to Lessee hereunder shall be deemed to be sufficient if it reasonably describes the nature of such default, and is made in accordance with Section 20 herein.

11.8 Limitation on Exercise of Termination Remedy by Lessor. Notwithstanding anything to the contrary in Section 11.2 hereinabove, if an Event of Default occurs, Lessor shall not have the remedy of terminating this Lease or of taking possession of the Premises unless: (i) the Event of Default consists of a failure to pay Base Rent or other amounts owed to Lessor; or (ii) Lessor has no other remedy that is adequate to protect Lessor's interests. Nothing in this Section 11 shall limit the exercise of any such other remedy.

11.9 Waiver of Landlord's Lien. Lessor hereby waives all statutory or common law landlord's lien rights with respect to personal property located on the Premises.

12. ASSUMPTION OF CRITICAL OPERATIONS.

In the event that Lessee voluntarily abandons or is prevented from furnishing any of its required commercial services which have been deemed by Lessor in advance and in writing to Lessee to be critical to the operation of the Airport (other than due to Unavoidable Delay), and Lessee has received and is in agreement with said notification, Lessor shall have the immediate right or, if time permits, upon twenty-four (24) hours advance written notice to Lessee, to assume responsibility for providing such critical services until such time as Lessee or another entity acceptable to Lessor assumes responsibility for providing those critical services. In exercising such right, Lessor may take temporary control of the Premises, or any portion thereof involved in providing such commercial services, together with whatever improvements, fixtures and equipment on the Premises as are necessary to provide the critical services without waiving any of Lessor's rights hereunder. In no event shall Lessee be liable or responsible for any actions or omissions of Lessor or its agents, employees, or contractors in connection with Lessor's assumption of responsibility for providing such critical services. In the event Lessor takes temporary control of the Premises or any portion thereof, Lessor shall pay to Lessee such rent or fees reasonably commensurate with Lessor's assumption and use of that portion of the Premises to provide those critical, commercial services. [Note: if Lessee's permitted use and operations are not critical to Airport operations, delete the contents of this entire section and re-title the section Reserved.]

13. INDEMNIFICATION.

13.1 Lessee's Indemnity. Except for the actions and omissions of Lessor and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessee hereby agrees to defend, indemnify and hold harmless Lessor and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessor" for purposes of this Section 13.1) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any accident, injury or actual damages occurring within the Premises during the Term caused by Lessee or its agents, employees, contractors, or subcontractors, or (ii) any negligent act or omission of Lessee or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessee" for purposes of this Section 13.1) on the Property or the Airport and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessor, or (iii) the failure of Lessee to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessor or its employees, contractors or agents.

13.2 Lessor's Indemnity. Except for the actions and omissions of Lessee and its agents, contractors, employees, managers and representatives, to the fullest extent permitted by law, Lessor hereby

agrees to defend, indemnify and hold harmless Lessee and its members, elected or appointed officials, agents, contractors, subcontractors, boards, commissions and employees (hereinafter referred to collectively as the "Lessee" for purposes of this Section 13.2) for, from and against any and all third-party claims, causes of action, liability, suits, litigation (including reasonable attorney's fees and other costs of investigation and litigation), actions, losses, damages or claims of any nature whatsoever to the extent such arise out of or in connection with (i) any negligent act or omission or intentional misconduct by Lessor or its agents, employees, contractors, or subcontractors (hereinafter referred to collectively as "Lessor" for purposes of this Section 13.2) on the Property or the Airport, and which result directly or indirectly in the injury to or death of any persons or the damage to or loss of any property or other damages or losses to Lessee, or (ii) the failure of Lessor to comply with any provisions of this Lease. This indemnification shall exclude responsibility for any damages and for claims arising by reason of the acts or omissions of Lessee or its employees, contractors or agents.

13.3 Lessor's Damage to Improvements. Lessor shall be responsible and liable for any damage to any Improvements or alterations on the Property to the extent caused by Lessor or its agents, employees, contractors or subcontractors, and Lessor shall promptly repair any damage caused by Lessor or its agents, employees, contractors or subcontractors.

14. ENVIRONMENTAL PROTECTION.

14.1 Definitions. Unless the context shall clearly require otherwise, the terms defined in this Section 14.1 shall, for all purposes of this Lease and of any agreement amendatory hereof or supplemental hereto, have the meanings herein specified, with the following definitions to be equally applicable to both the single and plural forms of any of the following:

14.1.1 *Environmental Laws*. The term "Environmental Laws" shall mean any one or all of the following, as the same are amended from time to time: the *Comprehensive Environmental Response, Compensation, and Liability Act*, 42 USC Section 9601 et seq.; the *Resource Conservation and Recovery Act*, 42 USC Section 6901, et seq.; the *Toxic Substances Control Act*, 15 USC Section 2601 et seq.; the *Safe Drinking Water Act*, 42 USC Section 300f et seq.; the Clean Water Act, 33 USC Section 1251 et seq.; the *Clean Air Act*, 42 USC Section 7401 et seq.; the *Arizona Hazardous Waste Management Act*, A.R.S. Section 49-921 et seq. the *Arizona Environmental Quality Act*, A.R.S. Title 49, as amended; and all regulations thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land, or that govern the use of hazardous materials, hazardous waste and hazardous substances and petroleum products.

14.1.2 *Hazardous Material.* The term "Hazardous Material" shall mean any toxic or hazardous material, substance or waste, or any pollutant or contaminant as defined or regulated pursuant to any Environmental Law and petroleum products. For purposes of this definition, petroleum includes petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing (e.g., distillate fuel oils, petroleum solvents and used oils).

14.2 [Intentionally Omitted].

14.3 Environmental Compliance.

14.3.1 Lessee shall, at the Lessee's own expense, comply with all present and hereafter enacted Environmental Law, including any amendments thereto, affecting Lessee's activities on and property interest in the Premises during the period of Lessee's occupancy of thereof under this Lease. To the extent that Lessor, or any Lessor's employees, agents or contractors, conducts any activities on the Premises during

the period of Lessee's occupancy, Lessor shall, at Lessor's own expense, comply with all present and hereafter Environmental Law, including any amendments thereto, affecting any of Lessor's activities on the Premises.

14.3.2 Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises or the Airport by Lessee's agents, employees, contractors or invitees in violation or threatened or suspected violation of any Environmental Law. The Parties recognize and agree that Lessee may bring on the Premises and Airport and use Hazardous Material that is ordinarily and customarily used in the conduct of Lessee's permitted activities under this Lease, provided that such use shall comply fully with all applicable Environmental Laws. Lessor shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises or by Lessor's agents, employees, contractors for any activity Lessor conducts on the Premises during Lessee's occupancy, without prior notification to and approval by Lessee (which shall not be unreasonably withheld), and any such use or presence shall be in compliance with Environmental Law.

14.3.3 If Lessee desires and receives written authorization from Lessor to install any underground storage tanks ("**USTs**") on the Premises or elsewhere on the Airport, Lessee shall submit the plans for such USTs to Lessor for prior written approval and shall comply with all applicable Environmental Laws related thereto, including Title 40, Code of Federal Regulations, Part 280, as adopted by the State of Arizona ("**Part 280**"), and Lessee shall be the owner of such USTs for statutory purposes. Installation of USTs shall comply with the "code of practice" set forth in Part 280. Lessee is solely responsible for the design, construction, installation, operation, monitoring, inspection, repair and maintenance of any and all USTs, including any connected piping and/or dispensing apparatus. Lessee shall provide to Lessor a copy of the Arizona Department of Environmental Quality *Notification of Underground Storage Tank Registration* that Lessee submits to the state. All USTs shall meet or exceed the tank performance standard for USTs installed after December 22, 1998, including corrosion protection, leak detection and spill/overflow protection. Any UST that stores flammable and combustible liquids shall meet the provisions of NFPA 30, *Flammable and Combustible Liquids Code*. Records demonstrating compliance with release detection requirements, including product inventories, calibration and maintenance, sampling, tightness testing and any other records, fees and taxes required by the state or federal governments shall be the responsibility of Lessee. Upon the expiration of this Lease, Lessee shall remove all USTs in compliance with all UST closure requirements under all applicable Environmental Laws in effect at that time unless otherwise allowed by Lessor. [Note: If no USTs are permitted or possible under the Lease, delete this subsection in its entirety.]

14.4 Indemnification. To the fullest extent permitted by law, Lessee shall indemnify, defend (with counsel reasonably acceptable to Lessor), protect and hold harmless Lessor and its employees and agents for, from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity ("**Environmental Damages**") which are incurred or assessed as a result of any of Lessee's activities or operations on the Premises or Airport. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the property, land, soil and underground or surface water as required under the law. Lessee's obligations and liabilities under this Section 14.4 shall survive the termination of this Lease. The indemnification of Lessor by Lessee as described above includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. Lessor reserves the right to seek injunctive relief as may be permitted under law and equity. This Section 14.4 explicitly excludes Lessee duty, liability or indemnity to Lessor for any claims or Environmental Damages of any kind whatsoever arising from or in connection with any contamination of any kind existing on the Premises prior to the Effective Date, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.5 Remediation. Without limiting the foregoing, if the presence of any Hazardous Material during the Term of this Lease caused or permitted by Lessee to be first brought on the Airport or Premises upon or after the Effective Date results in any Release on the Airport or Premises in violation of any Environmental Law, Lessee shall promptly take action to remediate the affected property at its sole expense as necessary to return the Airport or Premises to the condition existing prior to the introduction of any such Hazardous Material to the Airport or Premises; provided that Lessor's approval of such actions shall first be obtained, which approval shall not, except in an emergency, be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Airport and Lessee is not under administrative or court order related to such remediation action. Notwithstanding Lessor's approval pursuant to this Section 14.5, Lessor is not responsible for directing or managing any remediation action. For purposes of this Section 14.5, the term "Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping. This Section 14.5 also applies to Lessee's remediation of any contamination of any kind existing on the Premises or Airport prior to the Effective Date, including any such contamination that may be first discovered after the Effective Date but not caused by Lessee, except and only to the extent known contamination is exacerbated by Lessee or unknown contamination is exacerbated by Lessee's negligence.

14.6 Governmental Submittals. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws. Should the Government determine that a site characterization, site assessment and/or cleanup plan should be prepared and/or that a cleanup should be undertaken because of any spills or discharges of Hazardous Material by reasons of Lessee's activities or actions at the Airport which occur during the Term of this Lease, then Lessee shall, at the Lessee's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

14.7 Information Sharing.

14.7.1 Lessee shall immediately notify Lessor of any of the following: (i) Lessee's receipt of any notification from any governmental entity either charging or informing Lessee that it will be charged with a significant violation of Environmental Law (as defined below), and (ii) any significant change in Lessee's activities on the Premises that is reasonably likely to adversely change Lessee's obligations or liabilities under the Environmental Laws. In addition, Lessee agrees to provide Lessor with non-privileged copies of documents reflecting the physical condition of the Premises, including but not limited to, environmental testing of soils and groundwater, and existing, non-privileged information reasonably requested by Lessor to determine the applicability of the Environmental Laws to the Premises, or to assist in the response to any governmental investigation or claim of liability by third parties which is related to environmental contamination of the Premises, to the extent that such investigations or claims are related to Lessee's activities thereon. A "significant violation of Environmental Law" shall be any violation that requires more than ONE HUNDRED EIGHTY (180) calendar days to resolve.

14.7.2 Lessee shall install on any UST that it is permitted to install pursuant to Section 14.3.3, a method or a combination of methods for Release detection that can detect a Release from any portion of the UST and any connected underground piping. Lessee shall immediately notify Lessor's Operations and Maintenance Department upon discovering a Release or Suspected Release of any amount of material that is stored inside a UST. For purposes of this Section, a "Suspected Release" is any discovery of released Hazardous Material at the UST site or surrounding area, erratic behavior of Hazardous Material dispensing equipment, the sudden loss of a Hazardous Material, an unexplained presence of water in the UST, or when monitoring indicates that a Release has occurred. In the case of inventory control, Lessee shall notify the Lessor's Operations and Maintenance Department when the second consecutive month of inventory reconciliation data indicates that there is a discrepancy in the figures recorded. [Note: If no USTs are permitted under the Lease, delete this subsection 14.7.2 in its entirety; also, delete the subsection number 14.7.1 and combine the provision thereunder into section 14.7.]

14.8 Sublease. Lessee shall insert provisions substantially identical to the provisions of this Section 13.1 in any sublease agreement or contract by which it grants a right or privilege to any person, firm, corporation or other entity under this Lease.

14.9 Actions of Lessee. The activities or actions of Lessee under this Section 13.1 shall include the activities or actions of Lessee's officers, directors, employees, agents, contractors, invitees and successors.

14.10 Clean Water Act; NPDES Permits and SWPPPs. Without in any way limiting the foregoing, Lessee shall comply with all Environmental Laws regarding discharges to water and land, including, without limitation, obtaining and complying with an individual National Pollutant Discharge Elimination System (NPDES) permit, or requesting coverage under and complying with any applicable Multi-Sector General Permit ("**MSGP**"). If applicable, Lessee shall also prepare and comply with a site-specific MSGP with an individual Storm Water Pollution Prevention Plan ("**SWPPP**") or any revisions to a SWPPP, with respect to Lessee's operations or activities on the Premises or Airport. Proof of individual compliance shall be provided in the form of both the Lessee's Notice of Intent ("**NOI**") that has been received by the Arizona Department of Environmental Quality ("**ADEQ**") and the individual Arizona Multi-Sector General Permit (AZMSGP) number associated with the NOI, within the times prescribed by law.

14.11 Environmental Assessments. [Note: If no USTs are planned or permitted, delete subsections 14.11.1 and 14.11.2 below; also, re-title section 14.11 as Reserved.]

14.11.1 If, during the Term of this Lease, any of Lessee's USTs are suspected of or known to be leaking, Lessee shall perform, or cause to be performed, a site characterization of the Premises and/or UST site using all appropriate sections of the LUST Site Characterization Manual dated January 15, 1999, or the most current edition, including tables 1 through 6, as applicable ("**Site Characterization**").

14.11.2 Within THIRTY (30) calendar days immediately preceding the expiration of this Lease or within THIRTY (30) calendar days of any earlier termination of the Lease, Lessee shall:

(a) Deliver to Lessor: (i) a Phase I environmental site assessment that conforms to the standards set forth in 42 USC § 9601(35)(B), as amended by Pub. L. 107-118 (Jan. 11, 2002), section 223(2), and as may be further amended, and any regulations thereunder; and (ii) an environmental compliance audit assessing the status of regulatory compliance of the Premises and all operations and activities thereon; both prepared by a qualified engineer licensed by the State of Arizona; and

(b) In the event Lessee installs any USTs upon the Premises or elsewhere on the Airport, perform or cause to be performed a Site Characterization of the Premises in the event there is evidence that there has been or may be a leak or Release of the UST contents; and

(c) If either the assessment described in Section 14.11.2(a)(i) above or the Site Characterization described in Section 14.11.2(a)(ii) above identifies any "recognized environmental condition," or any other condition indicating a known or potential liability, including, but not limited to, a known or potential violation of any Environmental Law or a past, present, or material threat of a future release of a hazardous substance or a petroleum product into the environment, Lessor reserves the right, at Lessor's sole discretion, to require Lessee to conduct, at Lessee's sole expense and with a scope of work subject to Lessor's approval, further reasonable investigations and reasonable remediation.

14.12 Protective Devices and Plans. If Lessee is required by the City to estimate the possible constituents of sanitary sewer discharges in order that the City may define certain discharge limitations for the Premises, Lessee shall complete and return an *Industrial Wastewater Discharge Questionnaire* ("**Questionnaire**") to the City and promptly provide Lessor with updates to the Questionnaire as they arise. Also, if the City so requires, Lessee shall install and maintain appropriate protective devices to prevent accidental discharge of

any Hazardous Material into domestic or industrial drains on or near the Premises and elsewhere on the Airport, as appropriate, and for any other material for which a slug load discharge could pollute the Airport's storm water discharge or disrupt operations at the sewage treatment plant serving the Premises. Lessee shall post a notice in a prominent place on the Premises advising employees what actions to take and whom to call in the event of said discharge, and shall ensure that all employees of Lessee are trained with regard to the spill protection plan hereinafter referenced. Lessee also shall provide Lessor with immediate notice of any spill.

14.13 Right to Enter Premises. In addition to the rights afforded to Lessor in Section 19, this Lease specifically includes the right of the United States Government, the Environmental Protection Agency (the EPA), ADEQ and the Arizona Department of Occupational Safety and Health (ADOSH) to enter the Premises upon reasonable notice to Lessee for purposes of: (i) inspecting Lessee's compliance with environmental, occupational safety and health laws and regulations, whether or not such party is responsible for enforcing such laws; (ii) conducting environmental investigation or remediation, including, without limitation, performing tests and surveys, drillings, test-pitting, borings, compiling data and/or records, and other activities related to environmental investigation; and (iii) carrying out remedial or removal actions as required or necessary under applicable laws, including, without limitation, installing monitoring wells, pumping wells and/or treatment facilities. Lessee shall have no claim against Lessor for any entries by the United States, EPA, ADEQ, Arizona ADOSH, or any officer, agent, employee or contractor thereof.

14.14 U.S. Air Force Use and Remedial Action.

14.14.1 The Parties assume no liability or responsibility for environmental impacts and Environmental Damages or claims of any kind whatsoever caused by or resulting from the U.S. Air Force's use of Hazardous Material on any portion of the Airport, including the Premises, prior to the Effective Date, and have no obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, solely arising out of the use of or release of any Hazardous Material or deposits of solid waste on or from any part of the Airport, including, but not limited to, the Premises, even if such claims or contamination are first discovered or made after the Effective Date. Further, the Parties have no obligation under this Lease to undertake environmental response, remediation, or cleanup relating to any contamination caused by or related to such use or release. For purposes of this Section 14.14, "defense" or "environmental response, remediation, or cleanup" shall include liability and responsibility for the costs of damage, penalties, legal and investigative services relating to such use or release. The terms, "Occupation" or "Use" shall mean any activity or presence (in or upon) such portion of, or such building, facility or other improvement on the Premises.

14.14.2 Pursuant to Section VII.E.3 of the Deed (as defined herein), the U.S. Air Force warrants and covenants that all remedial action necessary to protect human health and the environment with respect to hazardous substances remaining on the Airport, including the Premises, has been completed prior to the date of the Deed and, further, any remedial action found to be necessary after the date of the Deed shall be conducted by the U.S. Air Force; provided, however, that the foregoing covenant does not apply where Lessor or Lessee is a potentially responsible party with respect to any portion of the Premises or the Airport.

14.15 Cleanup Requirements. Lessee agrees that Lessor assumes no liability to Lessee should Hazardous Material cleanup or related requirements, whether imposed by law, regulatory agencies, the U.S. Air Force or Department of Defense cause delays or interferes with Lessee's use of the Premises. Lessee shall have no claim against Lessor or the United States or any officer, agent, employee or contractor thereof on account of any such interference whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Federal Facilities Agreement (FFA) or the Installation Restoration Program (IRP) or under this Lease or otherwise. Lessee agrees to comply with the provisions of any health or safety plan in effect under the IRP or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of the above described response or remedial

actions. Any inspection, survey, investigation, or other response or remedial action conducted by Governmental Authorities or Lessor shall, to the extent practicable, be coordinated with representatives designated by Lessee.

14.16 Spill Protection Plan. In the event Lessee undertakes any type of manufacturing, maintenance or other activities on the Premises involving the use or generation of any Hazardous Material regulated by Hazardous Material Laws, Lessee shall have an plan for responding to Hazardous Material, fuel, and other chemical spills prior to commencement of activities on the Premises and other approved Airport locations. Such plan shall comply with all applicable requirements of said plan which shall be updated from time to time or as may be required to comply with changes in site conditions or applicable requirements, and shall be approved by all agencies that are obligated by law to approved such plan. Such plan shall be independent of Lessor's spill prevention and response plans, if any. Lessee shall not rely on use of Lessor or Lessor personnel or equipment in execution of its plan. Lessee shall file a copy of the plan and amendments thereto with Lessor's Environmental and Archeological Coordinator within THIRTY (30) calendar days of receipt of a CofO from the City. Notwithstanding the foregoing, should Lessor provide any personnel or equipment, whether for initial fire response and/or spill containment, on the request of Lessee, or because Lessee was not, in the opinion of Lessor, conducting fire fighting, containment or timely cleanup actions, Lessee agrees to reimburse Lessor for its actual costs in accordance with all applicable laws and regulations, except to the extent that Lessor was responding to conditions caused by events occurring at the Airport (not including the Premises) or by the negligence or omission of Lessor or its employees, agents or contractors. [Note: If manufacturing, maintenance or other activities involving Hazardous Material is not permitted by the Lease, delete the contents of this section in its entirety and re-title the section Reserved.]

14.17 Wells. Lessee shall not install any drinking water or other wells in any location on the Premises without the prior written approval of Lessor, except to the extent that the installation of a monitoring well is required by Governmental Authorities.

14.18 Surface Disturbances. After construction of Lessee's improvements on the Premises, if any, either in the future or as otherwise provided herein, Lessee shall not conduct any subsurface excavation, digging, drilling or other disturbance of the surface other than what is usual and customary for the anticipated uses without the prior written approval of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

14.19 Later Discovered Hazmat. If any Hazardous Material is newly discovered on a portion of the Property after the Effective Date that: (a) (i) were not placed on or introduced to the Property by Lessee, and (ii) were present on the Premises prior to the Effective Date (collectively, "**Later-Discovered, Pre-Existing Hazmat**"); and (b) such Later-Discovered, Pre-Existing Hazmat will cause Unavoidable Delay in the construction of Improvements; Lessee shall immediately notify Lessor and cease development activity in the impacted area of the Premises, and Lessee shall have the right to either (a) conduct such investigations and remedial actions as necessary under applicable Environmental Law and continue development activity as the remedial process allows (and reserve any rights it may have to seek whatever compensation it is entitled to recover), if Lessor does not agree, within SEVEN (7) business days of receiving notice contemplated under this Section, to promptly investigate and remediate the detected contamination in accordance with Environmental Law, and on a schedule and in a manner that does not interfere with Lessee's development, use or construction plans, or (b) terminate this Lease upon written notice to Lessor.

15. PROTECTION OF WETLANDS.

Lessee shall minimize the destruction, loss, or degradation of any wetlands located on the Premises. Lessor believes there are no wetlands existing on the Premises as of the Effective Date. However, before locating new construction in wetlands, if any exist, Lessee shall contact Lessor and the permitting authority and obtain a permit or waivers under Section 404 of the Clean Water Act. For purposes of this Section 15,

the term, "new construction," includes structures, facilities, draining, dredging, channeling, filling, diking, impounding, and related activities.

16. SPECIAL PROVISIONS.

16.1 Lessee shall comply with all applicable Federal, State, and local occupational safety and health regulations.

16.2 Lessee shall be responsible for determining whether it is subject to State and local sanitation, licensing, building code or building permit requirements and whether or not it requires a permit to do business and for compliance with them to the extent they are applicable.

17. INSURANCE.

17.1 Coverage Required. Lessee shall procure and maintain, or cause to be procured and maintained, the following types and amounts of insurance with respect to the Premises:

17.1.1 [To be determined on a commercially reasonable basis, based on tenant's permitted use(s), in accordance with the then-current Airport Agreement Insurance Coverage Matrix.]

17.1.2 [To be determined on a commercially reasonable basis, based on tenant's permitted use(s). Add additional sections, as necessary.]

17.1.3 Worker's Compensation insurance, as required by law, and *Employer's Liability* insurance in the amount of $<amount> covering work-related injuries to employees and others permitted to operate or otherwise conduct business on the Premises. [Re-number this section, if appropriate.]

17.2 Form. Each insurance policy obtained pursuant to this Section, except for *Worker's Compensation and Employer's Liability* policies, shall: (i) name Lessor as a certificate holder or additional named insured; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to Lessor not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of Lessor. Lessee shall not permit any insurance policy to be canceled or modified without Lessor's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A – VII or higher from the A.M. Best Company, or an equivalent rating and approved by Lessor.

17.3 Certificates of Insurance. Lessee shall deliver to Lessor a certificate of insurance for each policy required herein to Lessor, in standard Acord or equivalent form, prior to the Effective Date and shall continue to provide such certificates throughout the Term of this Lease.

17.4 Additional Insurance. At any time during the Term of this Lease, Lessor may, if in its reasonable determination the insurance coverage required by this Section 17 is no longer adequate, require Lessee to increase its coverage to commercially reasonable amounts.

17.5 Blanket Insurance. Lessee's insurance obligations under this Lease may be satisfied by means of "blanket" or excess policies.

17.6 Insurance by Lessor. In the event Lessee shall fail to procure any insurance required hereunder, Lessor may, upon written notice to Lessee, procure and maintain any or all of the insurance required of Lessee under this Section. In such event, all costs of such insurance procured and maintained by

Lessor on behalf of Lessee shall be the responsibility of Lessee and shall be fully reimbursed to Lessor within TEN (10) business days after Lessor advises Lessee of the cost thereof.

18. SURRENDER OF POSSESSION.

18.1 Condition of Property.

18.1.1 Upon the expiration or earlier termination of this Lease, Lessee's right to occupy the Premises and exercise the privileges and rights granted thereunder shall cease, and Lessee shall peaceably surrender the same and leave the Premises broom clean and in good condition except for normal wear and tear, casualty (subject to Lessee's obligation under Section 7.7) and condemnation. Lessee shall not be responsible for the removal or remediation of any Hazardous Material that was present on, under or near the Premises prior to occupancy, regardless of the date of discovery of such Hazardous Material, and shall not be responsible for returning the Premises in a better condition than existed on the Effective Date, except as expressly provided hereunder. All trade fixtures, equipment, and other personal property installed or placed by Lessee on the Premises which are not permanently affixed thereto shall remain the property of Lessee, and Lessee shall have the right at any time during the Term of this Lease, to remove the same from the Airport and Lessee shall repair, at its sole cost, any damage caused by such removal. Any property not removed by Lessee within FIFTEEN (15) calendar days of the expiration or earlier termination of this Lease, or revocation of Lessee's right to occupy the Premises, shall become a part of the Premises, and ownership thereof shall vest in Lessor. Lessee shall, however, remain financially liable to Lessor for the cost of repairs to the Premises incurred as a result of Lessor's removal and/or relocation of property formerly belonging to Lessee and not otherwise removed from the Premises, as provided herein, and shall remit to Lessor payment for such costs within TEN (10) business days of Lessee's receipt of Lessor's invoice therefor.

18.1.2 Any trade fixtures, equipment or other property affixed to the Premises by Lessee shall, if required in a written notice to Lessee from Lessor at the time of Lessor's approval of the same, be removed from the Premises by Lessee, at Lessee's expense, within FIFTEEN (15) business days after Lease termination. Should Lessee fail to remove such trade fixtures, equipment or other property within said time, Lessor may remove and dispose of such trade fixtures, equipment or other property at Lessee's expense, and Lessee shall reimburse Lessor for the costs thereof within TEN (10) business days of receipt of Lessor's invoice therefor.

18.2 Holding Over. Lessee shall not remain in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Lessor. Should Lessee hold over without the express written consent of Lessor, such tenancy shall be at the sufferance of Lessor and not a renewal of the Term. In such case, the Base Rent and all other charges due pursuant to this Lease shall be payable at ONE HUNDRED FIFTY PERCENT (150%) of the amount payable during the last year of the Term, and such tenancy at sufferance shall be subject to every other term, covenant and provision of this Lease. In the event Lessee holds over, Lessee shall be liable for all of Lessor's direct and consequential damages, which shall include, without limitation, costs, fees, expenses, damages and attorneys' fees incurred by Lessor as a result of Lessee's holding over, and damages and expenses incurred by Lessor for its inability to deliver possession of the Premises to a new lessee solely as a result of Lessee's holding over.

19. INSPECTION BY LESSOR.

[Language for lessees with secured, sensitive areas:]

Lessor acknowledges and agrees that (i) the Premises has been designated by Lessee as a sensitive information facility due to the highly confidential nature of the use thereof; and (ii) Lessee shall have the right from time to time to reasonably and in good faith designate all of the Improvements and other portions of the Premises as "**Designated Secured Areas**." Upon five (5) business days' advance written notice to

Lessee (herein, an "**Entry Request**"), and provided Lessor complies with the entry requirements established by Lessee from time to time and does not unreasonably interfere with Lessee's use of the Premises, Lessee shall permit Lessor and its agents to enter upon the Premises (other than the Designated Secure Areas), subject to any safety, security, and/or confidentiality requirements of Lessee, for the purpose of inspecting the same (other than the Designated Secure Areas). In the case of an emergency in which Lessor is required under applicable law to immediately enter, no prior notice to Lessee is required, but Lessor shall nevertheless be subject to Lessee's confidentiality requirements and agreement. Without limiting the generality of the foregoing, Lessee may implement (and from time to time modify) and Lessor and its agents, employees, contractors, guests and invitees shall comply with, commercially reasonable rules, systems and procedures for the security and safety of the Premises and its contents and Lessee's employees, agents, guests and invitees, which systems and procedures may include, among other things, continuously monitored video surveillance, roving security guards/patrols, lobby attendants, security lighting, key-card systems, access gates, the right to escort Lessor and any third parties while the same are on the Premises, the right to prohibit photographs of any portion of the Premises designated by Lessee without Lessee's prior written consent (which consent may be withheld in Lessee's sole and absolute discretion); the right to require Lessor and/or any of Lessor's designees to deliver to Lessee its then current commercially reasonable confidentiality/non-disclosure agreement prior to any entry onto the Premises; reasonable and good faith designation by Lessee of sensitive areas of the Premises that are wholly restricted from entry by Lessor, any of the Lessor's employees, contractor's, agents, guests and invitees or any of their designees except as otherwise expressly provided herein (the "**Designated Secure Areas**"); and the right to restrict access by any visitor whom Lessor intends to bring on the Premises who is a competitor, as determined by Lessee in its sole and absolute discretion (collectively, "**Lessee's Security Systems**"). Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

[Alternative language for lessees without secured, sensitive areas:]

Lessor may enter upon the Premises at reasonable times during Lessee's normal business hours and upon at least TWO (2) business days' prior written notice to Lessee (except in emergencies, in which event Lessor shall notify Lessee promptly following such emergency entry) for any reasonable purpose, including, but not limited to, compliance with the terms and conditions of this Lease and the exercise of its governmental functions for such activities as fire protection or security. Lessee may accompany Lessor on any Lessor inspections and entries. Lessor shall take reasonable steps to avoid interrupting or disrupting the conduct of business of Lessee on the Premises.

20. NOTICES.

20.1 All notices required or permitted under this Lease shall not be effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO LESSOR: Phoenix-Mesa Gateway Airport Authority
Attn: Business Development Department
5835 South Sossaman Road
Mesa, Arizona 85212

TO LESSEE: <Lessee Name>
Attn.: <Contact Person Name, Title>
<Mailing Address>
<City>, <State> <Zip Code>

With a required copy to: <Name>
Attn.: <Contact Person Name, Title>

<Mailing Address>
<City>, <State> <Zip Code>

20.2 Any notice shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this Section.

21. SEVERABILITY.

Should a court of competent jurisdiction declare any provision of this Lease invalid, the remaining terms shall remain effective.

22. SALES AND PROPERTY TAXES.

Lessee shall pay any leasehold tax, sales tax, personal property tax, transaction privilege tax, license or permit fee, or any other tax assessed as the result of its occupancy of Premises or conduct of any activity at the Airport under authority of this Lease, including any such tax assessable on Lessor as a result thereof. In the event that laws or judicial decisions result in the imposition of a real property tax or any other form of tax or imposition on the interest of Lessor, such tax shall also be paid by Lessee for the period this Lease is in effect, to the extent such taxes are reasonably attributable to the Premises or a portion thereof or the operation of Lessee's business.

23. APPROVALS, CONSENTS AND NOTICES.

All approvals, consents and notices called for in this Lease shall be in writing, signed by the appropriate Party, and may not be established solely by oral testimony.

24. LIENS AND MORTGAGES.

24.1 General Provisions.

24.1.1 Except as provided in this Section 24, Lessee shall not engage in any financing or other transaction creating any mortgage or deed of trust upon the Premises, place or suffer to be placed upon the Premises any lien or other encumbrance, or suffer any levy or attachment to be made on Lessee's interest in the Premises. Any such mortgage or deed of trust, encumbrance or lien shall be deemed a violation of this Section, constituting a failure by Lessee to comply with the terms of the Lease, on the date of its execution or filing of record regardless of whether or when it is foreclosed or otherwise enforced.

24.1.2 Notwithstanding anything to the contrary in Section 9 herein, Lessee shall, during the Term, be permitted to mortgage, collaterally assign, or otherwise encumber its leasehold interest (including any interest in the improvements) under this Lease pursuant to one or more Mortgages, as defined below, to secure indebtedness, including, without limitation, one or more loans to finance construction of improvements and other development on the Premises, and including refinancings thereof, subject to the restrictions of Section 24.1.4.

24.1.3 Any such encumbrance, including leasehold deed of trust, is referred to as a "Mortgage" and the holder thereof a "Mortgagee." The Mortgagee, upon taking possession or upon foreclosure or taking an assignment in lieu thereof, shall be liable for all future rents and obligations hereunder and shall attorn to Lessor. In no event shall any Mortgagee be responsible or liable for any claims against Lessee or any of Lessee's agents, employees, invitees, contractors or representatives for any death, injury, illness, damage to or loss of property (except only to the extent provided hereinafter with respect to a

default by Lessee under this Lease), or tort related claims. In no event shall any Mortgagee be liable for the actions or omissions of Lessee or Lessee's agents, representatives, employees, contractors, or invitees (except only to the extent provided hereinafter with respect to a default by Lessee under this Lease). The Mortgagee shall not be responsible or liable for any default by Lessee under this Lease, except, and only, to the extent that such default continues for a period of THIRTY (30) days (or such additional time as is reasonably necessary for Mortgagee to cure such default, so long as Mortgagee is diligently pursuing action to cure the default) after (i) Mortgagee shall have obtained possession through a court-appointed receiver or ownership of the Premises, (ii) the Mortgagee shall have received written notice of such default at the same time that Lessor notifies Lessee of such default, (iii) any notice or cure period related to such default as provided in this Lease and in Section 24.2 and Section 24.3 below shall have elapsed without such default having been cured, and (iv) such default is reasonably capable of being cured by the Mortgagee. No Mortgage shall encumber Lessor's interest in the Premises or Lessor's interest in the improvements thereon. Further and promptly after Lessee assigns or encumbers any portion of the Premises or the improvements thereon, Lessee shall furnish Lessor with a written notice setting forth the name and address of such Mortgagee or trustee.

24.1.4 No Mortgage or deed of trust shall extend to or affect the fee, the reversionary fee interest or the estate of Lessor in the Premises. No Mortgage or deed of trust shall be binding upon Lessor in the enforcement of its rights and remedies under this Lease and by law provided, unless and until a copy thereof shall have been delivered to Lessor and such Mortgage or deed of trust is authorized in accordance with provisions of this Section 24.

24.1.5 Notwithstanding anything to the contrary in this Article 24, Lessor shall have all rights and remedies under Article 11 with respect to any Event of Default that continues after expiration of all applicable notice and cure periods set forth in Section 11.1 and this Article 24.

24.2 Lessor Agreement. With respect to Mortgagees of the Premises, Lessor agrees that:

24.2.1 If requested by a Mortgagee which shall have duly registered in writing with Lessor its name and address, and if Lessor shall give any notice, demand, election or other communication required hereunder (hereafter, collectively, "Notices") to Lessee, Lessor shall concurrently give a copy of each such Notice to the Mortgagee at the address designated by it. Notices shall be sent by registered or certified mail, return receipt requested, and shall be deemed given seventy-two (72) hours after the time they are deposited in a United States Post Office with postage charges prepaid, addressed to the Mortgagee. No Notice given by Lessor to Lessee shall be binding upon or affect Lessee or the Mortgagee unless a copy of the Notice shall be given to the Mortgagee pursuant to this Section 24.2.1.

24.2.2 Such Mortgagee entitled to such Notices, as specified above, shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee.

24.2.3 If Lessor shall elect to terminate this Lease by reason of any default by Lessee with respect to the Premises, the Mortgagee that shall have become entitled to Notice as provided in this Section 24.2 shall have any and all rights of Lessee with respect to curing of any default with respect to the Premises.

24.2.4 Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Premises to such holder of a Mortgage. To the extent the physical possession of the Premises by a secured creditor is not inconsistent with the terms of this Lease, or is incompatible with the Lessor's selection of available remedies in the Event of Default, Lessor shall not prevent such physical possession.

24.2.5 If more than one Mortgagee shall seek to exercise any of the rights provided for in this Section 24, the holder of the Mortgage having priority of lien over the other Mortgagees shall be entitled,

as against the others, to exercise such rights. Should a dispute arise among Mortgagees regarding the priority of lien, the Mortgagees shall prove to the satisfaction of Lessor that they have settled that dispute.

24.3 Protection of Mortgagee(s). Until the time, if any, that an approved Mortgage shall be satisfied and released of record:

24.3.1 A Mortgagee shall have the right, for a period equal to the period afforded Lessee under this Lease to perform any term, covenant, or condition and to remedy any default by Lessee hereunder, plus such additional time that is reasonably needed for Mortgagee to exercise Lessee's rights to cure any defaults subject to the following: (a) if the default cannot be cured by Mortgage, no additional time shall be allowed; (b) if the default can be cured by Mortgagee, such additional period of time shall not exceed SIX (6) months after Mortgagee's receipt of such Notice, unless a longer period of time is otherwise approved by Lessor in writing; (c) if curing the default requires that Mortgagee has possession through a court-appointed receiver or ownership of the Premises, Mortgagee shall be diligently pursuing action to take possession through a court-appointed receiver or ownership of the Premises; and (d) Mortgagee shall not be entitled to more than TEN (10) days of additional time to cure any defaults in the payment of Base Rent. Lessor shall accept such performance with the same force and effect as if furnished by Lessee, and the Mortgagee shall thereby and hereby be subrogated to the rights of Lessor. Such Mortgagee cure period shall begin on the later of: (i) the date Mortgagee receives notice pursuant to Section 24.2, or (ii) the date that Lessee's cure period expires under this Lease. During such Mortgagee cure period, Lessor will not terminate this Lease or disturb possession, interest or quiet enjoyment by the Lessee or Mortgagee in the Premises or improvements for any reason, subject to the terms of this Lease, until such Mortgagee cure period has expired. The Mortgagees and their respective designees shall have the right to enter upon the Premises to give such performance.

24.3.2 In case of an Event of Default by Lessee in the performance or observance of any non-monetary term, covenant or condition to be performed by it hereunder, if such Event of Default cannot practicably be cured by the Mortgagee without taking possession or ownership of the Premises, in such Mortgagee's reasonable opinion, or if such Event of Default is not susceptible of being cured by the Mortgagee, then:

(a) The Mortgagee shall proceed diligently to obtain possession through a court-appointed receiver or ownership of the Premises, and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession); or

(b) The Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Lessee's estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure), subject to any order by a court of competent jurisdiction staying or otherwise precluding such Mortgagee from obtaining such possession.

(c) The Mortgagee shall not be required to obtain possession or to continue in possession of the Premises pursuant to Section 24.3.2(a), or to continue to prosecute foreclosure proceedings pursuant to Section 24.3.2(b), if and when such Event of Default shall be cured.

(d) If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, the times for commencing or prosecuting foreclosure or other proceedings, including proceedings to obtain possession, shall be extended for the period of the prohibition.

24.4 New Lease

24.4.1 Lessor agrees that, in the event of early termination of this Lease for any reason (including but not limited to any default by Lessee), Lessor, if requested by any Mortgagee, will enter into a new lease of the Premises with the most senior Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original Term of this Lease (plus any applicable Renewal Term if exercised), at the rent and upon the terms, covenants and conditions herein contained, provided that:

(a) Such Mortgagee shall make written request upon Lessor for the new lease within SIXTY (60) calendar days after the date such Mortgagee receives written notice from Lessor that this Lease has been terminated;

(b) Such Mortgagee shall pay to Lessor, at the time of the execution and delivery of the new lease, any and all Base Rent payments, finance charges and late fees which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of the preparation of such new lease;

(c) Such Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by the lessee under such new lease from and after full execution and delivery of such new lease, and shall within a reasonable period of time (not to exceed the time frames set forth in Section 24.3.1 above) after full execution and delivery of such new lease remedy any other conditions which Lessee under the terminated Lease was obligated to perform under its terms and did not perform, to the extent the same are reasonably susceptible of being cured by the Mortgagee; and

(d) The lessee under the new lease shall have the same rights, including the right of occupancy to the buildings and improvements on the Premises and elsewhere on the Airport as Lessee had under this Lease immediately prior to its termination.

Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 24 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by the termination of this Lease.

24.4.2 Nothing herein contained shall require any Mortgagee to enter into a new lease pursuant to this Section 24.4, or to cure any default of Lessee referred to above.

24.4.3 If any Mortgagee shall request a new lease as provided in this Section 24.4, Lessor agrees, at the request of, on behalf of and at the expense of the Mortgagee, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Lessee from the Premises, but not any authorized subtenants actually occupying the Premises or any part thereof.

24.4.4 Unless and until Lessor has received notice from each Mortgagee that the Mortgagee elects not to demand a new lease as provided herein, or until the period therefor has expired, Lessor shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Mortgagee.

24.5 Effect of Transfer. Neither the foreclosure of any Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Mortgage), nor any conveyance of the leasehold estate created by this Lease by Lessee to any Mortgagee or its designee by an assignment or deed in lieu of foreclosure or other similar instrument, shall require the consent of Lessor or constitute a default or Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize the

purchaser or other transferee in connection therewith as the Lessee under this Lease, subject only to an assumption in writing by such purchaser or transferee of all obligations of Lessee under this Lease from and after the date of such assumption.

25. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern the matters set forth in this Lease. Venue of any action brought under this Lease shall, at the option of Lessor, lie in Maricopa County, Arizona.

26. RULES AND REGULATIONS.

Lessee shall at all times comply with all Federal, state and local laws, ordinances, rules, and regulations which are applicable to its activities on the Airport, the Premises itself (including but not limited to the *Americans with Disabilities Act*), or the operation, management, maintenance, or administration of the Airport, including all laws, ordinances, rules and regulations adopted after the Effective Date. Lessee shall at all times comply with the *Airport Minimum Standards* and *Airport Rules and Regulations*, as the same may be amended from time to time. Copies of the current *Airport Minimum Standards* and *Airport Rules and Regulations* are attached hereto as **Exhibit D**. Lessee acknowledges and agrees that Lessor may amend the *Airport Minimum Standards* and *Airport Rules and Regulations* at any time in Lessor's commercially reasonable discretion. Lessee shall, within a reasonable period of time, reasonably display to Lessor any permits or licenses required by law or other evidence of compliance with laws upon written request.

Lessor shall use commercially reasonable efforts to timely notify Lessee of any updates in the *Airport Rules and Regulations*, the *Airport Minimum Standards*, the *Aviation Fuel Storage, Dispensing and Handling Guidelines*, and the Airport *Fly Friendly Procedures*.

27. CORPORATE AUTHORIZATION.

In executing this Agreement, each of Lessor and Lessee represents and warrants to the other that if such Party is a corporation, or other legal entity, each Party has obtained and been granted the full right, power and authority to enter into this Lease.

28. UTILITY LINES AND SERVICE CHARGES.

28.1 Lessee shall, at no cost or expense to Lessor, provide or arrange for any public utility, water and sewage lines, connections and services that are needed in connection with any building(s), structure(s) or other improvement(s) placed on the Premises by Lessee, or required for Lessee's activities thereon, and shall be responsible for the maintenance of such lines and connections from where they enter the Premises. If requested to do so by Lessee from time to time during the Term, Lessor will grant reasonable easements and rights-of-way on or across the Airport for the development and use of the Premises (in accordance with this Lease), including, without limitation, to suppliers of public or private utility services for the purpose of supplying Lessee with such services, but Lessor reserves the right to reasonably designate the lands along which such easements and rights-of-way shall be granted so as to minimize the disruption of the operation of the Airport and other Airport tenants.

28.2 Lessee shall pay for all utilities, including trash collection, used in its operations at the Premises. The charges and method of payment for each utility or service shall be determined by the appropriate supplier of the utility or service in accordance with applicable laws and regulations, on such basis as the appropriate supplier of the utility or service may establish.

28.3 Notwithstanding the execution of this Lease, Lessor retains the right to the continued use of such utility lines and services as are presently on the Premises (so long as Lessor's use does not interfere with

or disrupt Lessee's use, occupancy, development and subleasing activities), and the right to repair the same when necessary in Lessor's reasonable discretion, including but not limited to, any utility easements on the Premises. Lessor agrees to coordinate any entries onto the Premises with Lessee. Lessor shall conduct such use and repairs in such a manner and at such times as to not interfere with Lessee's activities thereon.

29. RESERVATIONS TO LESSOR.

Subject to Lessor's representations, warranties and obligations, the Premises are accepted "as is, where is" by Lessee, subject to any and all existing easements or other encumbrances. In advance consultation with Lessee, Lessor reserves the right to grant reasonable easements, rights-of-way, and permits, over, on, or across any portions of the Premises for commercially reasonable purposes; provided, that Lessor and the grantee, as applicable, shall not exercise such rights so as to interfere with or disrupt Lessee's activities on the Premises, including the development of the Premises, to be determined in the reasonable judgment of Lessor and Lessee, and all such interference shall be minimized. Lessor shall provide Lessee reasonable notice of any plan to undertake the activities contemplated under this Section and shall coordinate with Lessee regarding the execution of such plans to minimize any interference with Lessee's or any subtenant's activities on the Premises, that all work shall be in compliance with all applicable laws, including Environmental Law, and that the surface of the Premises shall be restored to its original condition, including any necessary remediation in accordance with Environmental Law of any contamination associated with any Hazardous Material disturbed during any construction, at no cost to Lessee, upon the completion of any construction. Lessor agrees that any rights granted to any parties by reason of this clause shall contain provisions obligating such parties to at a minimum the same conditions applicable to Lessor under this Section 29, including but not limited to that the surface of the Premises and any Improvements shall be promptly restored to their original condition, at no cost to Lessee, promptly upon the completion of any construction.

30. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES.

30.1 Lessee agrees that in the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, *Nondiscrimination in Federally Assisted Programs of the Department of Transportation,* as it may be amended.

30.2 Lessee agrees that: (a) no person shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination on the grounds of race, color, creed, disability, age, sex or national origin in the use of the Premises; (b) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, or national origin; and (c) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, as it may be amended.

30.3 Lessee assures Lessor that it will comply with pertinent statutes, Executive Orders, and rules promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, age or handicap, be excluded from participating in any activity.

30.4 Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance therefrom.

30.5 Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct

and control all activities of Lessee in this regard. Lessor and Lessee agree that Lessee has no responsibility whatsoever with respect to maintenance and repair of the landing area of the Airport, or any publicly owned facilities of the Airport.

30.6 This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessor agrees to reasonably consult with Lessee prior to executing or entering into any agreement that could reasonably be expected to have a material effect on the Premises, or on Lessee or its subtenants, or on any Permitted Uses, with the stated purpose of attempting in good faith to avoid any interference with, disruption of, or restriction or limitation on Lessee's intended use and development of the Premises in accordance with this Lease.

30.7 There is reserved unto Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, which shall include the right to cause in the airspace any noise inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in or through the airspace, and for the use of such airspace for landing on, taking off from, or operation on the Airport.

30.8 Lessee agrees to comply with the notification and review requirements covered in 14 CFR Part 77 in the event future construction of a building is planned for the Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

30.9 Lessee shall not erect or permit the erection of any structure or building, nor permit the growth of any tree on the Premises, or any other obstruction that exceeds height requirements contained in 14 CFR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. In the event these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object at the expense of Lessee.

30.10 Lessee shall not make use of the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

30.11 Nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning 49 U.S.C. §§ 40103(e) and 47107(a)(4).

30.12 This Lease and all of the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency.

30.13 To the extent that Lessee conducts or engages in any aeronautical activity for furnishing services to the public at the Airport, Lessee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users and charge reasonable and not unjustly discriminatory prices for each unit or service; except, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

30.14 Lessee shall conform to Lessor and FAA safety and security rules and regulations regarding use of the Airport air operations area including runways, taxiways, taxilanes and aircraft aprons by vehicles, employees, customers, visitors, etc., in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; complete and pass an airfield safe driving instruction program when offered or

required by Lessor; and be subject to penalties as prescribed by Lessor for violations of Airport safety and security requirements.

31. TITLE VI

31.1 General Civil Rights. Lessee agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. Lessee understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("**Title VI**") in all airport/aviation lease agreements where Lessor receives federal funding, including the Lease in this instance.

31.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which Lessor is required to disclose and include in such Lease and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

31.3 Compliance with Nondiscrimination Requirements. During the Term, Lessee, for itself, its assignees, and successors in interest agrees as follows:

31.3.1 Compliance with Regulations. Lessee will comply with the Title VI List of Pertinent Non-Discrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

31.3.2 Non-discrimination. Lessee, with regard to the work performed by it during Lease, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

31.3.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee's obligations under this Lease and the Non-discrimination Acts And Authorities on the grounds of race, color, or national origin.

31.3.4 Information and Reports. Lessee will provide all information and reports required by the acts, the regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Lessor or the FAA be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to Lessor or the FAA as appropriate, and will set forth what efforts it has made to obtain the information.

31.3.5 Sanctions for Noncompliance. In the event of Lessee's noncompliance with the Nondiscrimination provisions of this Lease, Lessor will impose such default remedies as it or the FAA may determine to be appropriate, including, but not limited to:

(a) withholding payments, if any, to Lessee under the Lease until Lessee complies; and/or

(b) cancelling, terminating, or suspending the Lease, in whole or in part.

31.3.6 Incorporation of Provisions. Lessee will include the provisions SUBSECTIONS 29.3.1 through 29.3.6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by acts, the regulations and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

31.4 Real Property Acquired or Improved under the AIP Program. Lessee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that:

31.4.1 In the event improvements are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation (DOT) program or activity is intended, or for another purpose involving the providing of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

31.4.2 In the event of breach of any of the above Nondiscrimination covenants in this Lease, Lessor will have the right to terminate this Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued. Landlord will give Lessee written notice and a reasonable opportunity to cure any violation of Section 31.4.1 before Landlord commences to exercises its rights pursuant to this Section. 31.4.2.

31.5 Use/Access to Real Property Acquired under the AIP Program.

31.5.1 Lessee for itself, and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c) that Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Non-Discrimination Acts and Authorities.

31.5.2 In the event of breach of any of the above non-discrimination covenants, Lessor will have the right to terminate this Lease and to enter or re-enter and repossess said land and the facilities thereon and hold the same as this Lease had never been made or issued. Landlord will give Lessee written notice and a reasonable opportunity to cure any violation of Section 31.5.1 before Landlord commences to exercises its rights pursuant to this Section. 31.5.2.

32. FEDERAL FAIR LABOR STANDARDS ACT

This Lease incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. Lessee has full responsibility to monitor compliance to the referenced statue or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

33. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

This Lease incorporates by reference the provisions of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

34. INCORPORATION OF QUITCLAIM DEED.

Lessor owns the Airport pursuant to a Quitclaim Deed from the United States Government ("**Deed**"), a copy of which is available to Lessee upon request and is hereby incorporated in its entirety. To the extent the Deed has terms, conditions, obligations, requirements or restrictions that apply to this Lease, Lessor, Lessee or any matter in connection herewith, Lessee agrees to be bound by all the terms, covenants and conditions of the Deed, including the following:

34.1 That this Lease is subject to all terms and conditions of the Deed; and

34.2 That in case of any conflict between the Deed and this Lease, the Deed shall control.

35. REQUIRED PROVISIONS OF QUITCLAIM DEED.

35.1 Section VI (A)(5)(c) of the Deed requires that the following provisions be included in this Lease:

35.1.1 In furnishing services to the public, Lessee shall not discriminate against any person or class of persons by reason of race, color, creed, or national origin, and Lessee shall otherwise provide such services on a fair, equal, and not unjustly discriminatory basis to all users thereof.

35.1.2 Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for each unit for service; except, however, that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

35.2 If the Premises are within any of the archaeological sites identified in Section VIII.A of the Deed, then, the provisions of Section VIII of the Deed shall be deemed incorporated in this Lease by this express reference to Section VIII of the Deed.

35.3 To the extent the Deed requires that other specific provisions thereof be inserted in this Lease by express reference to the Deed, this sentence shall constitute an express reference to all such applicable provisions of the Deed.

36. AIRPORT SECURITY.

36.1 Airport Security Plan.

36.1.1 Lessor's Operations Department maintains an approved Airport Security Plan ("**Security Plan**") pursuant to 49 CFR Parts 1540 and 1542, and 14 CFR Part 139. Lessee shall at all times comply with Lessor's Operations Department security directives, security bulletins, or verbal notifications existing now or in the future.

36.1.2 Lessee is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards set forth by Lessor's Operations Department.

36.1.3 Lessee shall promptly upon written request from Lessor correct physical or procedural deficiencies caused by Lessee that are located on the Premises which are contrary to Lessor's Operations Department, security directives, security bulletins, or verbal notifications existing now or in the future. Within TWENTY-FOUR (24) hours of Lessor notifying Lessee of any deficiency, Lessor shall provide Lessee with a reasonably-detailed explanation of the deficiencies. Lessee shall be given a reasonable period of time (under the circumstances) to correct such deficiencies.

36.1.4 Lessee shall, to the fullest extent permitted by law, indemnify, defend and hold Lessor harmless for, from and against any security violation committed by any agents, employees, invitees, subcontractors, sub-lessees or independent contractors of Lessee.

36.1.5 Lessee shall conduct and document all self-audits and self-inspections as required by Transportation Security Administration ("**TSA**") or Lessor's Operations Department and make such audits available for inspection.

36.1.6 Lessee shall designate a primary security coordinator to receive security related briefings, bulletins and sensitive security information.

36.1.7 Lessor reserves the right to modify the Security Plan from time to time, as necessary or as directed by TSA. Lessor's Operations Department shall notify the Lessee security coordinator regarding modifications that effect Lessee.

36.2 Airport Security Badge.

36.2.1 Lessee's employees and contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by Lessor's Operations Department, TSA or other entity having security jurisdiction at the Airport. Lessee, employees, and contractors will surrender security badges upon request by Lessor's Operations Department; physical security media (badges and keys) remain the property of Lessor. Within SEVENTY-TWO (72) hours of Lessor's confiscation of any security badges, Lessor shall provide Lessee with a reasonably-detailed explanation of the violations that caused Lessor to confiscate the security badges.

36.2.2 Lessee, employees and contractors shall comply with all security related audits, inspections, and screenings conducted by the Lessor's Operations Department.

36.2.3 Lessee will promptly return badges to the Lessor's badging office when badge holders employment is terminated, the badge is no longer needed or the employee/contractor is on extended leave.

36.2.4 Misuse of a badge or security procedures will bring about action, including, but not limited to, retraining, suspension or revocation of one or all misused badges.

37. DEFAULT BY LESSOR.

In the event of any alleged breach by Lessor of its covenants or duties contained in this Lease, Lessee shall have available all rights and remedies provided in contract, at law and/or in equity, provided, however, Lessee may not exercise any such right or remedy unless Lessee has notified Lessor by written notice of such alleged default, and Lessor has not cured such default within the THIRTY (30) calendar day period subsequent to receipt of such notice or, in the event such alleged default is of such a nature that it cannot reasonably be

cured within such THIRTY (30) calendar day period, Lessor has failed to pursue a cure of such alleged default with all due diligence. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be entitled to terminate this Lease or abate or offset any installment of Base Rent, or any other payments to be made by Lessee hereunder except as expressly permitted in this Lease.

38. BROKERS.

Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee Each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this Section.

[Alternative Section 38 language where broker(s) are involved:]

<_____> agrees to pay a brokerage commission to <_____> ("**Broker**") for services provided in connection with this Lease in accordance with the terms of a separate commission agreement between <_____> and Broker. Except as specifically identified in this Section, Lessor and Lessee each represents and warrants to the other Party that it has not had any dealings with any real estate brokers, finders or agents in connection with this Lease other than Broker. Lessor and Lessee Each agrees to indemnify, defend (with counsel selected by the other) and hold the other Party and other Party's nominees, successors and assigns harmless from any and all claims, costs, commissions, fees or damages arising from a breach of such Party's representation and warranty in this Section.

39. SALE BY LESSOR.

Lessee agrees to look solely to Lessor's interest in the Airport, including rents, issues, profits, proceeds, and awards for the recovery of any judgment against Lessor, it being agreed that the members, partners, officers, directors or shareholders of Lessor shall not be personally liable for any such judgment. In the event of any sale or other conveyance by Lessor of its interest in the Premises, Lessor shall be automatically freed and released from all personal liability accruing from and after the date of such sale or conveyance as respects the performance of any covenant or obligation on the part of Lessor contained in this Lease to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Lessor shall be binding on the Lessor and its successors and assigns only during and in respect to the respective successive periods of ownership of the Premises.

40. ESTOPPEL CERTIFICATE.

Each of Lessor and Lessee shall, without charge, at any time and from time to time hereafter, within TEN (10) business days after written request from the other Party to do so, certify, by written instrument duly executed and acknowledged by such Party and certified to the other Party and to any prospective lender or purchaser/assignee: (i) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the existence of any default hereunder to the best of such Party's knowledge; (iii) as to the date on which Lessee was obligated to commence paying Base Rent and all other charges hereunder and the expiration date of the Term; (iv) as to whether this Lessee has assigned or transferred its interests or any portion thereof in this Lease; and (v) as to any other matters relating to this Lease and the Premises as may be reasonably requested. The requesting Party and any prospective purchaser or lender to whom the same was certified may rely upon any such certificate.

41. UNAVOIDABLE DELAY.

In the event either Party shall be delayed or hindered in or prevented from the performance of any

covenant, agreement, work, service, or other act required under this Lease to be performed by such Party ("**Required Act**"), and such delay or hindrance is due to Unavoidable Delay (as defined below), then the performance of such Required Act shall be excused for the period of delay and the time period for performance of the Required Act shall be extended by the same number of days in the period of Unavoidable Delay. For purposes of this Lease, "Unavoidable Delay" shall mean, with respect to either Party, an unavoidable delay in the performance by such Party of any non-monetary conditions or obligations under this Lease due including but not limited to: (a) construction delay to the extent caused by the other Party, (b) legal proceeding brought by a non-Party with respect to the Improvements or any provision or requirement of this Lease which by its nature prohibits the Improvements from being commenced, continued and/or completed, (c) a Party not receiving a governmental permit, license, approval or inspection in time to meet a contractual time period imposed hereunder provided that Party, in good faith, was diligent in the application or request for and prosecution of the process to obtain that permit, license, approval or inspection, (d) flood, (e) epidemic, (f) quarantine restriction, (g) unusually severe weather not reasonably anticipated, (h) strike, (i) walkout, (j) lock-out, (k) war, (l) national emergency, (m) fire, (n) act of God, (o) act of terrorism, (p) natural disaster, (q) explosion, (r) default by the other Party hereunder in the performance of its obligations hereunder, (s) a delay caused by the discovery, presences or actions necessary to investigate or remediate Hazardous Material under Article 14 (but excluding Hazardous Material attributable to the Party claiming Unavoidable Delay), or (t) other causes beyond such Party's control; provided that no Unavoidable Delay shall exist unless the Party claiming such Unavoidable Delay shall give written notice to the other Party of the occurrence of the Unavoidable Delay not later than FORTY-FIVE (45) days after the commencement of such Unavoidable Delay.

42. MISCELLANEOUS.

42.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease because of any breach thereof, or because of its execution or attempted execution.

42.2 No Waiver. No provision of this Lease may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

42.3 Non-Waiver of Rights. No waiver or default by Lessor or Lessee of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by the other shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by such other Party, and neither Party shall be restricted from later enforcing any of the terms and conditions of this Lease.

42.4 Amendment. This Lease contains all agreements of the Parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence, or understanding pertaining to any such matter shall be effective to interpret or modify the terms hereof. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party.

42.5 Invalid Provisions. Should any provision of this Lease or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

42.6 Litigation Expenses. In the event of litigation between Lessor and Lessee, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and all costs and expenses of litigation, including witness fees, expert witness fees, and court costs.

42.7 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Lease or any term thereof.

42.8 Entire Agreement. This Lease, including exhibits attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

42.9 Right of First Offer. Provided there is no existing Event of Default, Lessee shall have a right of first offer to lease the Premises and all Improvements thereon following the expiration of the Term (or Renewal Term, as applicable) in accordance with this Section. If Lessee is interested in leasing the Premises and all Vertical Improvements thereon at fair market rental rate following expiration of the Term (or Renewal Term, as applicable), Lessee shall provide written notice ("**Notice of Interest**") to Lessor of its interest not less than ONE (1) year prior the expiration of the Term (or Renewal Term, as applicable). Lessor shall advise Lessee within THIRTY (30) days after Lessor's receipt of the Notice of Interest if Lessor does not intend to lease (or market for lease) the Premises following expiration of the Term (or Renewal Term, as applicable). If Lessor intends to lease (or market for lease) the Premises, the Parties shall negotiate in good faith to agree on lease terms and conditions, including the fair market rental rate of the Premises and all Improvements thereon. If the Parties have not reached an agreement on the material terms of a lease (other than the fair market rental rate) within NINETY (90) days after Lessor's receipt of the Notice of Interest, neither party shall have any further right or obligation under this Section 42.9. If the Parties have reached an agreement on all material terms of a lease other than the fair market base rental rate within NINETY (90) days of Lessor's receipt of the Notice of Interest, then the Parties shall, within TEN (10) calendar days after the expiration of such NINETY (90)-day period, proceed to determine the fair market base rental rate with the appraisal process as set forth in Section 4.3.2. Upon determining the fair market base rental rate for the Premises, Lessor and Lessee shall promptly enter into a lease.

42.10 Memorandum of Lease. As of the Effective Date, or thereafter upon request from Lessee to Lessor, Lessor and Lessee agree to execute, acknowledge and deliver to one another a short form memorandum of lease for recording purposes in form and substance attached hereto as **Exhibit F**. In the event that such a memorandum of lease has been recorded, upon termination or expiration of this Lease, Lessee shall promptly execute such documents as reasonably requested by Lessor in recordable form to confirm the termination of this Lease.

42.11 Non-Disturbance. In the event that Lessor encumbers or liens any portion of the Premises, now or in the future, Lessor agrees to promptly (and in any event prior to the Effective Date in the event the Airport is encumbered as of such date) obtain for the benefit of Lessee and its leasehold lenders a commercially reasonable non-disturbance agreement (in form reasonably acceptable to Lessor, Lessee and Lessor's lenders) (an "**NDA**") stating that, among other provisions to be included in the NDA, provided no Event of Default has occurred and is continuing under this Lease, then this Lease shall not be terminated and the right of possession of Lessee to the Premises shall not be affected or disturbed in the exercise of any of its rights or remedies under such encumbrance or lien.

43. INCORPORATION OF RECITALS.

The recitals set forth herein are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

44. DECLARATION.

44.1 Subordination. The Premises is subject to and subordinate to that certain Declaration of Covenants, Conditions and Restrictions for Skybridge Arizona, dated July 31, 2019, recorded in the Official Records of Maricopa County, Arizona, as Instrument No. 20190580736 ("**Declaration**"). Lessee hereby

agrees to fulfill and comply with its duties and obligations as a "Lessee" as defined under the Declaration, as such duties and obligations relate to the Premises.

44.2 Assessments and other Obligations. Lessee shall pay its "Proportionate Share" of "Common Area Assessments" in accordance with the Declaration. Such payment obligation shall constitute "additional rent" under this Lease. Lessee shall fulfill any other obligations it may have as a "Lessee" in accordance with the Declaration, as such other obligations relate to the Premises.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LESSOR:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

LESSEE:

<TENANT NAME>, a/an <State> <company type>

By:
<Signatory Name>, <Title>

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 20__, by <Signatory Name>, in his capacity as <Title>, <Company Name>, a/an <State> <type of company>, for and on behalf of said <type of company>.

_____

Notary Public

My Commission Expires:

_____

Exhibit A

DEPICTION OF THE PREMISES

Exhibit B

AIRPORT RATES & CHARGES SCHEDULE

(Attached)

Exhibit C

AIRCRAFT OPERATIONS GUIDELINES

C1. Use of Airport. Lessee, Lessee's assigns, sublessees, or transferees who operate aircraft at the Airport and who are engaged in a private, government, or commercial aeronautical business or service and desire to use the Airport landing facilities for certain types of operations including, but not limited to: 1) taxiing and maneuvering on Airport runways, taxiways, ramps and aprons; 2) landings and approaches ("touch and go", "stop and go"); and 3) low approaches shall be subject to the provisions of this **Exhibit C.**

C2. Fees. As appropriate, Lessee shall pay Lessor fees as outlined below:

C2.1 *Landing Fee*: Lessee shall pay a landing fee at a rate equal to the amount reflected on the most current *Airport Rates and Charges Schedule* at the time of the aircraft operation, for each flight subject to a landing fee operated by or in conjunction with Lessee. The weight of any particular aircraft shall be its maximum certificated gross landing weight ("**MGLW**"). The amount owed to Lessor for each chargeable aircraft landing for each preceding calendar month shall be due and payable no later than the TWENTIETH (20th) day of the month succeeding the calendar month in which said aircraft landings took place. Lessee's written listing of all aircraft landings subject to such fee shall accompany said payment. Each entry in such listing shall include the date of the landing, the aircraft registration number, the type and model aircraft, the aircraft MGLW and the amount of the fee due.

C2.2 *Aircraft Ramp Space*. Lessee shall pay Lessor monthly, an aircraft-parking fee in an amount equal to that specified in the most current Airport Rates and Charges Schedule at the time of use, for each overnight aircraft parking position used by Lessee that is situated on Airport ramp outside the Premises. Such fees, if any, shall be payable to Lessor no later than the TWENTIETH (20th) day of the month following that in which Lessee occupied or used such space, and such payment shall be accompanied by a written listing of the aircraft (including registration number, make and model), dates and times of usage.

C2.3 *Other Space*. When available and specifically assigned to Lessee, Lessee shall pay Lessor monthly, in advance, a fee established in the *Airport Rates and Charges Schedule* for Lessee's non-exclusive use of other space not situated on or part of the Premises.

C2.4 *Additional Space/Services*. In the event that Lessee requires space or special services such as, but not limited to, aircraft line services, out-of-station ARFF standby, operations safety officers, ground service equipment, or fuel spills response teams, Lessee shall pay Lessor's standard fees for such services at the time the service is rendered, unless a secured account or agreement is established prior to requesting additional services.

C3. Books and Records. Lessee shall maintain for not less than THIRTY-SIX (36) months books, records and ledgers accurately reflecting the total number of monthly Aircraft landings for each aircraft subject to a landing fee and any other aforementioned fee indicating the make, type (including model designation), registration, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records or copies thereof shall be made available to Lessor upon Lessor's written request. In addition to monthly payment as set forth in Section C2 herein and together therewith, Lessee shall provide Lessor with a written report, indicating all aircraft operations and related information for the preceding calendar month.

C4. Disabled or Abandoned Aircraft. Should any aircraft owned or operated by Lessee through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, Lessee shall:

C4.1 Immediately remove said aircraft to such location as may be designated by Lessor, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

C4.2 In the event of any accident where federal investigation in place is required, promptly upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by Lessor.

C4.3 Should Lessee fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by Lessee be abandoned on the Airport, Lessor shall have the right to remove such aircraft by any means Lessor deems necessary under the circumstances, and Lessee shall indemnify, defend, keep and hold Lessor, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by Lessor by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. Lessee shall reimburse Lessor for any costs incurred by Lessor in removing and storing any aircraft, any property damage to the Airport caused by such aircraft or removal within TEN (10) business days of demand therefor.

C5. Aviation Fuel. Lessee, at Lessee's sole cost and expense, shall procure aviation fuel delivered to its aircraft on the Airport. If fueling or defueling aircraft owned or operated by Lessee, or under Lessee's direct control, Lessee shall comply fully with Lessor's *Aviation Fuel Storage, Dispensing and Handling Guidelines*.

C6. Fly Friendly Procedures. Lessee acknowledges receipt of Lessor's Fly Friendly noise abatement procedures, and shall provide such information to flight crews, post the information in the Lessee's flight planning area, and use the procedures to the extent possible, when consistent with safety and Air Traffic Control directives.

EXHIBIT D

AIRPORT MINIMUM STANDARDS
&
AIRPORT RULES AND REGULATIONS

(Attached)

EXHIBIT E

PROHIBITED USES

1. Outdoor activities or entertainment accessory to a day care center or a wedding or reception center
2. Any residential development including but not limited to a dwelling unit in conjunction with a primary use intended for occupancy by the proprietor, caretaker or night-watchman of the primary use; a Multiple residence development including apartments, condominiums, and townhouses; and single-family residential development.
3. Crematories
4. Construction yards
5. Wedding and reception centers
6. Fraternal organizations, service and social clubs, lodges, fraternities and sororities.
7. Nursing and convalescent homes, philanthropic and charitable institutions, residential and out-patient care and rehabilitation centers, hospices
8. Hospitals
9. Mortuaries
10. Self Storage
11. Outdoor display areas for the sale and rental of items characteristically not enclosed in a building, limited to the following:
    a. Plant nurseries
    b. Building materials such as lumber and masonry supplies
12. Amusement enterprises, such as miniature golf courses, water slides, driving ranges. Batting cages, and similar outdoor uses, but indoor facilities for such uses shall be permitted
13. Commercial automobile, recreational vehicle, and similar vehicular parking and storage lots and garages, as a primary use
14. Plasma centers, charity dining services, homeless shelters, day labor hiring centers, substance abuse detoxification and treatment centers, rescue missions, and similar social service uses
15. Pawn shops and tattoo parlors
16. Assisted living facilities
17. Car washes
18. Automobile service stations with or without accessory auto repair facilities
19. Swap meets, farmer's markets, and similar outdoor sales operations
20. Auto towing and impound yards
21. Animal hospitals, clinics, and boarding kennels
22. Churches

EXHIBIT F

WHEN RECORDED,
RETURN TO:

Kevin Morris
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE ("Memorandum"), is made and executed as of the ____ day of _____, 20_____ (the "Effective Date"), by and between **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY**, a joint powers airport authority authorized and existing under the laws of the State of Arizona ("**Landlord**"), whose mailing address is Phoenix-Mesa Gateway Airport Authority, Attn: Business Development Department, 5835 South Sossaman Road, Mesa, Arizona 85212, and _____ ("**Tenant**"), whose mailing address is _____.

RECITALS:

A. Landlord and Tenant entered into that certain Development Lease dated _____, 20_____ (the "Lease"), covering that certain real property legally described on Exhibit A attached hereto and incorporated herein by this reference (the "Leased Premises").

B. Landlord and Tenant have agreed to enter into this Memorandum for the purposes of providing record notice of the Lease, and to protect the rights and interests of Landlord and Tenant as to third parties. All capitalized terms not specifically defined herein shall have the meaning ascribed to such terms in the Lease.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Lease and Premises. Subject to the covenants and conditions contained in the Lease, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Leased Premises. Notice to the world is hereby given of the Lease and of the terms of the Lease.

2. Term. The term of the Lease commenced on _____, 20__, and expires on _____, unless earlier terminated pursuant to the terms of the Lease. [Additional language for a Development Lease of a non-aeronautical Development Parcel where Landlord and Tenant have agreed to a Renewal Term:] Subject to the terms of the Lease, Tenant has the right and option extend the term of the Lease for a period of FIFTEEN (15) years, in accordance with the terms of the Lease.

3. Conflict. This Memorandum is prepared for the purpose of constructive notice and in no way modifies the provisions of the Lease. In the event of any conflict or any inconsistency between the terms and provisions of the Lease and the terms and provisions of this Memorandum, the terms and provisions of the Lease shall control.

4. Successors and Assigns. This Memorandum shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

5. Counterparts. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties.

(*Signatures appear on the following page*.)

IN WITNESS WHEREOF, the parties hereto have duly executed this Memorandum as of the Effective Date set forth above.

LANDLORD:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, an Arizona joint powers airport authority

By:
J. Brian O'Neill, A.A.E.
Executive Director/CEO

STATE OF ARIZONA)
) ss.
County of Maricopa)

ACKNOWLEDGED before me this ___ day of _____, 20__, by J. Brian O'Neill, in his capacity as the Executive Director/CEO of the Phoenix-Mesa Gateway Airport Authority.

Notary Public

My Commission Expires:

TENANT:

_____

By:
<Signatory Name>, <Title>

STATE OF _____)
) ss.
County of _____)

ACKNOWLEDGED before me this ___ day of _____, 20__, by <Signatory Name>, in his capacity as <Title>, <Company Name>, a/an <State> <type of company>, for and on behalf of said <type of company>.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

LEGAL DESCRIPTION

[TO COME]

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: August 2024 Financials
Date: October 15, 2024

Attached is the monthly Financials Report for August 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
August, 2024

	Month of August 2024				Y-T-D as of August 2024			
	August FY24 Actual	August FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	26,812	41,966	15,154	57%	51,917	76,215	24,298	47%
Fuel Flowage Fees	56,744	44,264	(12,480)	-22%	123,225	102,123	(21,102)	-17%
Landing Fees	177,062	110,654	(66,408)	-38%	278,328	270,077	(8,251)	-3%
Lease Income Aero	318,655	319,257	602	0%	755,050	759,520	4,470	1%
Fuel Sales	542,495	648,742	106,247	20%	1,002,607	1,360,744	358,137	36%
Services Sold - Aero	455,818	339,993	(115,825)	-25%	1,117,290	885,623	(231,667)	-21%
Sub-total Aero Operating Revenues	1,577,586	1,504,876	(72,710)	-5%	3,328,417	3,454,302	125,886	4%
Non-Aeronautical Operating Revenues								
Concessions	91,603	93,457	1,854	2%	198,662	230,035	31,373	16%
Lease Income Non-Aero	108,377	114,152	5,775	5%	232,222	223,725	(8,497)	-4%
Parking	460,086	464,655	4,569	1%	1,056,223	1,147,725	91,502	9%
Rental Car Fees	126,187	157,833	31,646	25%	252,192	323,254	71,062	28%
Svcs Sold - Non Aero	21,131	14,531	(6,600)	-31%	22,876	20,706	(2,170)	-9%
Sub-total Non-Aero Operating Revenues	807,384	844,628	37,244	5%	1,762,175	1,945,445	183,269	10%
Total Operating Revenues	**2,384,970**	**2,349,504**	**(35,466)**	**-1%**	**5,090,592**	**5,399,747**	**309,155**	**6%**
Operating Expenses								
Cost of Goods Sold	360,719	424,152	(63,433)	-18%	653,980	869,548	(215,568)	-33%
Personnel	811,072	819,482	(8,410)	-1%	1,600,777	1,685,487	(84,710)	-5%
Comm & Utilities	138,695	128,581	10,114	7%	236,086	264,260	(28,174)	-12%
Contractual Services	581,215	606,676	(25,461)	-4%	1,112,490	1,196,079	(83,589)	-8%
Insurance	33,512	59,569	(26,057)	-78%	96,473	116,964	(20,491)	-21%
Other	15,723	24,671	(8,948)	-57%	48,890	60,136	(11,246)	-23%
Repair & Maintenance	39,917	45,694	(5,777)	-14%	91,332	79,948	11,384	12%
Supplies & Materials	68,722	68,101	621	1%	135,217	143,888	(8,672)	-6%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,049,575**	**2,176,926**	**(127,353)**	-6%	**3,975,245**	**4,416,310**	**(441,065)**	-11%
Operating Income (Loss) Before Depreciation	**335,395**	**172,578**	**(162,819)**	-49%	**1,115,347**	**983,437**	**(131,910)**	-12%
	14.1%	7.3%			21.9%	18.2%		
Depreciation		1,349,004				2,703,473		

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **October 15, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-001-RFQ	CMAR for In-Line Baggage Improvements	October 2024
Request for Proposals	2025-002-RFP	7,000 Gallon Aircraft Refueler	October 2024
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	March 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025	April 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $21,172.00
If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Notice of Meeting Cancellation

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the public that the Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors scheduled for Tuesday, November 19, 2024, has been cancelled.

The next Regular Meeting of the Phoenix-Mesa Gateway Airport Authority Board of Directors is scheduled for Tuesday, December 17, 2024 at 9:00 a.m. in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

DATED this 12th day of November, 2024.

I Misty Johnson, do hereby certify that I caused to be posted this 12th day of November, 2024, the Notice of Cancellation of the Tuesday, November 19, 2024 Phoenix-Mesa Gateway Airport Authority Board of Directors Meeting in the following places: 1) www.gatewayairport.com ; 2) Gateway Administration Building.

Misty Johnson, Clerk of the Board

NOTICE AND AGENDA OF MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Phoenix-Mesa Gateway Airport Authority and to the public that the Phoenix-Mesa Gateway Airport Authority will hold a meeting open to the public on **Tuesday, December 17, 2024 beginning at 9:00 a.m.** in the Board Room (Saguaro A & B) of the Gateway Administration Building, 5835 South Sossaman Road, Mesa, Arizona. Members of the Phoenix-Mesa Gateway Airport Authority may attend either in person or by audioconference. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03 (A)(3)&(4).

The agenda for the meeting is as follows:

1. **Call to Order** (Mayor Julia Wheatley, Chair)
   Members of the Phoenix-Mesa Gateway Airport Authority will attend either in person or via videoconference.

2. **Roll Call** (Mayor Julia Wheatley, Chair)

3. **Pledge of Allegiance**

4. **Call to the Public**
   Members of the Board may not discuss items that are not on the agenda. Therefore, action taken as a result of public comment will be limited to directing staff to study the matter or scheduling the matter for further consideration and decision at a later date. Maximum of three minutes per speaker.

5. **Airport and Authority Name Change Discussion** – City of Mesa Mayor John Giles

6. **Resolution No. 24-58 –** Authorizing changing the Airport Authority name to **Mesa Gateway Airport Authority** and changing the Airport name to **Mesa Gateway Airport**, effective December 17, 2024, and to authorize Airport staff to take the necessary steps towards implementing the name change, including preparation of the legal document amendments, rebranding with the new name, coordinating with state and federal aviation officials, and updating the name with industry and business organizations.

7. **Executive Director's Report** - J. Brian O'Neill, A.A.E., Executive Director/CEO

8. **Consent Agenda**

   a) **Minutes** of the Board Meeting held on **October 15, 2024**.

   b) **Resolution No. 24-59 –** Authorizing an amendment to the Board of Director's **Procurement Policy** 22-01.

   c) **Resolution No. 24-60 –** Authorizing the revised **Airport Rates and Charges** schedule with an effective date of January 1, 2025.

   d) **Resolution No. 24-61 –** Authorizing an Authorization of Services with **Kimley-Horn & Associates** (Kimley-Horn) for Design Services for the Airfield Electrical Upgrades Project, in an amount not to exceed $55,087.73 under CIP 1318.

e) **Resolution No. 24-62 –** Authorizing the Executive Director/CEO and/or delegate to negotiate and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with **Allegiant Air, LLC** for commercial air service at the Airport.

f) **Resolution No. 24-63 –** Authorizing an Authorization of Services with **Combs Construction Company, Inc. (Combs)** for Construction of the Vehicle Service Road, in an amount not to exceed $595,515 under CIP1322.

9. Board Member Comments/Announcements

10. Next Meeting: Tuesday, January 21, 2025 at 9:00 a.m.

11. Adjournment

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Misty Johnson at 480-988-7607 or mrjohnson@gatewayairport.com. Requests should be made as early as possible to allow time to arrange the accommodation.

Phoenix-Mesa Gateway Airport

- Allegiant Announces New Nonstop Service to Colorado Springs!
- PMGAA Board of Directors Participates in Airport Tour
- Runway 12R-30L Reconstruction (Phase I) Making Great Progress
- McCarthy Building Companies Wins Award for Gateway Airport Terminal Project
- Gulfstream's New West Coast Service Center Ramps Up Activity
- Mayors Peterson and Giles Finish Up Terms on PMGAA Board

Executive Director's Report
December 2024

Virgin Galactic's Manufacturing Facility to Open in First Quarter 2025

Financial Snapshot

OPERATING INCOME	October		Month Variance	FYTD Comparison		FYTD Variance
	2023	2024		FY24	FY25	
Revenues	$2,472,269	$2,861,751	**$389,482**	$9,860,770	$10,536,631	**$675,861**
Less Expenses	$2,220,453	$2,444,320	**$223,867**	$8,342,186	$9,112,651	**$770,465**
Operating Income *(Before Depreciation)*	**$251,816**	**$417,431**	**$165,615**	**$1,518,584**	**$1,423,980**	**($94,604)**

Investment Fund Balances: As of October, the Local Governmental Investment Pool (LGIP) 700 = $6,603,702; Wells Fargo; Collateralized Money Market = $5,492,619 and Commercial/Paper Brokered CD's = $57,209,698; Total $69,306,019. PMGAA invests in fixed rate instruments.

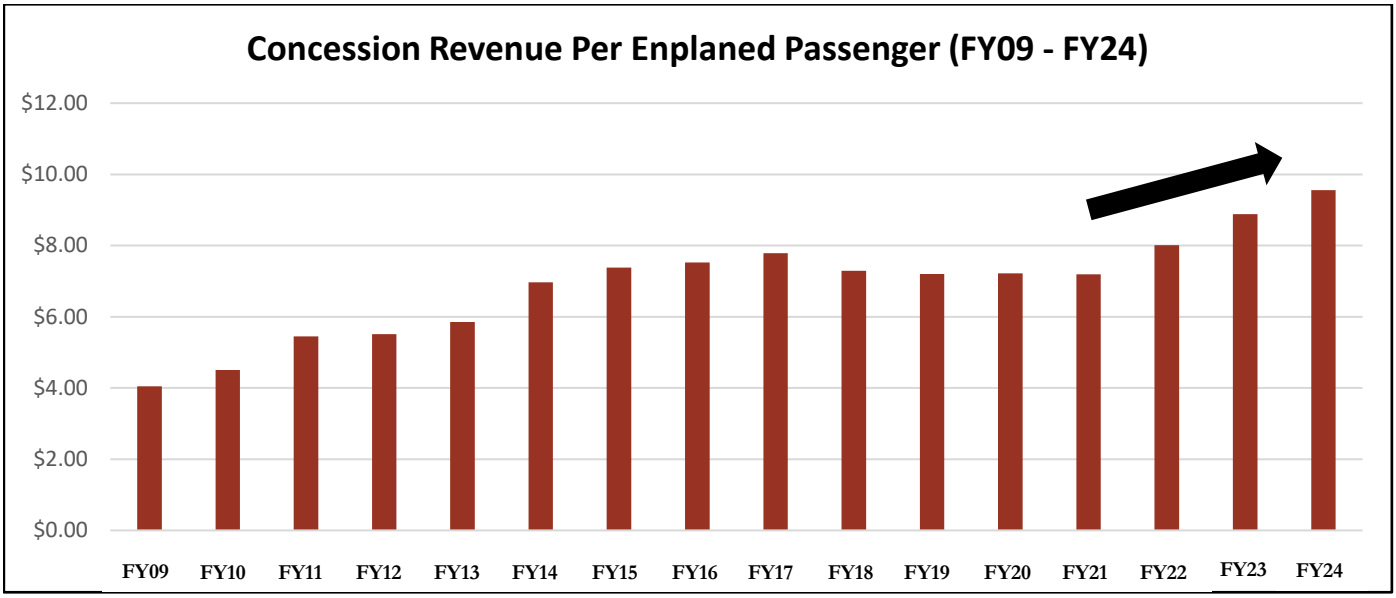
Finance and Accounting

Phoenix-Mesa Gateway Airport Authority (PMGAA) reported a net operating income of $417,431, an amount that is $165,615 more than PMGAA earned in October 2023. Aeronautical revenues increased by 21% on a year-over-year comparison for the month. This increase was generated by an increase in the quantities of fuel sold (28%), lease income (20%) and fuel hook-up fees (20%). October non-aeronautical revenues increased by 6%. Non-aeronautical lease income increased 13% and rental car fees increased by 46%.

Operating expenditures for October increased by 10% and totaled $2,444,320. The increase is attributed to increased personnel costs and increased utility costs and contractual costs associated with the new South Concourse.

Fiscal-year-to-date 2025 (FYTD25) operating expenditures are 5% under budget.

PMGAA staff is now working on the FY26 combined Operating and Capital Budget.



Concession revenue from food/beverage/retail concessions, customer vehicle parking, and rental cars has steadily increased as high-quality brands and more options come to Gateway Airport.

Active/Pending Solicitations

TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Development	March 2025

Future Solicitations

TYPE OF SOLICITATION	Number	Title	Scheduled for Release
Invitation to Bid	2025-005-IFB	Fire Tank Valves Replacement	December 2024
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	January 2025

Airport Operations

Allegiant Announces New Nonstop Service to Colorado Springs!

Pikes Peak, Colorado Springs, CO

Family Fishing Fun in Colorado Springs, CO

Beginning January 15, 2025, Allegiant will offer twice-weekly nonstop service from Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) to Colorado Springs, CO. The Colorado Springs area beckons all types of travelers, but if you're a nature lover and adventurer, you'll especially enjoy visiting Pikes Peak. Each year, visitors from around the world grab their hiking boots and cameras and explore natural sights like awe-inspiring Pikes Peak, Royal Gorge, Seven Falls, and Garden of the Gods.

If you're a culture hound, fun things to do include perusing funky art galleries in Manitou Springs, enjoying the Old West feel of Old Colorado City, or touring the impressive U.S. Air Force Academy. Family-friendly attractions include, but are not limited to, the Cheyenne Mountain Zoo and Cave of the Winds. If you're a sports enthusiast, stop by the state-of-the-art U.S. Olympic & Paralympic Training Center or the U.S. Olympic & Paralympic Museum and Hall of Fame – a must-visit for fans of the Olympic Games.

For more information and to book your trip to Colorado Springs, please visit www.allegiantair.com.

PASSENGER COUNTS		October		% Change	FYTD		% Change
		2023	2024		FY24	FY25	
Passengers	TOTAL	165,886	153,438	-8%	527,300	545,809	4%
	Deplaned	86,287	80,586	-7%	268,406	280,084	4%
	Enplaned	79,599	72,852	-8%	258,894	265,725	3%
Allegiant	Scheduled	162,712	148,302	-9%	523,665	539,894	3%
Sun Country	Scheduled	3,174	5,136	62%	3,635	5,915	63%

OPERATIONS	October		% Change	FYTD		% Change
	2023	2024		FY24	FY25	
Air Carrier	1,193	1,096	-8%	3,643	3,764	3%
Military	101	239	137%	552	508	-8%
General Aviation	28,015	28,914	3%	88,499	98,373	11%
TOTAL	**29,309**	**30,249**	**3%**	**92,694**	**102,645**	**11%**

Community Noise Report

CALLERS	October		FYTD	
	2023	2024	FY24	FY25
Total	13	7	35	25

AIRCRAFT TYPE	October		FYTD	
	2023	2024	FY24	FY25
	Callers	Callers	Callers	Callers
Commercial	5	3	23	11
GA Total	5	2	9	12
Helicopter	3	2	3	2
Military	0	0	0	0
Total	**13**	**7**	**35**	**25**

PMGAA received communications from a total of seven individuals regarding aircraft noise issues during the month of October 2024, compared to thirteen individuals last October.

LOCATION	October		FYTD	
	2023	2024	FY24	FY25
Mesa	3	2	11	6
Gilbert	6	5	14	13
Gold Canyon	0	0	0	0
Queen Creek	4	0	9	1
Queen Valley	0	0	1	3
Apache Junction	0	0	0	0
San Tan Valley	0	0	0	1
Chandler	0	0	0	0
Florence	0	0	0	1
Goodyear	0	0	0	0
Phoenix	0	0	0	0
Tempe	0	0	0	0
TOTAL	**13**	**7**	**35**	**25**

Gateway Aviation Services

Each month, Gateway Aviation Services, the Airport owned and operated fixed base operator (FBO) reports the number of gallons of fuel sold in a variety of categories. Highlights for October 2024 include a 46% increase in AvGas, a 91% increase in Retail Jet A, and a 12% increase in Contract fuel. For the month of October, Gateway Airport's FBO pumped more than 1.5 million gallons of aviation fuel, a three percent decrease compared to last October. YTD25, the Airport has pumped three percent more than the same time period last fiscal year.

FUEL (Gallons)	October			FYTD		
	2023	2024	% Change	FY24	FY25	% Change
AvGas	41,586	60,518	46%	137,022	198,803	45%
Retail Jet A	50,001	95,390	91%	212,934	316,560	49%
Contract	259,276	290,410	12%	1,356,232	1,040,608	-23%
Commercial	1,209,071	1,063,422	-12%	3,564,393	3,893,316	9%
Cargo	27,769	29,044	5%	41,519	34,384	-17%
TOTAL	**1,587,703**	**1,538,784**	**-3%**	**5,312,100**	**5,483,671**	**3%**

Business Development

Gulfstream's New West Coast Service Center Ramps Up Activity

Service Work Being Completed in Gulfstream's New Hangar

For the past several years, Gulfstream has been operating from two Gateway Airport hangar facilities totaling approximately 100,000 sq. ft. The global leader in executive jet manufacturing and service strategically wanted to be on-Airport to begin servicing regional customers, create a pipeline of skilled local mechanics, and keep a watchful eye over the construction of their new, 225,000 sq. ft. state-of-the-art West Coast Service Center.

Well, the new facility is now open and by all accounts it was certainly worth the wait! Boasting of enough hangar space to house more than a dozen Gulfstream aircraft and a three-story office tower that looks like the lobby of a five-star hotel, Gulfstream's impressive new facility stands tall on the east side of the airfield. Next time you are traveling on Ellsworth Road in Mesa, be sure to check out Gulfstream's new home at Gateway Airport.

Engineering, Planning, and Facilities

McCarthy Building Companies Wins Award for Gateway Airport Terminal Project

A big CONGRATULATIONS to everyone on the McCarthy Building Companies, Inc. Project Team for winning an award at the **ENR Southwest Regional Best Projects Awards Luncheon** for Gateway Airport's new five-gate 30,000 sq. ft. South Concourse. The McCarthy Team did a great job on the project and Airport customers are quite impressed with the Airport's new facilities.

The McCarthy Building Cos./PMGAA Team

Runway 12R-30L Reconstruction (Phase I) Making Great Progress

Demolished Concrete Being Removed from the Runway

Construction crews are hard at work removing and replacing 43,506 sq. yds of 16-inch concrete located on the south end of Runway 12R-30L as Phase I of the runway reconstruction project continues.

Thanks to an approximately $45MM grant from the Federal Aviation Administration (FAA), PMGAA will reconstruct a majority of its 10,400-ft inside runway. This important airfield infrastructure project will be completed over the next two years and is the single largest and most expensive construction project in the history of the Airport.

PMGAA would like to thank the FAA, the State of Arizona, and our Member Communities for their continued support of Gateway Airport.

PMGAA Team Member Spotlight

Employee Name: **Brent White**
Employee Title: **Economic Development and Real Estate Project Manager**
PMGAA Department: **Business Development**
Years with PMGAA: **5+ Years**

What are your job responsibilities for PMGAA? My primary responsibilities on the BDO team include driving revenue growth, overseeing concession programs, negotiating lease renewals, managing properties, and collaborating with other departments within PMGAA. My goal is to support and enhance the success of the Airport and its partners by identifying new opportunities, exploring re-use potential, facilitating capital improvements, implementing operational efficiencies, job growth, and fostering strong relationships. Additionally, I stay current with industry trends, analyze the financial performance of concessionaires, and provide strategic oversight to ensure continuous growth and optimization.

What is your most memorable Gateway Airport moment? Navigating the unforeseen challenges of COVID-19 was an experience like no other. Going from around 140,000 passengers to just 11,000 in a single month was nothing short of surreal. With so much uncertainty ahead, we found ourselves planning for dozens of possible outcomes. Yet, less than a year later, when the airport was setting new records for passenger traffic, it all felt almost unbelievable.

What is something people may not know about you? I had the privilege of being a guest aboard a KC-135 from the 161st Air Refueling Wing during an in-flight refueling operation. My dad and I were granted access to the boom pod, where we observed up close and right next to the operator's station as several F-16s were refueled mid-air. The pilots were so close I could almost read their name tags!

Communications and Government Relations

PMGAA Board of Directors Participates in Airport Tour

PMGAA Board Members on Airport Tour

As elected leaders of the five Member Communities that own Gateway Airport – Cities of Mesa and Apache Junction, Towns of Gilbert and Queen Creek, and the Gila River Indian Community – the PMGAA Board of Directors is busy setting the strategic vision for the Airport. It's not often they can all find time in their hectic schedules to actually tour the Airport and see the fruits of their labor firsthand.

In lieu of their November meeting, the PMGAA Board got together to tour all of the exciting private development projects currently underway at Gateway Airport. First stop, Gulfstream's new 225,000 sq. ft. West Coast Service Center. Then, it was on to XNRGY Climate Systems' new 275,000 sq. ft. manufacturing facility and U.S. Headquarters and the internal roadway system connecting parcels in the 273-acre Gateway East Master Development. Over on the west side of the Airport, the group stopped by the 360-acre SkyBridge Arizona Master Development to see two new 250,000 sq. ft. industrial buildings and approximately $25MM in roadways and infrastructure improvements before heading to Virgin Galactic's new 115,000 sq. ft. spaceship manufacturing facility and 38,000 sq. ft. hangar to house the "mothership."

PMGAA would like to thank Chairwoman Wheatley, Lt. Governor Antone, Mayor Giles, Mayor Peterson, and Mayor Wilson for their leadership, guidance, and support. We hope they took great pride in what they saw during the Airport tour.

MINUTES OF THE PUBLIC MEETING OF THE
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
BOARD OF DIRECTORS | October 15, 2024

A public meeting of the Phoenix-Mesa Gateway Airport Authority (PMGAA, Authority) was convened on Tuesday, October 15, 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 *(via audio conference)*
Lt. Governor Regina Antone, Gila River Indian Community
Mayor John Giles, Mesa
Mayor Brigette 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
Jean Dietrich, Signing Director CliftonLarsonAllen

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

2. **Roll Call**

3. **Pledge of Allegiance**

4. **Motion to convene into Executive Session**
   a) Pursuant to A.R.S. § 38-431-03 (A)(1), the Board of Directors may convene into executive session for the purpose of discussion and consideration regarding the Executive Director/CEO's annual review.

   Mayor Brigette Peterson moved to convene into Executive Session.
   Mayor John Giles seconded the motion.
   The motion was carried unanimously.

5. **Motion to reconvene from Executive Session to Regular Session (9:36 a.m.)**

   Mayor Chip Wilson moved to reconvene the PMGAA Board of Directors meeting.
   Mayor Brigette Peterson seconded the motion.
   The motion was carried unanimously.

6. **Call to the Public**
   There were no public comments.

7. **Executive Director's Report** – J. Brian O'Neill, A.A.E., Executive Director/CEO
   Executive Director O'Neill provided a briefing on various Airport projects.

   - Allegiant's Airports Conference was held October 1st and 2nd in Las Vegas. It was attended by Executive Director O'Neill and Lori Collins, Director of Business and Economic Development.
   - 2024 Take-Off North America Air Service Conference will be held October 22nd – 24th in Green Bay, WI. Executive Director O'Neill is scheduled to meet with representatives from five airlines.

DRAFT

- 2024 NBAA-BACE Expo will be held October 22nd – 24th in Las Vegas. Representatives from the Authority's Business Development Team will be in attendance.
- In September, a Congressional Delegation/FAA visit to Washington, DC was attended by Executive Director O'Neill and Ryan Smith, Director of Communications and Government Relations. They were joined by City of Mesa Mayor John Giles and City of Mesa Assistant City Manager Scott Butler. The purpose of the visit was to discuss the FAA Reauthorization Air Traffic Control Tower Staffing Pilot Program. This program was developed to convert contract air traffic control towers into FAA towers in order to provide more stability in the controller staffing model.
- On September 18th two certified therapy alpacas visited Phoenix-Mesa Gateway Airport. The theme of the day's event was Alpaca Your Bags and Get Away to One of Allegiant's 45 Nonstop Destinations from Gateway Airport. The alpaca story was picked up on September 19th by the national news.
- The exteriors of the Virgin Galactic Hangar and Manufacturing Facility are complete. A VIP tour and ribbon-cutting event is planned for this later this year. Assembly of Delta spaceships will begin in Q1 2025. The spaceships will be transported to New Mexico by the mothership for their space tourism launch activities.
- Gulfstream Aerospace began receiving the first aircraft to their new West Coast Service Center yesterday. This state-of-the-art facility is scheduling its Grand Opening and ribbon-cutting event for Q1 2025.
- SkyBridge Arizona is a 360-acre master development project offering both aeronautical and non-aeronautical private development opportunities. SkyBridge 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.
- Gateway East is a 273-acre, mixed-use, non-aeronautical master development opportunity located on the east side of the Airport. Construction of a 275,000 sq. ft. manufacturing facility for XNRGY Climate Systems is currently underway. The horizontal infrastructure – roadways, utilities, and landscaping - is progressing. Gateway Boulevard and Aviation Way are now open.
- 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 site prep work is underway with construction scheduled for completion in the next twelve to eighteen months.
- PMGAA is updating the front entrance to the Airport at the intersection of Ray and Sossaman Roads. The project will begin with the removal of the existing monument and sculptures on the east and west sides of Sossaman Road in November. Then, a new monument sign, landscaping, irrigation, and lighting will be constructed.
- Several airport-owned buildings that have reached the end of their useful life have been removed. The demolition project created a new aeronautical development opportunity at the south end of the Airport. In September, PMGAA issued a Request for Qualifications (RFQ) for the eight-to-ten-acre aeronautical redevelopment. A pre-submittal meeting scheduled for today.
- The center runway, Runway 12C-30C was milled, overlaid and had the older runway lighting replaced with new LED lights. This project was completed last week. Funding for this nearly $4MM project comes from an FAA BIL AIG grant. The Airport has two other 10,000-foot runways that allow for normal operations during these maintenance/improvement projects.

- Thanks to continued strong support from the FAA, the substantial reconstruction of Runway 12R-30L will be completed in the next two years. Phase I began in October 2024. Once the southern portion is completed, Phase II, the northern half of Runway 12R-30L, will be reconstructed. This important infrastructure project totals approximately $45MM.
- Taxiway Whiskey is being repaired in front of the commercial passenger terminal. By the end of November, all impacted concrete on Taxiway Whiskey will be removed and replaced. This important airfield improvement and maintenance project is made possible thanks to the FAA and the State of Arizona.

8. **FY24 Audited Financials Report** – Jean Dietrich, Signing Director, CliftonLarsonAllen, LLP

Ms. Dietrich provided a brief overview of the Fiscal Year 2024 Audited Financials, resulting in the issuance of an unmodified (clean) opinion for the Phoenix-Mesa Gateway Airport Authority. No findings were reported.

9. **Consent Agenda**

a) **Minutes** of the Board Meeting held on **August 20, 2024**.

b) **Resolution No. 24-50 –** Approving a tenth amendment to the **Executive Director's** employment agreement effective October 1, 2024.

c) **Resolution No. 24-51 –** Authorizing a purchase with **CDW Government LLC (CDW)** for annual Microsoft licensing renewals, in an amount not to exceed $57,222.13.

d) **Resolution No. 24-52 –** Authorizing Phoenix-Mesa Gateway Airport Authority's (PMGAA's) insurance broker, **USI Insurance Services LLC**, to purchase benefit plans (medical, dental, vision, basic life/accidental death & dismemberment, and short-term disability) from various carriers. This consists of a 12-month renewal January 1, 2025 through December 31, 2025 with an estimated plan cost of $1,296,557.

e) **Resolution No. 24-53 –** Authorizing an increase in spending for Air Service Development Consulting Services with **Mead & Hunt, Inc. (Mead & Hunt)**, in an amount not-to-exceed $90,000 for the remainder of the contract for a total not-to-exceed amount of $140,000**.**

f) **Resolution No. 24-54 –** Authorizing the purchase of one new 7,000-gallon aircraft refueler from **SkyMark Refuelers, LLC (SkyMark)** in an amount not to exceed $373,961.40.

g) **Resolution No. 24-55 –** Authorizing a contract for the Roof Coating Phase 2 Project with **Jim Brown and Sons Roofing Co., Inc., dba JBS Roofing (JBS),** to complete roof repairs and recoating on a number of PMGAA owned facilities, in an amount not to exceed $175,983.49 under CIP1262.

h) **Resolution No. 24-56 –** Authorizing the Executive Director/CEO and/or delegate to negotiate, and for the Executive Director/CEO to execute a Facility Lease with **Top Aces Corp**. for the property located at 6229 South Sossaman Road, Mesa, AZ 85212 with an Effective Date of November 1, 2024. The Term for this agreement is two (2) years, terminating on October 31, 2026, with three (3), one-year (1) options to renew; with an Initial Term Lease Rate of $332,835 annually.

Mayor Brigette Peterson moved to approve the Consent Agenda.
Mayor Chip Wilson seconded the motion.
The motion was carried unanimously.

Consideration and Approval of:

10. **Resolution No. 24-57 –** Authorizing the Fifth Amendment to the Master Development Agreement with **Mesa SkyBridge, LLC** to modify infrastructure and development phasing and to authorize an Amendment to the Master Lease with Mesa SkyBridge, LLC to establish a flat percentage annual increase in base rent instead of triennial CPI adjustments and updated the Development Lease template.

    Mayor Brigette Peterson moved to approve Resolution No. 24-57.
    Mayor John Giles seconded the motion.
    The motion was carried unanimously.

11. **Board Member Comments/Announcements.**
    None.

12. **Next Meeting: Tuesday, November 19, 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.

13. **Adjournment.**
    The meeting adjourned at 10:00 a.m.

Dated this _____ day of _____ 20___.

_____
Misty Johnson, Clerk of the Board

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-58

To:	**Board of Directors**
From:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Removal of Phoenix from the Airport and Authority Name**
Date:	**December 17, 2024**

Proposed Motion

To authorize changing the Airport Authority name to Mesa Gateway Airport Authority and changing the Airport name to Mesa Gateway Airport, effective December 17, 2024, and to authorize Airport staff to take the necessary steps towards implementing the name change, including preparation of the legal document amendments, rebranding with the new name, coordinating with state and federal aviation officials, and updating the name with industry and business organizations.

Narrative

After more than seventeen years as an owner of the Airport, the City of Phoenix determined that the financial resources and aviation management experience it provided to the Airport Authority during the early stages of the Airport's development were no longer needed. Following the voluntary withdrawal by the City of Phoenix as an owner of the Airport, the Airport Authority Board of Directors believes this is the right time to remove Phoenix from the name of the Authority and the Airport.

The 2006 Amended and Restated Intergovernmental Agreement, as amended, the 2014 Phoenix-Mesa Gateway Airport Authority Amended and Restated Joint Powers Airport Authority Agreement, and the Phoenix-Mesa Gateway Airport Authority Bylaws will be formally amended following preparation, member review, and Board approval of the legal documents.

Fiscal Impact

The costs associated with preparation of the legal documents and associated filing or recording fees; rebranding (including on printed materials, website, signage, equipment, and uniforms); and coordinating with federal and state officials on the airport name change are yet to be determined.

RESOLUTION NO. 24-58

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize changing the Airport Authority name to Mesa Gateway Airport Authority and changing the Airport name to Mesa Gateway Airport, effective December 17, 2024, and to authorize Airport staff to take the necessary steps towards implementing the name change, including preparation of the legal document amendments, rebranding with the new name, coordinating with state and federal aviation officials, and updating the name with industry and business organizations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes changing the Airport Authority name to Mesa Gateway Airport Authority and changing the Airport name to Mesa Gateway Airport, effective December 17, 2024, and hereby authorizes Airport staff to take the necessary steps towards implementing the name change, including preparation of the legal document amendments, rebranding with the new name, coordinating with state and federal aviation officials, and updating the name with industry and business organizations. This resolution also authorizes the Chair or Executive Director/CEO to make such additional actions as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-59

To:	**Board of Directors**
From:	**Chuck Odom, Chief Financial Officer**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Amended Procurement Policy**
Date:	**December 17, 2024**

Proposed Motion
To authorize an amendment to the Board of Director's Procurement Policy 22-01.

Narrative
As a recipient of Federal funds, Phoenix-Mesa Gateway Airport Authority (PMGAA) must adhere to certain procurement regulations, including 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These regulations establish procurement dollar thresholds as well as guidelines for overall procurement transactions that must be followed by nonfederal entities when utilizing federal funds.

Recently, the Federal government revised sections within 2 CFR Part 200. Compliance by PMGAA is mandatory. In the event that the Federal rules are less restrictive than PMGAA's own procurement rules, PMGAA must adhere to its own rules. In addition to the required revisions, PMGAA has updated, reorganized and made general housekeeping updates.

Fiscal Impact
There is no financial impact to the Procurement Policy.

Attachment(s)
Amended Procurement Policy

RESOLUTION NO. 24-59

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an amendment to the Board of Director's Procurement Policy 22-01;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorize an amendment to the Board of Director's Procurement Policy 22-01. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Resolution No.: ~~22-01~~ | Procurement	
Responsible Department: Finance and Accounting	
Effective Date: ~~February 16, 2022~~December 17, 2024	**Supersedes:** ~~June 18, 2019~~February 16, 2022 (Res. ~~19-27~~22-01)
Personnel Covered: All Employees	

POLICY STATEMENT

It is the policy of the Phoenix-Mesa Gateway Airport Authority ("PMGAA"~~ or "Authority"~~) to purchase goods and services in such a manner that promotes fiscal responsibility and efficiency, in accordance with this policy's terms and conditions.

PURPOSE

This policy's purposes are to obtain competitive pricing in PMGAA procurements, to authorize exceptions in specific situations, and to provide reasonable controls and accountability to PMGAA's Board of Directors.

DEFINITIONS

A.R.S.: Arizona Revised Statutes, as amended from time to time.

A/E (Architect or Engineer) Professional Services: Services performed by a registered professional licensed by the Arizona State Board of Technical Registration ~~architect or engineer, including architectural, engineering, or other services~~ associated with research, planning, development, design, construction, surveying, alteration, or repair of buildings and other improvements to real property as well as such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform.

Alternative Project Delivery Method: These methods contemplate that the contractor will be selected based on qualifications—not low bid. Alternative methods include design-build, construction manager at risk (CMAR), job order contracting (JOC) and any other method as may be contemplated or required by federal funding.

Award: A determination by PMGAA to enter into a contract with one or more ~~respondents~~Offerors. An award precedes execution of a contract.

Bid: The response submitted by an Offeror ~~bidder~~ to an Invitation for Bid.

~~**Bidder:** A person or company submitting a bid.~~

Board of Directors/Board: The members who jointly oversee the activities of PMGAA, a joint powers airport authority. ~~The Authority~~PMGAA is comprised of the Cities of Mesa~~, Phoenix,~~ and Apache Junction, Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

~~**Capital Improvements:** A new building or structure, or additions to or alterations of existing buildings or structures, or other improvements to real property as further defined in the budget or capital improvement program policy.~~

Competitive Procurement: The process of publicly soliciting bids, ~~or~~ proposals, or statements of qualifications to select the best ~~provider~~ Offeror of ~~materials, equipment,~~goods and services.~~, concessions, or construction.~~ Methods of competitive selection include ~~Request for Quotations,~~ Request for Proposals (RFP), Invitation for Bids (IFB), Requests for Qualifications (RFQ), and cooperative contracts (with other agencies) that were competitively procured one of these ways.

Competitive Bidding: The process of soliciting bids from ~~bidders~~Offerors, which ~~may~~ will result in an award to the lowest responsive bid and responsible~~, responsive~~ ~~bidder~~Offeror. For purposes of this policy, either PMGAA or a cooperating agency may conduct competitive bidding.

Contract: All types of written agreements, regardless of what they may be called, for the procurement of ~~materials, equipment,~~goods and services~~, concessions, or construction~~. ~~The Authority~~PMGAA shall never enter into an oral contract.

Cooperative Purchasing: A competitively bid procurement conducted by, or on behalf of, or utilized by another governmental agency or procurement unit.

Emergency Purchase: Any purchase necessary for the immediate benefit of the public health, safety, or welfare and for which compliance with established procurement procedures is impracticable or contrary to the public interest.

Evaluation Panel: The members that review, evaluate, and score submittals received in response to an RFP or RFQ issued by PMGAA. The number of members on the panel shall always be an odd number.

Executive Director/CEO: The Chief Executive Officer of the Airport reporting to PMGAA's Board of Directors. The Executive Director/CEO has responsibility to manage, operate, and maintain Phoenix-Mesa Gateway Airport.

Executive Team: The following staff members of ~~the Airport~~PMGAA – Executive Director/CEO, Deputy Director, and Chief Financial Officer.

General Services: By contrast to professional services, general services are provided primarily through semi-skilled labor.

IFB: Invitation for Bid. The IFB consists of all documents, including those attached to or incorporated by reference.~~,~~ utilized for soliciting bids where award may be made to the lowest responsive bid and responsible Offeror.~~price is the sole consideration for the award.~~

Interested Person: A person that is an actual or prospective ~~bidder or proposer~~Offeror with a direct economic interest affected by the award or failure to award the contract at issue. Neither a subcontractor nor a supplier is an "interested person."

Intergovernmental Agreement: An agreement with another public agency in accordance with A.R.S. 11-952.

Micro-purchase: The purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold as set by the Federal Acquisition Regulation at 48 CFR, including any exceptions thereto, as applicable to PMGAA.

Offeror: A person or company furnishing goods or services who provides a quote, bid, proposal or statement of qualifications.

PMGAA: Phoenix-Mesa Gateway Airport Authority.

Procurement Officer: The PMGAA employee with specific responsibility for overseeing procurement of ~~materials,~~ goods~~,~~ and services valued over $~~5,000~~10,000.

Professional Services: Professional services, other than A/E Professional Services, are rendered by members of a recognized profession or by persons possessing a special skill. These services include advertising, appraisers, ~~architects,~~ attorneys, consultants, certified public accountants, planners, environmental studies, financial and operational audits, personnel and benefits studies, ~~land surveyors, landscape architects, renewals of proprietary computer hardware and software licensing,~~ trainers, and other ~~licensed~~ professionals.

Proposal: A proposal is an offer submitted by an Offeror ~~vendor~~ in response to a solicitation.

Protest: A formal objection that arises during the procurement process asserted by an interested person.

Protester: An interested person that objects to a solicitation or award.

Publicly Accessible Procurement Source: A public source to establish market value of used ~~equipment~~goods.

Purchaser: PMGAA or another agency that acquires goods, professional services, other services, or construction on behalf of an organization.

Purchasing Director: ~~A~~The PMGAA employee responsible for and authorized to administer day-to-day procurement activities under this Board Policy and applicable law.

Quote: An informal purchasing process that results in obtaining pricing information from ~~several~~ a source~~s~~, including publicly posted or advertised pricing.

Quotation: A statement of price, terms of sale, and description of goods or services offered by an Offeror ~~vendor~~ to a prospective purchaser.

Responsible ~~Bidder/Proposer~~Offeror: A person or company who is licensed (if required), who complies with all of the requirements of law, the solicitation, and proposed contract, and who possesses the experience, resources, financial and technical capacity, and everything else necessary to perform the contract.

Responsive Bid/Proposal: A bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements.

RFP: Request for Proposals. The RFP consists of all documents, including those attached or incorporated by reference, utilized for soliciting proposals.

RFQ: Request for Qualifications. The RFQ consists of all documents, including those attached to or incorporated by reference, utilized for soliciting statements of qualifications.

Services: Includes A/E, professional, and general services.

Solicitation: An Invitation for Bid (IFB), Request for Proposals (RFP) or Request for Qualifications (RFQ) issued by PMGAA or another agency or procurement unit.

Submittal: A Bid, Proposal, or Statement of Qualifications submitted to PMGAA in response to an IFB, RFP or RFQ issued by PMGAA.

~~**Vendor:** A seller or supplier of goods and services.~~

I. CONFLICT OF INTEREST STATEMENT

Employees conducting business on behalf of PMGAA have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit PMGAA. The following policies apply:

1. No employee, officer, agent, Board member or outside firm may participate in the preparation, selection, award, or administration of a solicitation or contract if he or she has a real or perceived conflict of interest.

2. Such a conflict of interest would arise when the employee, officer, ~~or~~ agent or Board member, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an ~~firm~~ entity considered for a contract.

3. The acceptance of gifts, money, or gratuities from any person or organization is prohibited except as provided below. PMGAA employees, officers, ~~or~~ agents and Board members will be guided in interpretation of this ~~s~~Section by the distinction between a gift, gratuity, or favor given or received which has significant monetary value and is offered or accepted in expectation of preferential treatment, and an expression of courtesy.

   a. Employees, officers, ~~or~~ agents, or Board members may not accept cash in any form.

   b. It is recognized that employees, officers, ~~and~~ agents, and Board members must conduct a certain amount of Airport business with non-Airport employees during meals, or occasionally during entertainment events. An employee, officer, ~~or~~ agent, or Board member may accept items valued at or below $50.00, such as business meals and/or entertainment tickets when, in the employee's, officer's, ~~or~~ agent's or Board member's judgment, such offers are made in the normal course of Airport business, they benefit and advance positive working relationships and PMGAA interests, they are the usual standard of the industry, and it is not appropriate to decline.

   ~~b.~~c. If an employee, officer, agent, or Board member is invited to participate in an event or activity that exceeds the established $50.00 threshold, but the opportunity is determined to be in the normal course of Airport business and advances the goals of the organization, the employee shall use their best

judgement in accepting the offer. However, no employee shall participate in such activities with a company that is actively involved with an open PMGAA procurement.

~~c.~~d. This policy is not meant to preclude the acceptance of:

(1.) Free attendance or participation at official or quasi-official functions such as groundbreaking, open houses, award ceremonies, banquets or similar events which the employee, officer, ~~or~~ agent or Board member attends in the capacity as a PMGAA employee; or

(2.) Free meals and/or entertainment that are part of such programs or functions;

(3.) Gifts of nominal value such as promotional items such as calendars, note pads, and pens.

4. Any contract entered into in violation of this policy is voidable or subject to cancellation at the option of the Purchasing Director. Employees, officers~~, and~~ agents and Board members who violate PMGAA's conflict of interest policy will be subject to disciplinary action, as set forth in PMGAA's Personnel Rules.

5. If an employee, officer~~, or~~ agent or Board member has any questions concerning this policy or is in doubt as to what is considered appropriate, he/she is directed to contact PMGAA's Procurement Officer.

II. RESPONSIBILITY FOR PURCHASING

A. PMGAA's Chief Financial Officer shall serve as Purchasing Director. The Purchasing Director shall direct all purchases of goods and services made by or on behalf of PMGAA. The Purchasing Director may delegate purchasing functions to authorized PMGAA employees.

B. Department Directors must ensure that their employees comply with this policy.

C. The Purchasing Director shall establish procedures necessary to effectively implement this policy.

D. Under the Purchasing Director's oversight, the Accounting Department shall maintain documentation sufficient to detail the history of each procurement~~s~~ transaction for audit purposes, ~~and for~~ compliance with §§ 200.318 (i), and

records-retention requirements. All procurement records must be maintained and disposed of in accordance with PMGAA's records-retention schedule.

E. PMGAA, alone, will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of its procurement~~s~~ transactions. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve PMGAA of any contractual responsibilities under its contracts.

For Federal procurements, the ~~Federal~~ awarding agency will not substitute its judgment for that of PMGAA unless the matter is primarily a Federal concern. PMGAA will report violations of law~~Violations of law will be referred~~ to the local, state, or Federal authority ~~having~~ with proper jurisdiction.

III. GENERAL

A. PMGAA shall award contracts only to responsible ~~vendors~~ Offerors ~~possessing~~ that possess the ability to perform successfully under the terms and conditions of a proposed procurement. ~~Consideration will be given to such matters as~~PMGAA will consider ~~vendor~~ Offeror integrity, ~~compliance with~~ public policy, ~~record of~~ past performance record, ~~and~~ financial and technical resources and, for federal procurements, compliance and proper classification of employees (see the Fair Labor Standards Act, 29 U.S.C. 201, chapter 8), when conducting a procurement transaction. Solicitation documents shall outline additional requirements for award considered by PMGAA.

B. PMGAA will conduct all procurement transactions in a manner providing full and open competition and that is consistent with the standards of this policy.

For procurements funded in full or in part by a Federal agency:

1. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids ~~or requests for proposals shall~~ will be excluded from competing ~~for such~~ on those procurements.

2. PMGAA shall ensure, to the fullest extent possible, enough qualified sources are notified of the procurement opportunity to ensure maximum open and free

competition. PMGAA shall not preclude potential ~~bidders~~ Offerors from qualifying during the solicitation period.

3. ~~PMGAA shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.~~ PMGAA may use a noncompetitive procurement method if one of the following circumstances applies:

   a. The aggregate amount of the procurement transaction does not exceed the micro-purchase threshold defined in 48 CFR **§** 200.1

   b. The procurement transaction can only be fulfilled by a single source;

   c. The public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;

   d. PMGAA requests in writing to use a noncompetitive procurement method and the Federal agency or pass-through entity provides written approval; or

   e. After soliciting several sources, competition is determined inadequate.

4. Nothing in this ~~s~~Section preempts state licensing laws.

~~5. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.~~

5. PMGAA will maintain a list, to the extent possible, of interested persons, firms or products which are used in acquiring goods and services. Such list shall be kept current, to the extent possible, and include enough qualified sources to ensure maximum open and free competition.

6. When possible, PMGAA shall ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below: 1) these business types are included on solicitation lists; 2) these business types are solicited whenever they are deemed eligible as potential sources; 3) dividing procurement transactions into separate procurements to permit

maximum participation by these business types; 4) establishing delivery schedules that encourage participation by these business types; 5) utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and 6) requiring a contractor to apply this Section to subcontracts.

7. For those federal procurements not covered under the FAA's Airport Improvement Program Projects Contract Provision Guidelines , PMGAA shall to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). This requirement will be included in all subawards, contracts, and purchase orders under the federal award.

~~6.~~8. For procurement transactions of items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000, PMGAA will procure items that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

C. PMGAA will avoid the acquisition of unnecessary or duplicative items by ensuring the need and use of goods and services. Staff will review existing procurement contracts to ensure that the procurement will not be duplicative. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase, however, will not circumvent the requirement of Section V (A)(1) of this policy. ~~Where~~ When appropriate, an analysis ~~will~~ shall be made ~~of lease versus purchase alternatives, and any other appropriate analysis~~ between leasing and purchasing property or goods to determine the most economical approach.

~~D. In accordance with Title 49 Code of Federal Regulations Part 26, Disadvantaged Business Enterprise (DBE) and Part 23, Airport Concession DBEs (ACDBE), PMGAA has established a DBE and ACDBE program, approved by the FAA, taking all necessary affirmative steps to assure that minority businesses, women and small business concerns (SBC) have equal and fair opportunity to participate in procurements where they meet the stated requirements and goals established.~~

~~E. PMGAA encourages the use of recovered materials. For procurements funded in full or in part by a Federal agency for items designated in the guidelines of the~~

~~Environmental Protection Agency (EPA) at 40 CFR Part 247 and where the item being procured exceeds the threshold set at 2 CFR Part §200.322, PMGAA will procure that item from recovered materials, when possible or practicable, consistent with maintaining a satisfactory level of competition. Further, PMGAA will follow this policy when the value of the quantity acquired during the preceding fiscal year exceeded the dollar threshold set. At the time of publication of this Policy, the threshold is $10,000.~~

~~F.~~D. ~~P~~MGAA's solicitation documents and contracts shall contain the required provisions as set forth in the FAA's "Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects", regardless of funding source.

IV. PURCHASING AUTHORIZATIONS

The Executive Director/CEO will delegate purchasing authorizations, including spending limits for credit cards, purchase orders, and check requests, to designated PMGAA staff at the beginning of each fiscal year.~~, as required by current PMGAA Operating Policies and Procedures.~~

Once designated by the Executive Director/CEO, defined staff will be authorized ~~for that fiscal year~~ to approve purchasing commitments with PMGAA ~~vendors~~ Offerors at the spending limits set forth by the Executive Director/CEO. Spending limits will be set, and may be revised through written authorization, to meet the typical needs associated with certain airport requirements, staff functions, and staff responsibilities.

Except as provided in this policy, purchases or contracts that exceed $50,000 may not be awarded without the Board's prior approval.

V. TYPES OF PURCHASES

A. General Applicability

1. Purchases may not be intentionally divided between multiple, separate procurements to circumvent this policy's requirements.

2. No purchase may be made without proper authorization.

3. All purchases made with a PMGAA issued credit card must be for business-related expenses only. Personal expenses are not allowed.

a. Purchases with credit cards must comply with the terms outlined in this Policy.

b. Any purchases related to monthly or annual subscriptions (which may include software, services, or memberships) require prior approval from the PMGAA Director of Finance. This ensures that the subscriptions align with business needs, budgeting, and information technology requirements.

~~3.~~4. PMGAA shall ensure compliance with all laws, regulations, and grant assurances, as applicable, for any procurement.

~~4.~~5. If, after adequate advertising of a solicitation, only one bid, proposal or statement of qualifications is received, the Purchasing Director or designee will:

a. Confirm that the specifications of the IFB, RFP or RFQ were not overly restrictive. If deemed nonrestrictive, the Purchasing Director or designee shall perform a cost or price analysis to ensure the pricing received is in line with expected services and, if in line, proceed to award the contract following the guidelines set forth in this Policy.

If the solicitation is deemed restrictive, the department requesting the procurement must submit a sole source justification to the Purchasing Director for consideration before contract award.

OR

b. Cancel the solicitation.

The procurement file shall be documented with sufficient information detailing the procurement history.

5. If, after adequate advertising of a solicitation, no bid, proposal or statement of qualifications is received, the department requesting the goods or services may obtain a single quote or proposal, ensuring PMGAA receives the best value.

B. Federally Funded Procurements

PMGAA shall not award any federally funded contracts, nor procure any goods or services under a federal award, from any ~~vendor~~Offeror and/or its principals that are listed on the government-wide exclusions or debarment listing in the System for Award Management (SAM).

Any procurement funded in full or in part by a Federal agency will adhere to the following purchasing methods:

1. Purchases under the Micro-purchase threshold. Except as required by applicable law, ~~so long as the micro-purchase threshold exceeds $5,000,~~ purchases ~~under~~that do not exceed the micro-purchase threshold of $10,000 shall be purchased in accordance with the procedures set forth in Section V (C) (1).

2. Purchases ~~between~~ exceeding the Micro-purchase threshold and up to $50,000. Unless otherwise outlined within this Policy, for purchases of goods and services~~, supplies, or other property~~ that ~~is equal to or~~ will exceed the Micro-purchase threshold but does not exceed $50,000, the authorized employee will obtain at least three price or rate quotes from qualified sources for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available. Section III (B) (3) shall be applicable and the~~ The~~ employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of $50,000. For purchases of goods and services that will exceed $50,000, the Purchasing Director shall require a ~~formal c~~Competitive ~~p~~Procurement process, except as otherwise provided in this Policy.

~~4. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. PMGAA may only use this procurement method when one or more of the following circumstances apply:~~

~~a. The item is available only from a single source;~~

~~b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;~~

~~c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from PMGAA; or~~

~~d. After solicitation from a number of sources, competition is determined inadequate.~~

4. Procurement of A/E Professional Services. For procurements less than $100,000, PMGAA shall procure these services on a qualifications-based criterion and negotiate fees, for a fair and reasonable price, after selection. PMGAA shall obtain qualifications from a minimum of three Offerors prior to selecting an Offeror. PMGAA shall consult with FAA Airport personnel prior, to ensure that the circumstances justify this type of procurement method. For procurements of $100,000 and above, the Purchasing Director shall require the competitive selection process of an RFQ.In the event the cost of services exceeds $50,000, Board approval will be required prior to executing a contract.

5. Procurement of Professional Services (not including A/E Professional Services). For procurements under the Simplified Acquisition Threshold (SAT), set at 2 CFR Part 2, Subpart 2.1, which is currently set at $250,000, PMGAA shall obtain an adequate number of price quotes for the same or substantially similar services. For procurements over the SAT, the Purchasing Director shall require a Competitive Procurement process, however, ~~For procurements of services other than A/E services and Alternative Project Delivery Methods,~~ PMGAA shall not use the competitive selection process of an ~~Request for Qualifications (~~RFQ~~)~~. In the event the cost of services exceeds $50,000, Board approval will be required prior to executing a contract.

C. Non-Federally Funded Procurements: Purchases of ~~Products, Materials, Equipment,~~goods and General Services

1. Purchases ~~under~~ up to$~~5~~10,000. For purchases ~~under~~ up to $~~5~~10,000, PMGAA may obtain the ~~products, materials, equipment,~~goods or general services as needed without further formality. Multiple quotes are not required for procurements up to $~~5~~10,000. However, the authorized employee must ensure that the procurement is made consistent with sound business practice and that PMGAA receives the best value.

2. Purchases ~~between~~ exceeding $~~5~~10,000 and up to $50,000. Unless otherwise outlined within this Policy, for purchases of ~~products, materials, equipment,~~ goods or general services that will exceed $~~5~~10,000 but not exceed $50,000, the authorized employee shall obtain at least three written price quotes for the same or substantially similar items or services. If, after solicitation of a number of sources, competition is determined inadequate and three quotes are not available, the employee shall obtain as many quotes as are reasonably available.

The employee shall document the procurement file explaining why three quotes/proposals were not obtained. Oral quotes, published advertisements, catalogues, and online web pricing will satisfy this requirement.

3. Purchases in excess of $50,000. For purchases of ~~products, materials, equipment,~~goods or general services that will exceed $50,000, the Purchasing Director shall require a ~~formal c~~Competitive ~~p~~Procurement process, except as otherwise provided in this Policy.

D. Non-Federally Funded Procurements: A/E Professional Services and Construction

1. PMGAA shall comply with A.R.S. Title 34 to procure construction and A/E professional services.

2. Under A.R.S. Title 34, contracts with architects or engineers in excess of $500,000 ~~and contracts with architects in excess of $250,000~~ require advertising and selection through an RFQ. These A/E professional services and construction projects utilizing design-bid-build, ~~construction manager at risk~~CMAR, and ~~job-order contracting~~JOC delivery methods must be approved by the Purchasing Director or designee before advertising.

E. Non-Federally Funded Procurements: Professional Services (not including A/E Professional Services)

1. ~~Purchase of professional services between $5,000 and $50,000. When contemplating a purchase of professional services (such as legal counsel, auditors, brokers, or other professional consultants), the authorized employee shall obtain at least three written quotes/proposals. If after solicitation of a number of sources, competition is determined inadequate and three quotes or proposals are not available, the employee shall obtain as many quotes/proposals as are reasonably available. The employee shall document the procurement file explaining why three (3) quotes/proposals were not obtained. Alternatively, the Purchasing Director may authorize the employee to directly select professional services as needed without further formality.~~Professional services should be made by obtaining multiple quotes or conducting a Competitive Procurement to the extent practical and advantageous to PMGAA. The Purchasing Director or designee may deem a professional service procurement as competition not practical because of the proprietary nature, existing experience, warranty, statutory requirements, or other relevant factors to the procurement. In this

case, the requesting department may obtain one quote/proposal, ensuring pricing received is in line with expected services. The procurement file will be documented as to why the services were deemed competition not practical and, if the services are over $50,000, Board approval will be required prior to executing a contract.

~~2. Purchase of professional services over $50,000. Unless the Executive Director/CEO grants an exception, PMGAA shall procure professional services that exceed $50,000 by competitive selection to the extent practicable, advantageous to PMGAA, consistent with sound business practices, and likely to ensure that PMGAA receives the best value and service. The Executive Director/CEO may grant exceptions upon written recommendation by the department head that competitive selection is not practicable or advantageous to PMGAA. If an exception is granted by the Executive Director/CEO and the amount for the services exceeds $50,000 then a report will be made to the Board detailing the circumstances at the next scheduled Board meeting.~~

F. Purchases from Member Governments

The Purchasing Director may purchase services from or contract directly with any member government as necessary without using a ~~c~~Competitive ~~p~~Procurement process.

G. Excess and Surplus Property

For procurements funded in full or in part by a Federal agency, PMGAA shall utilize Federal excess and surplus property ~~in lieu~~ instead of purchasing new ~~equipment~~ goods and property, ~~whenever such use~~when it is feasible, acceptable for the intended use, ~~and~~ available in the needed time frame and reduces project costs.

H. Procurements Involving Gateway Aviation Services

PMGAA shall procure ~~products~~ goods and services for Gateway Aviation Services in accordance with this policy, with the following exceptions.

1. Fuel, oil, and other ~~products~~ goods for resale may be purchased without formality from any qualified ~~vendor~~Offeror as needed to fulfill customer orders, with due regard for price.

2. Fuel trucks and related equipment and parts may be acquired, at the Purchasing Director's option, by purchase or lease from PMGAA's fuel supplier through direct negotiations with the supplier. The Board must approve any proposed purchase or lease with a value that exceeds $50,000.

I. Emergency Procurements

Notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make emergency procurements without following this policy if a threat to the public health, safety, or welfare exists; or if a situation exists that makes compliance with this policy problematic. All procurements completed under this Section must be conducted with as much competition as practicable under the circumstances. A written determination of the basis for the emergency must be included in the procurement file, and if the procurement exceeds ~~$5,000~~10,000, a report explaining the emergency and the procurement's outcome must be made to the Board at the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Emergency Procurement, PMGAA staff will provide email notification to all Board members explaining the emergency and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

J. Impractical Procurements

In some cases, it is impractical to require competitive quotes or bids for ~~products~~ goods or services. In such situations and notwithstanding any other provision of this policy, the Purchasing Director may make or authorize other employees to make procurements without following this policy. Such examples include but are not limited to: matching existing furniture and fixtures, warranty service, and standardization. All procurements completed under this ~~s~~Section must be conducted with as much competition as practical under the circumstances. A written determination of the basis for the impracticality must be included in the procurement file, and if the procurement exceeds $~~5,000~~10,000, a report explaining the impractical situation and the procurement's outcome must be made to the Board at the next scheduled Board meeting. If, however, the next scheduled Board meeting is not within thirty (30) days from the date of the Impractical Procurement, PMGAA staff will provide email notification to all Board

members explaining the impractical situation and the procurement's outcome in addition to providing a report at the next scheduled Board meeting.

K. Purchases Excluded from Quotation/Competitive Selection Requirements

The following items are excluded from the requirement of multiple quotes or competitive selection.

1. Sponsorships.
2. Advertisements in magazines, newspapers, or other media.
3. Former employees with unique knowledge contracted on a temporary or part-time basis.
4. Publicly available training seminars and conferences.
5. Memberships in professional associations.
6. Works of art, entertainment, or performance (when authorized by the Executive Director/CEO or Board, as applicable).
7. Subscriptions to trade/professional magazines or journals.
8. Travel-related expenses as defined in the Business Travel Authorization and Reimbursement policy.
9. Payments for regulated services, such as postage and utilities, where no practical competitive alternatives exist.
10. Arizona Correctional Industries, Arizona Industries for the Blind, and other entities established by the state of Arizona under the set-aside program (A.R.S. 41-2636).
11. Hardware and software upgrades, licensing renewals and maintenance support.
12. Maintenance service from the same Offeror that the goods were purchased.

L. Multi-Year Contracts

1. Multi-year contracts are contracts that extend more than one (1) year in length. Multi-year contracts may have optional years specified to be exercised at PMGAA's discretion. An example of a multi-year contract is a contract for

three (3) years with two (2) one (1) year options for a total of five (5) years (potentially). Multi-year contracts may not exceed five (5) years total unless approved by the Board.

2. Board approval is required for multi-year contracts having a total cumulative value, including all options, in excess of $50,000. Board approval for exercising the option years is not required if the Board approves the option when the contract is first approved.

VI. PROCUREMENT PROCESSES

PMGAA may procure goods and services, exceeding $10,000, generally in accordance with the following selection methods. The selection method to be used for each procurement should be determined in coordination with the Purchasing Director or designee, giving due consideration to the nature and scope of the procurement, this policy, applicable laws, and any applicable grant or other funding requirements.

A. Obtaining Quotes for Purchases of ~~Products, Materials, Equipment,~~Goods or General Services

1. The authorized employee shall obtain and document quotes from at least three (3) qualified ~~vendor~~Offerors for the same or substantially similar items or services. If three quotes are not available, the employee shall obtain as many quotes as are reasonably available, and the employee shall document the circumstances for the procurement file.

2. The authorized employee may receive quotes by any expedient manner, including telephone, fax, email, advertisements, catalogues, and online web pricing.

3. The authorized employee shall not reveal the amount of any quote to any competing ~~vendor~~Offeror, if requested, until after all quotes have been received.

4. As part of the purchase order approval process, the Purchasing Director or designee will review the quotes and may: (1) accept the quotes; (2) reject any or all quotes and re-procure; (3) request additional quotes; or (4) require a ~~formal c~~Competitive ~~p~~Procurement process.

B. Sole Source

When there is only one person or entity capable of providing a particular ~~product~~ good or service, or when sole source procurement is needed to maintain program continuity or compatibility with existing equipment, these circumstances must be documented. The Purchasing Director or designee may then authorize a sole source procurement and waive the requirement for multiple quotes or a ~~c~~Competitive ~~p~~Procurement process.

C. Invitations for Bid (IFB)

1. Each IFB shall describe the goods or services required and include design or performance specifications for the item or service. Such description shall not contain features which unduly restrict competition.

2. Each IFB shall describe all requirements which offerors must fulfill and all other factors to be used in evaluating bids submitted.

3. The Purchasing Director or designee shall publicly issue and advertise each IFB. A notice inviting bids shall be published in accordance with A.R.S. 34-201 (construction) or A.R.S. 39-203 (if applicable).

4. The IFB must state the place where each bid must be submitted, the deadline for submitting bids, and the date, time, and place of the bid opening.

5. Each bid must be submitted in a sealed envelope clearly identified as a bid on the front of the envelope. Any bid not sealed or not received within the specified time period ~~must~~ will be rejected.

6. All bids must be opened in public at the time and place specified by PMGAA in the IFB documents. A tabulation of all bids received will be posted on PMGAA's website.

7. The Purchasing Director or designee may reject any and all bids or parts of bids and may re-advertise and re-solicit bids. Documentation on the justification for the bid rejection will be included in the procurement file.

8. The contract ~~must~~ will be awarded to the lowest responsive bid and responsible ~~and responsive bidder~~ Offeror for a firm fixed price. In making the determination of the lowest responsible, responsive Offeror~~bidder~~, the Purchasing Director, designee or Board may consider the following:

a. The ability, capacity, experience, and resources of the ~~bidder~~Offeror, its employees, and subcontractors to perform the contract.

b. The ~~bidder~~Offeror's capacity to perform the contract promptly and within the time specified, without delay or disruption.

c. The ~~bidder~~Offeror's quality of performance on previous contracts with PMGAA or with its members.

d. The ~~bidder~~Offeror's financial, technical, and other resources to perform the contract.

e. The quality and adaptability of the ~~bidder~~Offeror's ~~materials, supplies,~~goods or services to the particular use required.

9. If an award is not made to the lowest ~~bidder~~Offeror, the Purchasing Director or designee shall prepare a written statement of the reasons and include this statement in the procurement file.

D. Requests for Proposals (RFP)

1. A Request for Proposal may be used when the Purchasing Director or designee determines that the ~~product~~good(s) or service(s) being procured cannot be evaluated by cost alone. With the use of an RFP, PMGAA may conduct oral or written discussions with proposers regarding experience, technical information, price, or other aspects of their proposals that would be beneficial.

2. Each RFP must be publicly issued and advertised in the same manner as an IFB.

3. Each RFP must state:

a. A clear and accurate description of the technical requirements for the ~~material, product,~~good(s) or service(s) to be procured as well as a description of the work involved, if applicable. Such description must not contain features which unduly restrict competition;

~~b. Whether cost or pricing data is required;~~

~~c.~~b. Whether discussions, interviews, presentations or any combination thereof, may be held with the top-ranked proposers.

~~d.~~c. Identify all requirements which offerors must fulfill in order to be considered under the solicitation;

~~e.~~d. The criteria on which an award will be based and the points that may be awarded for each criterion.

4. The Purchasing Director~~,~~ or designee ~~or the Board~~ may reject any and all proposals or parts of proposals and may re-advertise or re-solicit proposals.

5. For an RFP, the award ~~must~~ will be made to the responsible and responsive ~~proposer~~ Offeror whose proposal is determined to be the most advantageous to PMGAA and best satisfies PMGAA's needs taking into consideration the evaluation criteria in the RFP. PMGAA is not required to award the contract to the proposer with the lowest price. The following criteria may be considered.

   a. Price;

   b. The ability, capacity, and experience of the ~~proposer~~Offeror, its employees, and subcontractors to perform the contract;

   c. The ~~proposer~~Offeror's capacity to perform the contract promptly and within the time specified, without delay or disruption;

   d. The ~~proposer~~Offeror's quality of performance on previous contracts with PMGAA or with its members;

   e. The ~~proposer~~Offeror's financial, technical, and other resources to perform the contract;

   f. The quality and adaptability of the ~~proposer~~Offeror's ~~materials, supplies,~~goods or services to the particular use required;

   g. The number and scope of conditions attached to the ~~proposer~~Offeror's offer, and the offeror's conformance to all material aspects of the RFP.

   h. Concurrence of the Executive Team of the basis for the award recommendation.

6. The procurement file must contain the basis on which the award is made, including the evaluation method and evaluation criteria used for the proposals received.

E. Requests for Qualifications (RFQ)

1. A Request for Qualifications may be issued for ~~professional~~ services and where federal or state law requires or allows the use of a qualifications-based selection process.

2. Each RFQ must be publicly issued and advertised in the same manner as an IFB.

3. Each RFQ must state:

   a. A clear and accurate description of the work to be performed; involved;

   b. Whether discussions, interviews, presentations or any combination thereof, may be held with the most-qualified firms;

   c. identify all requirements which the ~~o~~Offeror must fulfill in order to be considered under the solicitation;

   d. The criteria on which an award will be based and the points that may be awarded for each criterion.

4. The contract or purchase shall be awarded, subject to negotiation of fair and reasonable compensation, based upon the criteria outlined in the RFQ and in accordance with applicable federal and state laws. The following criteria may be considered:

   a. The ability, capacity, and experience of the ~~proposer~~Offeror, its employees, and subcontractors to perform the contract;

   b. The ~~proposer~~Offeror's capacity to perform the contract promptly and within the time specified, without delay or disruption;

   c. The ~~proposer~~Offeror's quality of performance on previous contracts with PMGAA or with its members;

   d. The ~~proposer~~Offeror's financial, technical, and other resources to perform the contract;

   e. The quality and adaptability of the ~~proposer~~Offeror's ~~materials, supplies,~~goods or services to the particular use required;

   f. The number and scope of conditions attached to the ~~proposer~~Offeror's offer, and the offeror's conformance to all material aspects of the RFQ.

g. Concurrence of the Executive Team of the basis for the award recommendation.

F. Tied Submittals

1. Tied submittals are those from responsive and responsible ~~Bidders/~~Offerors that either: (i) in the case of an Invitation for Bid, are bids that are identical in price; or (ii) in all other types of competitive selection, receive the same evaluation ranking.

2. Invitation for Bid: In the event that two (2) or more ~~Bidder~~Offerors submit identical bids, the award shall be made by a drawing of lots among the identically priced ~~Bidder~~Offerors. The drawing shall take place at PMGAA by the Purchasing Director. Two (2) or more PMGAA employees shall witness the drawing.

3. Request for Proposals and Request for Qualifications: In the event that two (2) or more Offerors are ranked number one by the Evaluation Panel, award shall be made based on the Offeror receiving the highest weighted ranking. The weighting shall be calculated by summing the individual rankings of each evaluator for each Offeror and ranking the sums. This method shall address a single outlier's scoring where one evaluator's scores are outside the norm of the other evaluator's scores. If, after utilizing a weighted ranking, a tie of submittals still exists, the award will be made by a drawing of lots among the tied submittals. The drawing shall take place at PMGAA by the Purchasing Director. Two (2) or more PMGAA employees shall witness the drawing.

4. Documentation of the resolution of tied submittals will be retained in the procurement file.

G. Cooperative Purchasing Agreements

~~To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across governmental agencies,~~ When appropriate for the procurement or use of common or shared goods and services, PMGAA may, where appropriate, enter into intergovernmental agreements or cooperative purchasing agreements with state and local governments and other procurement units for the procurement transactions.~~or use of common or shared goods and services.~~ Documented procurement actions of this type will meet the competition requirements of this policy.

~~The Purchasing Director or Executive Director/CEO may enter into cooperative purchasing agreements with other agencies or procurement units. In most cases, a procurement process conducted by another agency will satisfy this policy.~~ The Purchasing Director or designee shall exercise reasonable efforts to ensure that the original contract was solicited with the intent to be used for cooperative procurement, that the process was conducted in a manner consistent with this policy, and that the contract provides the best value for PMGAA.

H. Publicly Accessible Procurement Sources

When the Procurement Director determines it more practical and economical to purchase used heavy equipment versus new, and the amount exceeds $50,000 in value, publicly accessible procurement sources may be utilized for establishing a market value for the equipment. The applicability of procurement methodology will be determined on an individual basis without securing multiple bids. Sources to establish market value may include, but are not limited to, auctions and classified advertisements (print and Web based).

Due to the type of purchase, the equipment must be paid for at time of sale to ensure availability. This makes Board approval prior to the purchase impractical. Therefore, PMGAA staff will subsequently make a full report to the Board, including type of equipment purchased, cost of the item, disclosure of the information utilized to establish market value and related expenses, if any.

This method benefits PMGAA both financially and operationally due to a larger pool of equipment at a less expensive costs and immediate availability.

I. Changes in Scope of Work After Contract Award

If, after a contract has been awarded and changes in the scope of work are required, PMGAA shall negotiate an amendment to the contract to be executed by PMGAA and the ~~Bidder/Proposer~~Offeror. No work shall commence on any amendment or change until the amendment has been approved by PMGAA and the ~~Bidder/Proposer~~ Offeror has been notified, in writing, to proceed by PMGAA. If the change in scope of work results in a contract that exceeds $50,000 a report will be made notifying the PMGAA Board at the next scheduled Board meeting.

VII. CONTRACTS

If the original quote/proposal submitted under an RFP or RFQ for services exceeds $10,000 a contract will be executed by PMGAA and the ~~Bidder/Proposer~~Offeror prior to any work commencing. The contract will detail the Scope of Work, contract dollar amount, and payment terms, along with PMGAA standard terms and conditions.

For procurements funded in full or in part by a Federal agency:

A. PMGAA shall, if deemed appropriate and feasible, use value engineering clauses in contracts for constructions projects of sufficient size to offer reasonable opportunities for cost reduction.

B. PMGAA may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to PMGAA is the sum of:

   1. The actual cost of materials; and

   2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

   With a time and materials contract, PMGAA will assert a high degree of oversight ~~in order~~ to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

C. PMGAA shall perform a cost-benefit or price analysis ~~in connection with~~for every procurement~~s~~ transaction, including contract modifications, in excess of the Simplified Acquisition Threshold (set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1)~~ including contract modifications~~. The method and degree of analysis conducted depend~~ is dependent~~ on the facts surrounding the particular procurement ~~situation~~transaction, but as a starting point, PMGAA shall make independent estimates before receiving bids or proposals.

~~D. PMGAA shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.~~

~~E.~~D. PMGAA will only allow costs or prices based on estimated costs for contracts under the Federal award to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for PMGAA under Subpart E~~—Cost Principles~~, of 2 CFR Part 200.

~~F.~~E. The "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting will not be used.

~~G.~~F. PMGAA's contracts will contain the applicable provisions described in Appendix II to 2 CFR Part 200~~, Contract Provisions for non-Federal Entity Contracts Under Federal Awards.~~

~~H.~~G. PMGAA will follow the State of Arizona bonding requirements for all construction work unless, on construction work funded in full or in part by a Federal agency, the Federal agency determines that the Federal interest is not adequately protected. In such cases, the bonding requirements at 2 CFR Part §200.326~~5~~ shall take effect.

VIII. OTHER

A. Public Access to Procurement Information

1. Procurement opportunities that exceed $50,000 in value and will be procured utilizing a Competitive Procurement process will be posted on PMGAA's website at www.gatewayairport.com under the Business| Procurements, Vendors & ~~Notices~~ Surplus Property section.

2. Written records pertaining to a solicitation or award of a contract or purchase order must be maintained and disposed of in accordance with PMGAA's records-retention schedule.~~by the Purchasing Director or designee.~~

3. Submittals to PMGAA become public documents subject to disclosure and applicable Arizona public records laws and PMGAA published policies. Bids, proposals, statements of qualification, and all solicitation and evaluation materials (except the solicitation document itself) may not be disclosed until the final contract has been negotiated and ~~awarded~~fully executed by both parties. If the proposer deems any portion of its submittal as confidential, the proposer must label each and every page of the confidential portions with: "Trade Secret", "Confidential" and/or "Proprietary." Proposers are advised that, pursuant to Arizona law, contract terms and conditions, pricing, and information

which are generally available to the public are not considered confidential information. The proposer must also list each of the materials it deems confidential at the beginning of its proposal, and provide a written, detailed justification for not making such material public, along with its submittal. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the information to the proposer, and any safeguards the proposer uses to protect the information from disclosure. PMGAA shall have the sole discretion to disclose or not disclose such material, subject to any protective order that the proposer may obtain, but it is incumbent on the proposer to assert its rights to confidentiality. By submitting a quote, bid, proposal, or statement of qualifications, the proposer agrees to hold PMGAA harmless from any claim arising from the release of Trade Secret, Confidential Information and/or Proprietary Information which is not clearly marked as such by the proposer or lacking written, detailed justification supported by applicable law. PMGAA shall endeavor to protect against disclosure of any trade secrets, confidential or proprietary information or data contained in a proposal, which information and data the proposer has designated as confidential. If any member of the public demands public disclosure of this confidential information, PMGAA will notify the proposer, who shall defend and indemnify PMGAA against attorneys' fees and costs incurred in the event the proposer is resisting the demand to disclose the confidential information.

B. Procurement Transparency Regulation

1. PMGAA has adopted the following transparency regulation. This transparency regulation applies to every solicitation under this Procurement Policy. The transparency regulation's purpose is to ensure that every person's solicitation-related contacts and communications with PMGAA's Board of Directors and staff (other than the Purchasing Director or his designee) occur in a public meeting in which every other interested person may participate.

2. No person may directly or indirectly contact or communicate with any member of PMGAA's Board of Directors or any PMGAA employee about any active or pending solicitation under this Procurement Policy except at the Board of Directors' regular monthly public meeting, unless the solicitation documents specifically authorize otherwise. This transparency regulation becomes effective for each solicitation immediately upon PMGAA's release of the solicitation

documents or posting of the solicitation opportunity on PMGAA's website. The regulation continues in effect through any protest until the Board's public meeting at which final action on the solicitation (or protest) has been scheduled.

3. The Purchasing Director may reject the bid, proposal, statement of qualifications, or other offer of, and the Purchasing Director may disqualify, any person that directly or indirectly (through agents, subcontractors, or suppliers, for example) violates this transparency regulation. The Purchasing Director's decision to reject a bid, proposal, statement of qualifications, or other offer and to disqualify any person that violates this transparency regulation is final and non-appealable.

4. Every person's contacts or communications with PMGAA regarding any active or pending solicitation must conform to this transparency regulation and the solicitation documents' terms and conditions. Generally, each solicitation will establish PMGAA's point of contact (typically the Purchasing Director or his designee) for purposes of the solicitation, and all persons interested in the solicitation may contact or communicate with the point of contact as specified in the solicitation documents.

IX. PROTESTS - GENERAL INFORMATION

A. Authority to Resolve Protest

The Purchasing Director is authorized to decide any protest relating to any procurement on PMGAA's behalf.

B. Right to Protest

Any interested person aggrieved in connection with a solicitation or award of a contract may protest the solicitation or award. The protest must be filed with the Purchasing Director.

C. Confidentiality of Protest Information

All materials submitted by a protester may be disclosed to any interested person except to the extent permitted or required by law or as determined under this policy.

D. Protests Involving Federal Aviation Administration (FAA) or Arizona Department of Transportation (ADOT) Funded Projects.

For protests on FAA or ADOT funded projects, PMGAA may be required to provide information to or obtain the funding agency's approval of protest determinations. Accordingly, notwithstanding any deadline in this policy applicable to PMGAA, PMGAA is entitled to additional time as needed to comply with any grant or other agency requirements relating to a procurement dispute. Under no circumstances may the protester consider or name FAA or ADOT a party to the protest.

E. Record of Protest

PMGAA shall maintain a written record of each protest.

X. PROTEST OF SOLICITATION OR SPECIFICATIONS (BEFORE BID OPENING)

A. Any interested person aggrieved in connection with the solicitation of a contract shall protest irregularities in the IFB, RFP, or RFQ within three (3) business days from the date the protester knew or should have known of the basis for the protest and, in any case, at least five (5) business days before opening bids or the deadline for submission of proposals or statements of qualifications.

B. All protests must be made in writing to the Purchasing Director. Each protest must state the specific factual and legal grounds on which the protest is based. The protester must also include with the protest all pertinent documents and all supporting evidence. PMGAA need not accept any protest that fails to comply with the requirements of this ~~s~~Section. The protester's failure to timely protest specifications or other solicitation terms and conditions constitutes a waiver of the protest.

C. If a timely protest before the bid opening or receipt of proposals or statements of qualifications is made, PMGAA may proceed with the solicitation or with the award of the contract unless the Purchasing Director determines in writing that the protest should be sustained or that an addendum addressing the protest should be issued.

XI. PROTEST OF AWARD RECOMMENDATION

A. A protest made after the deadline for bids, proposals or SOQs, including challenges to the evaluation committee, must be submitted in writing to the Purchasing Director.

B. A protest must be received by the Purchasing Director within five business days following public posting of PMGAA's intent of award recommendation. The formal protest must contain the following information.

   1. PMGAA's solicitation identification number and title.

   2. Name and address of the protester, the title or position of the person submitting the protest, and a statement that the protest has been authorized by the protester and the protest is made in good faith.

   3. A statement of all facts alleged and all rules, regulations, statutes, or constitutional provisions that entitles the protester to relief.

   4. All other information, documents, materials, legal authority, and evidence in support of the protest.

   5. A statement indicating the precise relief sought by the protester.

C. The Purchasing Director will make a written decision on the protest within ten business days after it is received.

D. The Protester may appeal the Purchasing Director's decision to the Executive Director/CEO. Any appeal must be filed with the Executive Director/CEO within three (3) business days after the protester receives the Purchasing Director's decision.

E. The Executive Director/CEO may hear the appeal or appoint an independent hearing officer to do so. If a hearing officer is appointed, the hearing officer shall conduct an informal hearing on the appeal within 10 business days from receipt of the appeal. The hearing officer shall promptly prepare an informal decision and recommendation on the appeal for the Executive Director/CEO's consideration. The hearing officer shall promptly serve the recommendation on the protester.

F. Upon receipt of the hearing officer's recommendation, or if no hearing officer is appointed, the Executive Director/CEO shall decide any protest for a solicitation valued at less than $50,000. For solicitations valued less than $50,000 or sustained protests, the Executive Director/CEO's decision is final. For solicitations valued over $50,000 and the Executive Director/CEO is recommending denial of the protest, the Executive Director/CEO shall make a recommendation to the Board, and the Board shall make the final decision regarding award of the contract.

G. Notice of the Board's final decision must be furnished to the protesting party, in writing, by the Purchasing Director.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-60

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject: **Airport Rates and Charges- Recommended Revision Effective January 1, 2025**
Date: **December 17, 2024**

Proposed Motion
To authorize the revised PMGAA Board Approved Airport Rates and Charges schedule with an effective date of January 1, 2025.

Narrative
Airport staff is recommending the below changes to the current PMGAA Board Approved Airport Rates & Charges schedule.

1) Aircraft Landing Fee - Signatory Commercial Carriers – a 3% rate increase from $1.40 to $1.44 per 1,000 lbs. maximum gross landing weight (MGLW).
2) Aircraft Landing Fee **-** Non-Signatory Commercial Carriers, Scheduled Cargo, General Aviation, and other eligible aircraft - a 3% rate increase from $2.10 to $2.16 per 1,000 lbs. MGLW.

As current standard, landing fee exemptions will continue to be the following:

- U.S. government owned aircraft
- Non-revenue and flight training aircraft up to 12,500 MGLW
- All based flight training aircraft.

3) Add a new section for Ground Transportation Fees for annual Vehicle Permits, Trip and Pick Up Fees.
   - Annual Vehicle Permit for Limousines/Livery/Sedans $270.00
   - Annual Vehicle Permit for Courtesy Shuttles/Shared Ride Service $370.00
   - Per Trip Fee for Transportation Network Services (TNC's) $2.50
   - Per Pick Up Fee for Taxicabs $4.00

Fiscal Impact:

For the remainder of FY25, the increase will generate an additional $28,052 of Landing Fees revenue and an additional $28,770 for Vehicle Permits and TNC Trip revenue.

Attachment(s)
Proposed changes to PMGAA Board Approved Airport Rates & Charges

RESOLUTION NO. 24-60

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the revised Airport Rates and Charges schedule with an effective date of January 1, 2025;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorize the revised Airport Rates and Charges schedule with an effective date of January 1, 2025. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

PMGAA Board Approved Airport Rates and Charges

Effective January 1, 2025

This schedule of Airport Rates and Charges is subject to frequent updates. For the latest schedule, please visit the Phoenix-Mesa Gateway Airport website at: http://www.gatewayairport.com/PoliciesDocumentsandForms#BoardPolicies

Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of 90 or more departures per month.		
Non-Signatory Commercial Carriers	Scheduled FAR Part 121 and 129 operators, with a 90-day rolling average of less than 90 departures per month.		
Scheduled Cargo Carriers	Scheduled FAR Part 121 and 129 cargo operators, with a 90-day rolling average of less than 90 departures per month.		
Aircraft Landing Fees	Signatory Commercial Carriers, $~~1.40~~ $1.44 per 1,000 lbs. maximum gross landing weight (MGLW) Non-Signatory Commercial & Scheduled Cargo Carriers, General Aviation and other eligible aircraft, ~~$2.10~~ $2.16 per 1,000 lbs. MGLW. Exemptions: 1. U.S. Government owned aircarft 2. Non-revenue and flight training aircraft up to 12,500 MGLW 3. All based flight training school aircraft		
Aircraft Terminal Use Fee	Signatory Commercial Carriers - $50 per Turn Non-Signatory Commercial Carriers - $75 per Turn		
	Commercial Carriers with no operating agreement, see page 2 Non-Operating Agreement Passenger Terminal – Common Use Areas and Equipment		
Aircraft Parking Fee	**Aircraft Passenger Capacity**	**Signatory**	**Non-Signatory**
	1-69	$35	$53
	70-250	$70	$105
	251 or greater	$100	$150
	Any operator without an active Airport operating agreement will be assessed for the occupancy of an aircraft parking position for more than 3 hours, including terminal gates and remote parking positions, and for each additional 24 hour period.		
Airport Car Rental Customer Facility Charge (CFC)	$3.50 per vehicle rental day		
Aviation Fuel Flowage Fees	Fuel Flowage Fees are paid to PMGAA by any entity or person dispensing or receiving fuel on the Airport in accordance with PMGAA Aviation Fuel Storage, Dispensing & Handling Guidelines.		
	Signatory Commercial Carriers by agreement		
	Non-Signatory Commercial Carriers & Scheduled Cargo Carriers - $.05 per gallon		
	All Others - $0.12 per gallon		
Parking Rates	**Fee by Location**	**Rate**	**Daily Maximum Charge**
	Hourly Parking Lot	$1.00 / 30 minutes*	$48
	Daily Parking Lot	$1.00 / 30 minutes*	$13
	Ray Rd Economy Parking Lot Uncovered	$1.00 / 30 minutes*	$9
	Ray Rd Economy Parking Lot Covered	$1.00 / 30 minutes*	$11
	Lost Ticket Fee with itinerary = Days of Stay x Parking Lot Rate + $20 Lost Ticket & Admin Fee Lost Ticket Fee without itinerary (may be adjusted later with proof of itinerary)		$250
Passenger Facility Charge (PFC)	$4.50 per enplaned commercial passenger, Per FAA Approved PFC Application; reference Federal Register: (Vol. 79, Number 3)		

All Airport Rates and Charges may vary due to terms defined in specific agreements. Late payments, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

Common Use Terminal Equipment		Signatory Commercial Carriers	$1,250 per month	
		Non-Signatory Commercial Carriers	$ 500 per month	
Common Use Area - Operational Surcharges				
Item	Description	Area	Operation	Surcharge
Operational Surcharges	Charges for exceeding allocated time slots on common use areas	Ticket counter or gate	Occupying a gate after the scheduled allocation time, resulting in aircraft holding or gate change	$200 per hour
		Use of ticket counter or gate without prior permission.		$200 plus regular fees
		Failure to use allocated time slot without 48-hour cancellation notice	Negatively impacting another scheduled carrier or causing Airport to shift resources to accommodate.	$200 plus regular fees
Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Full Service	Includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position (2 hours), baggage claim area, and common use computer equipment per flight, as scheduled by Airport Operations.	1-69	1 ticket counter, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 260 per flight
		70-250	2 ticket counters, 1 gate podium, 1 shared use hold room, 1 baggage belt, 1 aircraft parking spot	$ 495 per flight
		251 or greater	3 ticket counters, 2 gate podiums, 2 shared use hold rooms, 1 baggage belt, 1 aircraft parking spot	$ 915 per flight
Ticket Counter and Lobby	Use of 1 ticket counter and shared use of the lobby area for up to 2.5 hours. Includes common use equipment.	1-69	1 ticket counter and lobby	$ 75 per flight
		70-250	2 ticket counters and lobby	$ 150 per flight
		251 or greater	3 ticket counters and lobby	$ 225 per flight
Boarding Gates – Secured Hold Room	Shared use of secured boarding gate area for up to 2 hours and one aircraft parking position. Includes use of gate podium, common use equipment, and one passenger boarding ramp.	1-69	1 gate podium and 1 hold room	$ 110 per flight
		70-250	1 gate podium and 1 hold room	$ 220 per flight
		251 or greater	2 gate podiums and 2 hold rooms	$ 440 per flight

All Airport Rates and Charges may vary due to terms defined in specific agreements. Late payments, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

Transient Air Carrier Passenger Terminal - Common Use Areas and Equipment Rates				
Item	Description	Aircraft Passenger Capacity	Resources Included	Rate
Baggage Claim	Use of baggage claim area and baggage delivery belt/slide. Includes aircraft parking position*. * if associated with a live departure within 3 hours of arrival. Otherwise standard aircraft parking fee applies.	1-69	1 belt, oversize slide, aircraft parking*	$ 75 per flight
		70-250	1 belt, oversize slide, aircraft parking*	$ 125 per flight
		251 or greater	2 belts, oversize slide, aircraft parking*	$ 250 per flight

Ground Transportation Fees

Item	Category	Description	Rate
Annual Vehicle Permit	Limousine	A motor vehicle without a meter that includes a converted chassis and a seating capacity between seven (7) and fourteen (14) passengers, excluding the Driver.	$270
	Livery / Sedan	A motor vehicle without a meter that provides seating for not less than three (3) passengers, excluding the Driver. Such vehicles are considered to include Lincoln Town Cars and similar full-size luxury vehicles and are registered as a Livery Vehicle with the Arizona Department of Transportation.	$270
	Courtesy Shuttle	Any form of ground transportation provided by or through any business located off the Airport, including hotels, parking facilities, rental car companies, corporations, shopping centers and attractions, as a service to its employees, customers or other users, regardless of whether the passenger pays a direct fee for the service	$370
	Shared Ride Service	Any commercial motor vehicle with a designated seating capacity between six (6) and sixteen (16) passengers that is authorized to provide shared ride ground transportation services from the Airport Terminal. This definition shall not include TNC Vehicles.	$370
Per Trip Fee	TNC	An entity that has been issued a permit by the state of Arizona, that operates in the state of Arizona, that uses a digital network or software application to connect passenger(s) to transportation network services provided by transportation networks, and that may but is not deemed to own, operate or control a personal motor vehicle of a transportation network Driver.	$2.50
Per Pick Up Fee	Taxicab	A ground transportation motor vehicle with a designated seating capacity of seven (7) or fewer passengers, excluding the driver, having four doors for passenger ingress and egress, and furnished for hire on an exclusive basis and at a charge or fare based upon time and/or mileage, the total for which is recorded and indicated on a taxicab meter.	$4.00

All Airport Rates and Charges may vary due to terms defined in specific agreements. Late payments, unless otherwise specified, are subject to a 1.5% finance charge. Payment terms are net 30 days unless otherwise specified. Any returned payment items are subject to a $25 returned item fee.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-61

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO**
	J. Brian O'Neill, A.A.E., Executive Director/CEO
Subject:	**Airfield Electrical Upgrades - CIP 1318, Kimley-Horn & Associates**
Date:	**December 17, 2024**

Proposed Motion
To authorize an Authorization of Services with Kimley-Horn & Associates (Kimley-Horn) for Design Services for the Airfield Electrical Upgrades Project, in an amount not to exceed $55,087.73 under CIP 1318.

Narrative
The Airfield Electrical Circuits are more than 20-years old and register cautionary readings between 5 and 10 M Ohms on the Insulated Value reports. A good Insulated Value measurement should be above 100. These cautionary readings indicate on-going deterioration of the circuits, which can risk non-compliance with Part 139 regulations and/or a catastrophic failure. These low readings necessitate the need for upgrading the entire airfield electrical system.

This project will include replacing the lighting circuits, lights, conductors, and transformers on TWY A, TWY P, and TWY C. It will also include the replacement of the TWY B conductor due to the low resistance readings. TWY B will not require new lights.

In 2024, a Request for Qualifications, 2024-0005-RFQ for On-Call Engineering Services was issued. Kimley-Horn was one of two firms selected as the most qualified. In accordance with the terms of our agreement, 20240076, Kimley-Horn worked with Airport staff to refine a Scope of Work for Design Services for the Airfield Electrical Upgrades Project. The cost for these services was negotiated based upon the contract fee schedule at a cost not to exceed $55,087.73.

Fiscal Impact
These Design Services will be funded with an FAA BIL Grant under CIP 1318.

Attachment(s): Authorization of Services

RESOLUTION NO. 24-61

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Authorization of Services with Kimley-Horn & Associates (Kimley-Horn) for Design Services for the Airfield Electrical Upgrades Project, in an amount not to exceed $55,087.73 under CIP 1318;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an Authorization of Services with Kimley-Horn & Associates (Kimley-Horn) for Design Services for the Airfield Electrical Upgrades Project, in an amount not to exceed $55,087.73 under CIP 1318. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport

AUTHORIZATION OF SERVICES
Kimley-Horn & Associates, AOS 20240076-2504

The signing of this Authorization of Services (AOS) by Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Kimley-Horn & Associates, ("Consultant"), authorizes Consultant to carry-out and complete the services described below in consideration of the mutual covenants set forth below.

1. **PROJECT**: Airfield Electric Upgrades – CIP 1318

2. **SCOPE OF SERVICE**: Perform and provide Design Services for the Airfield Electric Upgrades that are needed due to the airfield electrical circuits registering cautionary readings between 5 and 10 M Ohms on the Insulated Value reports. A good measurement should be above 100. These low readings indicate on-going deterioration of the circuits, which can risk non-compliance with Part 139 regulations and/or a catastrophic failure. This project will include replacing the lighting circuits, lights, conductors, and transformers on TWY A, TWY P, and TWY C. It will also include the replacement of the TWY B conductor due to the low resistance readings.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of services, not to exceed the-time and materials calculated-fee of $55,087.73 (Fifty-five thousand, eighty-seven dollars and seventy-three cents), without express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this AOS is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this AOS for the goods and/or services to be provided hereunder, PMGAA may terminate this AOS by providing notice to the Consultant of the lack of the availability of funds. The Consultant acknowledges and agrees that one source of funding for this AOS may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this AOS, its approval and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   ☑ PMGAA Agreement Number: 20240076 effective 12/19/23.

6. **ATTACHED:** The following documents are attached to this AOS and are incorporated herein by this reference and made part thereof:

   ☑ Consultant's Scope and Fee Proposal dated October, 2024.

7. **EFFECTIVE:** This AOS is effective as of the date signed by PMGAA.

PMGAA and Consultant acknowledge that they are in agreement with the terms and conditions as set forth in this AOS.

Executed as of the Effective Date.

CONSULTANT
KIMLEY-HORN & ASSOCIATES

By: Nathan Walmm

Name: Nathan Walmm

Title: Sr. Vice President

Date: 11/7/2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-62

To:	**Board of Directors**
From:	**Lori Collins, Director of Business and Economic Development**
Through:	**J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Allegiant Air, LLC, Air Carrier Operating Agreement**
Date:	**December 17, 2024**

Proposed Motion

To authorize the Executive Director/CEO and/or delegate to negotiate and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC for commercial air service at the Airport.

Narrative

Allegiant Air, LLC ("Allegiant"), a wholly owned subsidiary of Allegiant Travel Company, currently provides commercial passenger transportation services to more than forty domestic destinations at Phoenix-Mesa Gateway Airport ("Airport"). Allegiant's operation at the Airport is governed and guided by an Air Carrier Operating Agreement that specifies exclusive, preferential, and non-exclusive rights to facilities and infrastructure; as well as establishes associated operating costs.

This new one-year agreement accomplishes several important goals:

- Maintains and promotes a low-cost operating structure for Allegiant at the Airport
- Allocates facilities for Allegiant's preferential use.
- Encourages and rewards future growth at the Airport by Allegiant through a defined incentive and non-airline revenue sharing program.
- Preserves and enhances an operating environment at the Airport that provides Allegiant unparalleled efficiency and convenience.

Fiscal Impact

The Airport receives revenue from Allegiant through facility leases; aircraft landing and parking fees; terminal and terminal equipment use fees; and fuel storage/upload fees. The Airport also receives revenue from Allegiant's customers for vehicle parking and other ground transportation services; food/beverage/retail purchases; Passenger Facility Charges (PFC); Customer Facility Charges (CFC); and Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Entitlement Grants.

Attachment(s)

Air Carrier Operating Agreement

RESOLUTION NO. 24-62

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize the Executive Director/CEO and/or delegate to negotiate and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC for commercial air service at the Airport;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes the Executive Director/CEO and/or delegate to negotiate and for the Executive Director/CEO to execute an Air Carrier Operating Agreement with Allegiant Air, LLC for commercial air service at the Airport. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**

Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

Phoenix-Mesa Gateway Airport Authority

Air Carrier Operating Agreement

with

Allegiant Air, LLC

Effective Date: January 1, 2025

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PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
AIR CARRIER OPERATING AGREEMENT

This Air Carrier Operating Agreement (the "Agreement") is executed to be effective the 1st day of January 2025 (the "Effective Date") between the **PHOENIX-MESA GATEWAY AIRPORT AUTHORITY** ("PMGAA"), a joint powers airport authority authorized under the laws of the State of Arizona ("PMGAA"), and **ALLEGIANT AIR, LLC** ("CARRIER"). PMGAA and CARRIER may be referred to collectively as "Parties," and each separately may be referred to as a "Party."

RECITALS:

A. PMGAA is the owner and operator of the Phoenix-Mesa Gateway Airport generally located at the intersection of Ray Road and Sossaman Road, City of Mesa, Maricopa County, Arizona (the "Airport"); and

B. PMGAA has the right to enter into Agreement, license and grant the use of property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

C. CARRIER provides commercial airline services, charters, flight crews, aircraft and desires to use the Airport facilities for commercial operations; and

D. CARRIER desires to obtain certain non-exclusive rights to use the common use areas of the passenger terminal, services and privileges in connection with the use of the Airport and its facilities, and PMGAA is willing to grant the same to CARRIER upon the terms and conditions hereinafter stated; and

E. The Parties agree to enter into this Agreement, specifying the rights and obligations of the Parties with respect to the operation of the Airport by PMGAA and the use and/or occupancy of the Airport by CARRIER;

NOW, THEREFORE, for good and valuable consideration, the mutual covenants and conditions herein set forth and the sufficiency of which is agreed to by the Parties, the Parties hereby agree as follows:

1. PERMITTED ACTIVITIES AND CONDITIONS OF AIRPORT USE.

1.1 CARRIER shall have the right to use, in common with others, the passenger terminal, taxiways, runways and air navigational aids of the Airport for the purpose of conducting its Federal Aviation Regulation (FAR) Part 121 scheduled domestic operations, public charter, private charter and the landing and taking off of aircraft incidental thereto, and provided, however, such activities and services are performed in strict accordance with applicable PMGAA Minimum Standards, upon terms and conditions as herein provided.

1.2 RESERVED.

1.3 CARRIER shall not engage in any other commercial or revenue producing activity at the Airport (excluding charter activities by CARRIER, and charter activities requested by PMGAA) without first applying for and receiving written approval for such activity from PMGAA. In the event any other commercial or revenue producing activity is engaged in by CARRIER prior to obtaining such approval, without waiver or limitation of any other remedies available to PMGAA at law or equity, CARRIER hereby agrees to remit to PMGAA the sum equal to TEN PERCENT (10%) of gross billings for such unauthorized activity, plus any expenses incurred by PMGAA in the course of any audit conducted for all of CARRIER's activities.

1.4 CARRIER shall at all times comply with all Federal, State and local laws, ordinances, rules and regulations which are applicable to its operations or the Premises itself (including but not limited to the Americans with Disabilities Act), including all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with the PMGAA Rules and Regulations, as the same may be amended from time to time in the Authority's sole and absolute discretion.

2. TERM.

2.1 Subject to earlier termination as provided herein, the term of this Agreement shall be one (1) year, commencing on the Effective Date (the "Term").

2.2 Either Party may terminate this Agreement by providing the notified Party ninety (90) calendar days advance written notice of the terminating Party's intent to do so.

3. EXCLUSIVE, PREFERENTIAL, AND NONEXCLUSIVE RIGHTS.

CARRIER shall have the exclusive, preferential, and non-exclusive rights, as applicable, to occupy and use the designated areas of the Airport while in compliance with the terms and conditions of this Agreement. All rights granted to CARRIER under this Agreement are nonexclusive, except as otherwise expressly stated in this Agreement. PMGAA may, in its sole discretion and at any time, permit third parties to conduct any and all business activities at the Airport that PMGAA deems appropriate, or conduct such activities itself, provided that such activities do not require or materially interfere with CARRIER's use of the Airport.

3.1 CARRIER shall not schedule or advertise flight schedules originating from or destined for Phoenix-Mesa Gateway Airport without prior coordination with PMGAA and confirmation from PMGAA of terminal availability.

Pursuant to PMGAA's Common Use Facilities Operating Procedures (attached as **EXHIBIT C**), CARRIER shall submit a copy of CARRIER's proposed schedule to PMGAA no less than 60 days prior to the schedule effective date. Along with the schedule submission, CARRIER shall include the name and contact information of the individual responsible for setting CARRIER's schedule at the Airport.

3.2 PMGAA shall provide CARRIER with exclusive use of the Airport facilities identified in **EXHIBIT D**.

3.3 PMGAA shall provide CARRIER with preferential use of five (5) boarding gates and twelve (12) ticketing positions. In addition, CARRIER shall have common use access to additional ticket counters, gate hold rooms, and the baggage claim area for scheduled flight operations, the scheduling of such use is subject to the guidelines outlined in PMGAA's Common Use Facilities Operating Procedures. Common use requirements shall be scheduled with PMGAA's Operations & Maintenance department prior to any planned use.

3.4 PMGAA has implemented Common Use Facilities Operating Procedures. PMGAA reserves the right to modify said procedures from time-to-time, as it deems necessary in its sole and absolute discretion and authority to accomplish its purposes. CARRIER shall at all times comply with these operating procedures.

3.5 PMGAA has implemented an Airport Security Program in a form acceptable to the Transportation Security Administration (TSA). PMGAA reserves the right to modify said program from time-to-time, as it deems necessary to accomplish its purposes. CARRIER shall at all times comply with the Airport Security Program and indemnify, defend, hold and save PMGAA, its board members, member governments, officers, officials, employees, and agents free and harmless for, from, and against any violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors.

4. RENTALS, FEES AND CHARGES

4.1 General. Rent for use of any exclusive use space is due and payable at the beginning of each month. All other fees are assessed at the time of each use, flight, or service, as applicable, and are due and payable no later than the twentieth (20th) day of the following month in which the use or activity occurred ("Fee Due Date"). CARRIER shall self-report its flight activity monthly to PMGAA pursuant to Section 5. Delinquent rents and fees shall be assessed a finance charge in accordance with Section 4.11.2. Any ground handling services requested of PMGAA or other authorized service provider by CARRIER shall be governed by a separate agreement. In any event, CARRIER shall be the responsible party for the purposes of this Air Carrier Operating Agreement, and therefore CARRIER shall pay, or cause to be paid, to PMGAA, the fees and charges as outlined below.

4.2 Landing Fees. CARRIER shall pay a landing fee at a rate equal to the amount reflected on the most current Airport Rates & Charges Schedule at the time of the aircraft operation, for each flight operated by or in conjunction with CARRIER that is subject to a landing fee. The weight used to determine the landing fee for any particular aircraft shall be its maximum certificated gross landing weight (MGLW), as certified by the Federal Aviation Administration (FAA).

4.3 Terminal Use Fees. Terminal Use includes ticket counter(s) and lobby area, secure hold room and boarding area podium, aircraft parking position, baggage claim area, and common use computer equipment per flight. CARRIER shall pay PMGAA a Terminal Use Fee in the amount reflected on the most current Airport Rates & Charges Schedule.

4.4 Common Use Set-up and Operating Fees. CARRIER shall pay PMGAA for common use terminal equipment, internet connection, and dark fiber per the most current Airport Rates & Charges Schedule.

4.5 Aircraft Parking Fees. CARRIER shall pay PMGAA a fee per the most recent Airport Rates & Charges Schedule for any aircraft occupying an aircraft parking position, including terminal gates and remote parking positions, for more than three hours. This fee shall be waived if the aircraft performed a revenue service operation the day prior or will perform a revenue service operation the day after being parked for more than three hours.

4.6 Passenger Facility Charges. CARRIER shall pay monthly to PMGAA, on or before the Twentieth (20th) day of each month (the "PFC Due Date"), a Passenger Facility Charges (PFC) in the amount of Four and 50/100 Dollars ($4.50) for each Enplaned Passenger departing the Airport on a CARRIER Revenue Flight during the previous calendar month. The collection of said fees by CARRIER shall be subject to the terms, conditions and methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110, at it now exists or is modified hereafter (the "PFC Act") and 14 CFR 158.53.

4.7 Monthly Tie Down Fees. CARRIER shall pay Monthly Tie Down Fees per Airports Rates and Charges.

4.8 Fueling Fees. CARRIER shall execute a Fueling Service Agreement with PMGAA coterminous with this Agreement.

4.9 Aircraft Ramp Space and Services. CARRIER shall pay PMGAA monthly for any aircraft line services, out-of-station Aircraft Rescue and Firefighting (ARFF) services, operations safety officers, ground service equipment use, fuel spill response teams and any other space or service requirements as specified in the Airport Rates & Charges Schedule or, if not so specified in that Schedule, as determined by PMGAA (collectively, "Additional Services").

4.10 Other Fees. Unless specified otherwise herein, CARRIER shall pay PMGAA for its usage or rental of PMGAA equipment and the performance of services by PMGAA within TEN (10) business days of CARRIER's receipt of an invoice (the "Invoice Due Date") for same from PMGAA. The amount

of such fees shall be as provided by separate agreement between CARRIER and PMGAA, or, in the absence of such agreement, as specified in the most current Airport Rates and Charges Schedule or Airport Fees, Services & Rental Rates in effect when the charge or fee was incurred. Failure to remit payment by the Invoice Due Date may result in the suspension of further equipment rentals or services until payment is made to PMGAA in full.

4.11 Requirements. With regard to the fees and charges specified in this SECTION 4, the following conditions and considerations shall apply:

4.11.1 Airport Rates & Charges Schedule. The Airport Rates & Charges Schedule and Airport Fees, Services and Rental Rates referred to in this Agreement may be revised from time to time. CARRIER shall pay the most current fee(s) at the time of the event or service, as applicable, unless specifically outlined in this Agreement. The current Airport Rates & Charges Schedule and the Airport Fees, Services and Rental Rates are attached as **EXHIBIT A** and is subject to change without prior notice or approval of CARRIER.

4.11.2 Finance Charges and Late Fees. If CARRIER fails to pay any charge due and owing to PMGAA in full on or before Fee Due Date, Invoice Due Date or PFC Due Date, as applicable, CARRIER shall be responsible for interest on the unpaid fee or charge at the rate of EIGHTEEN PERCENT (18%) per annum from the applicable due date until payment in full is made. In addition, in the event any payment is received more than TEN (10) days after the applicable due date, a late penalty of TEN PERCENT (10%) of the amount of such delinquent amount shall be due and payable in addition thereto.

4.11.3 Books and Records. CARRIER shall maintain permanent books, records and ledgers accurately reflecting the total passengers, and total number of monthly aircraft landings for all aircraft subject to a landing fee indicating the make, type (including model designation), registration number, maximum certificated gross landing weight, and arrival and departure time of each aircraft involved. These records shall be made available to PMGAA upon request. PMGAA may audit the books, records and ledgers maintained by CARRIER in accordance with this SECTION 4. In the event an audit reveals a deficiency of TWO PERCENT (2%) or greater in the amount of payment made pursuant to this SECTION 4, CARRIER shall not only pay such deficiency but also the cost of any audit performed by PMGAA.

4.12 Airport Incentives. As an inducement for CARRIER to initiate additional airline services at the Airport, PMGAA is prepared to provide a comprehensive package of incentives that could include landing fee and terminal use fee waivers, specific route revenue guarantees, and non-airline revenue sharing for eligible new nonstop destinations, increased frequency to existing destinations identified as underserved by PMGAA, and total annual emplaned passenger activity. The PMGAA Air Service Incentive Program for CARRIER is attached as **EXHIBIT E**.

5. REPORTING REQUIREMENTS

5.1 CARRIER shall file with PMGAA written reports for the items specified below no later than the TENTH (10th) day of the calendar month following the month in which the specified activities occurred. Such reports shall cover all of CARRIER's Airport activities during said month, and include activity handled by CARRIER for other Air Transportation Companies not having an agreement with PMGAA providing for its own submission of activity data to PMGAA.

5.1.1 A complete listing of all of CARRIERS's actual aircraft landings at the Airport, including aircraft type and MGLW; and a listing, by destinations, of the number of flights that qualify under applicable waiver agreements for any landing fee waivers;

5.1.2 A complete listing of CARRIER's Enplaned Passengers and Deplaned Passengers, specified by and including the type of aircraft;

5.1.3 A complete listing, by date and flight number, of CARRIER's commercial cargo loaded and off loaded.

5.2 PMGAA shall have the right to rely on said activity reports in determining rentals and other charges due hereunder; provided, however, CARRIER shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to interest charges as set forth in SECTION 4.11.2 herein.

5.3 CARRIER shall at all times maintain and keep books, ledgers, accounts or other records wherein are accurately kept all entries reflecting the activity statistics to be reported pursuant to SECTION 5. Such records shall be retained by CARRIER for a period of THREE (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249.7, and made available at Mesa, Arizona for audit and/or examination by PMGAA or its duly authorized representative during all normal business hours. CARRIER shall produce such books and records at Mesa, Arizona within THIRTY (30) calendar days of PMGAA's notice to do so or pay all reasonable expenses, including but not limited to, transportation, food, lodging and other related expenses, necessary for an auditor selected by PMGAA to audit said books and records.

5.4 The cost of audit, with the exception of the aforementioned expenses, shall be borne by PMGAA; provided, however, the total cost of said audit shall be borne by CARRIER if either or both of the following conditions exist:

5.4.1 The audit reveals an underpayment of more than TWO PERCENT (2%) of rentals, fees and charges due hereunder, as determined by said audit; and/or

5.4.2 CARRIER has failed to maintain true and complete books, records, accounts and supportive source documents in accordance with SECTION 5.

5.5 All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to the Phoenix-Mesa Gateway Airport Authority and delivered to:

Phoenix-Mesa Gateway Airport Authority
Attn.: Accounts Receivable
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

6. INSURANCE

6.1 General. CARRIER shall procure and maintain the following types and amounts of insurance for its operations at the Airport throughout the Term of this Agreement and any extension thereto:

Aircraft Liability insurance covering third party bodily injury and property damage, and passenger and contractual liabilities which shall protect and indemnify PMGAA from any and all claims arising in connection with aircraft movement on the Airport in amounts as are customarily carried by a carrier of like kind and size, but in no event less than $250,000,000.00 per occurrence. Such insurance shall also insure against third party liabilities arising from War Risk perils.

Airport Premises Liability insurance third party bodily injury and property damage, including coverage for "premises/operations," "products and completed operations," "host liquor" and "blanket contractual" liabilities in an amount not less than $250,000,000.00 per occurrence.

Comprehensive Automobile Liability insurance for all owned, non-owned and hired vehicles operated airside on the Airport that are assigned to or used in the performance of commercial activities in the amount of $25,000,000.00 per occurrence or combined single limit. If any hazardous materials are transported in conjunction with CARRIER's business operations at or on the Airport, an MSC 90 endorsement shall be required in addition thereto.

Workers' Compensation insurance, as required by law, and *Employer's Liability* insurance in the amount of $1,000,000.

6.2 Additional Insurance. At any time during the Term of this Agreement, including any extension thereto, PMGAA may, in its reasonable determination decide that the insurance coverage required by this SECTION 6 is no longer adequate, require CARRIER to increase its coverage to commercially reasonable amounts.

6.3 Blanket Insurance. CARRIER's insurance obligations under this Agreement may be satisfied by means of the general corporate "blanket" policies carried by it and evidenced by the insurance carrier's standard certificates thereof.

6.3.1 Use of Proceeds. Proceeds of any liability and property damage insurance required under this SECTION 6 shall be applied toward extinguishing, satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

6.4 Indemnity. To the fullest extent permitted by law CARRIER (as "indemnitor") shall indemnify, defend, hold and save PMGAA, its board members, and its member governments, officers, officials, employees, and agents (as "indemnitee") free and harmless of, for, from and against any and all Losses caused in whole or in part by (a) any act or omission of CARRIER (including indemnitor's officers, officials, agents, employees, contractors or invitees), (b) CARRIER's operations at the Airport, (c) CARRIER's violations of said Security Program caused, or alleged to be caused, by the acts, errors or omissions of CARRIER, its employees, agents, invitees or contractors, or (d) any default by CARRIER hereunder. This indemnification shall exclude responsibility for any consequential damages and for claims to the extent arising by reason of the negligent or wrongful act of PMGAA or its employees, contractors or agents. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, fines, penalties, costs and expenses (including reasonable attorneys and consultant fees, investigation costs, monitoring costs, remediation costs, and court costs), of any kind or nature. In carrying out the defense of any claim subject to its indemnification obligations hereunder, CARRIER shall use counsel reasonably acceptable to PMGAA.

6.5 Insurance Form. Each insurance policy obtained pursuant to this SECTION 6, except for Workers' Compensation and Employer Liability policies, shall: (i) name PMGAA as a certificate holder or an additional insured to the extent of Operator's contractual indemnity obligations; (ii) contain a provision that written notice of cancellation or modification thereof shall be given to PMGAA not less than THIRTY (30) calendar days before such cancellation or modification takes effect (TEN (10) days in the case of nonpayment of premium); and (iii) contain a waiver of subrogation in favor of PMGAA. Operator shall not permit any insurance policy to be canceled or modified without PMGAA's written consent unless equivalent replacement policies are issued with no lapse in coverage. All policies shall be obtained from insurance companies licensed to do business in the State of Arizona and possessing a rating of at least A - VII or higher from the A.M. Best Company, or an equivalent rating approved by PMGAA.

7. DISABLED OR ABANDONED AIRCRAFT.

7.1 Removal of Disabled Aircraft. Should any aircraft owned or operated by CARRIER, through accident or for any other reason, become disabled or be abandoned in any area which could interfere with the continuous, normal operations of any of the runways, taxiways and airfield facilities at the Airport, CARRIER shall, at CARRIER'S sole cost and expense:

7.1.1 Immediately remove said aircraft to such location as may be designated by PMGAA, unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agency or agencies of the federal government; and

7.1.2 In the event of any accident where federal investigation in place is required, immediately upon receiving clearance to do so from the appropriate federal agency, remove said aircraft and any wreckage or debris resulting therefrom to the area(s) designated by said federal agency authorizing such removal; otherwise, such aircraft wreckage and debris shall be immediately removed from the Airport or stored at a location approved by PMGAA.

7.2 Failure to Remove Disabled Aircraft. Should CARRIER fail to proceed immediately to remove disabled aircraft, or should aircraft owned or operated by CARRIER be abandoned on the Airport, PMGAA shall have the right to remove such aircraft by any means PMGAA deems necessary under the circumstances, and CARRIER shall, to the fullest extent permitted by law, indemnify, defend, keep and hold PMGAA, its members, board of directors, officers, agents, officials, servants, employees and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense (including costs of suit and attorneys' fees and expenses) incurred by PMGAA or claimed by anyone by reason of removal of said aircraft, injury to persons or property or damages to such aircraft caused by such removal, as well as storage costs therefor. CARRIER shall reimburse PMGAA for any costs incurred by PMGAA in removing and storing any aircraft, at PMGAA's sole discretion, and as provided herein in performing authorized maintenance on its aircraft on the Airport.

7.3 Sound and Noise Suppression. CARRIER shall comply fully with Airport Rules & Regulations and Minimum Standards when performing high-speed engine test operations at the Airport, if any, and SECTION 10.3 to mitigate excessive ambient sound and/or noise that may be generated incident thereto and that have or may have an adverse effect on other Airport tenant operations and the surrounding community. CARRIER acknowledges and agrees that the Airport Rules & Regulation for such test operations may change from time to time at PMGAA's sole and absolute discretion. CARRIER also agrees that any costs associated with compliance with Airport Rules & Regulations for sound or noise suppression or mitigation shall be borne solely by CARRIER.

8. ENVIRONMENTAL COMPLIANCE.

CARRIER shall at all times during the existence of this Agreement promptly observe and comply with applicable Federal, State, and local laws, regulations, rules and standards concerning the environment (collectively, the "Environmental Laws"). CARRIER shall be responsible for collecting, storing, recycling and/or disposing of its hazardous or toxic waste, if any, in compliance with the Environmental Laws governing the storage and disposal of hazardous or toxic waste. CARRIER shall ensure its employees and agents are aware that domestic drains, storm drains, or industrial waste drains shall not be used to dispose of gasoline, hydraulic fluid, solvents, concentrated cleaning agents or any other hazardous or toxic materials. Where so required, PMGAA may act on behalf of CARRIER, as and if appropriate, to dispose of CARRIER's waste, sign manifests on behalf of CARRIER and assign such disposal to CARRIER's EPA identification (ID) number. CARRIER shall repay PMGAA the costs and fees for doing so within TEN (10) days of demand therefor. CARRIER shall, to the fullest extent permitted by law, indemnify, defend and hold PMGAA, its members, board of directors, officers, agents, officials, employees, and contractors harmless from and against any and all claims, costs, loss, liability, actions, suits, proceedings, damage or expense including, but not limited to, the costs of suit and reasonable attorneys' fees and expenses of any nature whatsoever arising out of or related to CARRIER's failure to comply with the Environmental Laws.

9. TAXES AND RELATED IMPOSITIONS.

In the event any governmental authority shall impose a tax or imposition based upon this Agreement, upon CARRIER or its aircraft, or upon payments to be made hereunder, CARRIER shall pay such amounts either to PMGAA or the appropriate governmental authority on or before any delinquency date. Specifically, CARRIER shall be responsible for any transaction privilege, sales, excise or other similar tax except income taxes as a

result of this Agreement. CARRIER shall also pay all licensing or permitting fees necessary or required by law for the conduct of its aeronautical operations hereunder, or any other matters hereunder. CARRIER shall be responsible for any property interests created hereunder, which may constitute or be deemed to be a possessory interest for purposes of taxation.

10. RULES, REGULATIONS AND MINIMUM STANDARDS.

10.1 CARRIER shall at all times comply with all federal, State and local laws and ordinances, rules and regulations, which are applicable to its operations, or the operation, management, maintenance, or administration of the Airport, including but not limited to the Americans with Disabilities Act, and all laws, ordinances, rules and regulations adopted after the Effective Date. CARRIER shall at all times comply with all Airport Rules and Regulations, and Minimum Standards established by PMGAA regarding operation and maintenance of the Airport, copies of which are attached as **EXHIBIT B** and are incorporated herein. CARRIER will be responsible for controlling and preventing disruptive pedestrian and vehicle traffic, if any, associated with its activities on the Airport. CARRIER also shall display or provide copies to PMGAA of any permits, licenses, or other evidence of compliance with laws upon request.

10.2 PMGAA shall operate the Airport in compliance with all applicable Federal state and local laws, ordinances, rules and regulations, and shall enforce the Airport Rules and Regulations established by it to ensure the effective and orderly operation of the Airport, and to prevent any disruption caused by CARRIER's operations at and on the Airport.

10.3 CARRIER acknowledges receipt of and agrees to abide by PMGAA's *Fly Friendly* noise abatement procedures and will provide such information to flight crews and/or students, post the information in CARRIER's flight planning area, and use the procedures to the extent possible when consistent with safety and air traffic control directives.

11. DEFAULT: TERMINATION BY PMGAA

11.1 General Grounds. PMGAA may terminate this Agreement upon the occurrence of any of the following events:

11.1.1 Failure of CARRIER to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by PMGAA **to** CARRIER of a written notice of such failure.

11.1.2 The filing of any lien against the Airport because of any act or omission of CARRIER which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by CARRIER.

CARRIER may terminate this Agreement upon the occurrence of any of the following events:

11.1.3 Failure of PMGAA to perform any of its obligations under this Agreement, or any other contract, license or agreement between the Parties, which failure shall not be cured within FIVE (5) business days after delivery by CARRIER **to** PMGAA of a written notice of such failure.

11.1.4 The filing of any lien against CARRIER because of any act or omission of PMGAA which is not discharged within FIVE (5) business days of receipt of actual notice of such lien by PMGAA.

11.2 Failure to Pay Fees. PMGAA may declare CARRIER in default of this Agreement by giving CARRIER FIVE (5) business day's written notice of CARRIER's failure to timely pay any fees or payments due pursuant to this Agreement. If CARRIER fails to cure such payment

default within said FIVE (5) business day period, PMGAA may, in its sole discretion, elect to do any one or more than one of the following:

11.2.1 Institute action(s) to enforce this Agreement; or

11.2.2 Terminate this Agreement automatically without further notice to CARRIER; or

11.2.3 Exercise any other remedy allowed by law or equity.

11.3 Failure to Provide Insurance. In the event CARRIER at any time fails to maintain all insurance coverage required by this Agreement, PMGAA shall have the right, upon written notice to CARRIER, **to** immediately terminate this Agreement or secure the required insurance at CARRIER's expense.

11.4 No Waiver by PMGAA. No waiver by PMGAA of any default by CARRIER in the performance of its obligations under this Agreement shall be deemed to be a waiver of any subsequent default by CARRIER in the performance of any such obligations.

12. GOVERNING LAW; ATTORNEY'S FEES.

The laws of the State of Arizona shall govern this Agreement and the matters set forth therein, without regard to its conflict of law principles. Venue of any action brought under this Agreement shall, at the option of PMGAA, lie in Maricopa County, Arizona. In the event of any litigation or arbitration between PMGAA and CARRIER arising under this Agreement, the successful party shall be entitled to recover its attorney's fees, expert witness fees and other costs incurred in connection with such litigation or arbitration.

13. NONWAIVER.

PMGAA's right to revoke this Agreement shall be absolute. Any election by PMGAA to not enforce any provision of this Agreement, or any failure by PMGAA to exercise any of the remedies allowed PMGAA under this Agreement, shall not operate as a waiver by PMGAA of any of its right hereunder.

14. ASSIGNMENT.

CARRIER shall not assign or transfer any right or interest in this Agreement.

15. OTHER RESTRICTIONS.

CARRIER shall comply with all rules, laws, ordinances, and statues of any governmental authority having jurisdiction over the Airport or the matters provided in this Agreement.

16. AIRPORT SECURITY.

PMGAA maintains an approved Airport Security Plan (the "Security Plan") pursuant to 49 CFR Parts 1540 and 1542. CARRIER shall at all times comply with the Security Plan and the written and verbal directives issued by PMGAA supporting the Security Plan.

16.1 CARRIER shall immediately correct physical or procedural deficiencies which are contrary to the Security Plan, security directives, security bulletins, or verbal notifications existing now or in the future. CARRIER is responsible for maintaining security practices, facilities, and perimeter boundaries on their leasehold that meet the security standards of the Security Plan.

16.2 CARRIER shall, to the fullest extent permitted by law, indemnify, defend, and hold PMGAA harmless for, from, and against any violations of the Security Plan committed by any agents, employees, invitees, subcontractors, or independent contractors of CARRIER.

16.3 CARRIER shall conduct and document all self-audits and self-inspections as required by the TSA or PMGAA and make such audits available for inspection.

16.4 CARRIER shall designate a primary security coordinator to receive security -related briefings, bulletins, and sensitive security information ("SSI").

16.5 PMGAA reserves the right to modify the Security Plan from time-to-time, as necessary, or as directed by the TSA.

17. AIRPORT SECURITY BADGE.

17.1 Carrier employees/contractors that require a badge shall be obligated to complete all training and comply with all security requirements and directives issued by PMGAA, TSA, or other entities having jurisdiction at PMGAA.

17.2 CARRIER and employees/contractors shall comply with all security-related audits, inspection, and screenings conducted by PMGAA.

17.3 CARRIER will immediately notify PMGAA and promptly return badges to the Airport Badging Office when badge holders terminate employment, the badge is no longer needed, or the employee/contractor is on extended leave.

17.4 Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges.

18. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT ASSURANCES.

During the performance of this Agreement, CARRIER, for itself, its assignees, and successors in interest agrees as follows:

18.1 Compliance with Regulations. CARRIER (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

18.2 Nondiscrimination. CARRIER, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. CARRIER will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

18.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations, either by competitive bidding, or negotiation made by CARRIER for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by CARRIER of CARRIER's obligations under this Agreement and the Non-discrimination Acts and Authorities on the grounds of race, color, or national origin.

18.4 Information and Reports. CARRIER will provide all information and reports required by the acts, the regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by PMGAA or the Federal Aviation Administration ("FAA") to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of CARRIER is in the exclusive possession of another who fails or refuses to furnish the information, CARRIER will so certify to PMGAA or the FAA as appropriate and will set forth what efforts it

has made to obtain the information.

18.5 Sanctions for Non-compliance. In the event of a CARRIER's non-compliance with the Nondiscrimination provisions of this Agreement, PMGAA will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

18.5.1 withholding payments, if any, to CARRIER under the Agreement until CARRIER complies; and/or

18.5.2 cancelling, terminating, or suspending the Agreement, in whole or in part.

18.6 Incorporation of Provisions. CARRIER will include the provisions of SECTIONS 18.1 through 18.5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the acts, the regulations and directives issued pursuant thereto. CARRIER will take action with respect to any subcontract or procurement as PMGAA or the FAA may direct as a means of enforcing such provisions including sanctions for non-compliance. Provided, that if CARRIER becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, CARRIER may request PMGAA to enter into any litigation to protect the interests of PMGAA. In addition, CARRIER may request the United States to enter into the litigation to protect the interests of the United States.

18.7 CARRIER for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (a) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (c) that CARRIER will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

19. TITLE VI.

19.1 General Civil Rights. CARRIER agrees to comply with pertinent statues, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. CARRIER understands and acknowledges that the FAA requires inclusion of and adherence to the terms and conditions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§2000d to 2000d-4) ("Title VI") in all airport/aviation agreements where PMGAA receives federal funding, including the Agreement in this instance.

19.2 Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Agreement, CARRIER, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to the following (which PMGAA is required to disclose and include in such Agreement and other agreements, pursuant to FAA regulation):

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d *et seq.*, 78 Stat. 252) (prohibits discrimination on the basis of race, color, national origin);

- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42

U.S.C. §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. §6101 *et seq.*) (prohibits discrimination on the basis of age);

- Airport and Airway Improvement Act of 1982, (49 U.S.C. §47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. §12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

- The FAA's Non-discrimination statute (49 U.S.C. §47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 (2005)); and

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

20. NOTICE.

20.1 All notices required or permitted under this Agreement shall not be deemed effective unless personally delivered or mailed by certified mail, return receipt requested, postage prepaid, or by reputable commercial overnight courier service, to the following addresses:

TO PMGAA: Phoenix-Mesa Gateway Airport Authority
Attn.: Business Development Department
5835 S. Sossaman Road
Mesa, Arizona 85212-0614

TO CARRIER: Allegiant Air, LLC
Attn: Director of Airports
1201 N. Town Center Drive
Las Vegas, NV 89144

20.2 Notices shall be deemed to have been received TWO (2) business days after the date of mailing, if given by certified mail, or upon actual receipt if personally delivered or if given by reputable commercial overnight courier service. Any Party may designate in writing a different address for notice purposes pursuant to this SECTION.

21. PRIOR AGREEMENTS AND PERMITS.

Upon execution hereof, this Agreement shall supersede and cancel any prior air carrier operating agreements between PMGAA and CARRIER with respect to the business activities governed hereby. CARRIER shall not construe PMGAA's execution of this Agreement as a waiver of any prior indebtedness or obligation to PMGAA under any prior agreement or license, nor does PMGAA waive any claim or cause of action arising therefrom.

22. CORPORATE AUTHORIZATION.

In executing this Agreement, CARRIER represents and warrants to PMGAA that if CARRIER is a corporation, CARRIER has obtained and been granted the full right, power and authority to enter into this Agreement.

23. MISCELLANEOUS.

23.1 Personal Liability. No member of or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

23.2 No Waiver. No provision of this Agreement may be waived or modified except by a writing signed by the Party against whom such waiver or modification is sought.

23.3 Non-Waiver of Rights. No waiver or default by PMGAA of any of the terms, conditions, covenants or agreements hereof to be performed, kept or observed by CARRIER shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions or agreements herein contained to be performed, kept or observed by CARRIER, and PMGAA shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

23.4 Amendment. Only a written instrument executed by the Parties may amend this Agreement.

23.5 Invalid Provisions. Should any provision of this Agreement or any application thereof be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, unless one or both Parties would be substantially and materially prejudiced.

23.6 Headings. The headings contained herein are for convenience in reference only and are not intended to define or limit the scope of this Agreement or any term thereof.

23.7 Entire Agreement. This Agreement, including **EXHIBITS** attached hereto at the time of its execution, constitutes the entire agreement between the Parties hereto and supersedes all prior negotiations, understandings and agreements between the Parties concerning such matters.

22. INCORPORATION OF RECITALS.

The recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the Effective Date specified above.

CARRIER:

ALLEGIANT AIR, LLC

By: _____

Name: Thayne Klinger

Title: Director of Airports

Date: _____

PMGAA:

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the State of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

EXHIBIT A

Airport Rates & Charges Schedule

https://www.gatewayairport.com/policiesdocumentsandforms

Airport Fees, Services & Rental Rates

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT B

PMGAA Minimum Standards

https://www.gatewayairport.com/policiesdocumentsandforms

PMGAA Rules & Regulations

https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT C

Common Use Facilities Operating Procedures:

PMGAA_CUSE Procedures 22-01 20220420
https://www.gatewayairport.com/policiesdocumentsandforms

EXHIBIT D

Airport Facilities Designated for Exclusive Use[1, 2]:

Space	Amount of SF	Rent per SF
Ticketing Terminal – Suite 207	675 SF	$38.00 / SF / Year
Ticketing Terminal – Suite 201	116 SF	$38.00 / SF / Year
Ground Handler Offices in Terminal	650 SF	$18.00 / SF / Year
Ground Handler Offices on Apron	320 SF	$18 / SF/ Year

1. PMGAA has all of the building maintenance & utility (water, electricity, etc.) responsibilities for space designated for CARRIER's exclusive use.

2. The rent per SF does not include any applicable taxes. The applicable taxes will be charged in addition to the rent.

EXHIBIT E

Incentives to Increase Air Service:

1) PMGAA's approved Air Service Incentive Program (Effective January 1, 2017) is provided below: https://www.gatewayairport.com/policiesdocumentsandforms

2) During the Term of this Agreement, if CARRIER maintains its Signatory Carrier status and pursuant to Part D of the Air Service Incentive Program, PMGAA agrees to share non-Airline revenue (parking fees, rental car fees, food and beverage concessions, and retail concessions) with CARRIER as outlined below:

Fiscal Year EPAX Thresholds	**Increase in Fiscal Year EPAX Above 900,000 Threshold**	**Percentage of Incremental Non-Airline Revenue Shared for Incremental Increase in EPAX Above Threshold**
0 – 900,000	Not Applicable	0.0%
900,001 – 950,000	50,000 (900,001 – 950,000)	15.0%
950,001 - 1,000,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000)	15.0% 17.5%
1,000,001 – 1,050,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000)	15.0% 17.5% 20.0%
1,050,001 – 1,100,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000) 50,000 (1,050,001 – 1,100,000)	15.0% 17.5% 20.0% 22.5%
1,100,001 – 1,150,000	50,000 (900,001 – 950,000) 50,000 (950,001 – 1,000,000) 50,000 (1,000,001 – 1,050,000) 50,000 (1,050,001 – 1,100,000) 50,000 (1,100,001 – 1,150,000)	15.0% 17.5% 20.0% 22.5% 25.0%

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Board Action Item

Re: Resolution 24-63

To:	**Board of Directors**
From:	**Bob Draper, P.E., LEED AP, CM Engineering & Facilities Director**
Through:	**Scott Brownlee, Deputy Director/COO** **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Subject:	**Vehicle Service Road Construction – Authorization of Services with Combs Construction Company, Inc. – CIP1322**
Date:	**December 17, 2024**

Proposed Motion

To authorize an Authorization of Services with Combs Construction Company, Inc. (Combs) for Construction of the Vehicle Service Road (VSR), in an amount not to exceed $595,515 under CIP1322.

Narrative

The existing Vehicle Service Road (VSR) between the Alpha Apron and the new eastside of the Airport has varying surface conditions. Portions of the VSR are paved with an Asphalt Concrete (AC) pavement section, other portions consist of compacted AC millings, and a small section, to the southeast of the Gulfstream Hangar/Apron, consists of just compacted existing grade. In addition to the varying VSR surface types, there are also sections where existing grades and horizontal curvature of the VSR are not conducive for some larger vehicles.

This project will consist of paving the unpaved portions of the existing VSR, between the Alpha Apron and the Gulfstream Hangar/Apron. For areas where the existing VSR consists of compacted AC millings, a 2.5" AC overlay is anticipated. For areas where the existing VSR consists of compacted existing unpaved grade, a 2.5" pavement section will be designed for this condition. In addition, for areas that are determined not conducive for larger vehicles, then localized grade modifications may be necessary to accommodate horizontal and vertical improvements.

PMGAA is a member of the Strategic Alliance for Volume Expenditures (S.A.V.E.) allowing the Airport to utilize cooperative contracts from other Arizona public entities. Combs was awarded a JOC through the City of Peoria (#P22-0020A). It is through this competitive selection that PMGAA will utilize Combs for construction of the Vehicle Service Road (VSR) project. This contract is available upon request.

Fiscal Impact

These Construction Services will be funded with PFC Grant Funds under CIP1322.

Attachment(s): Authorization of Services

RESOLUTION NO. 24-63

WHEREAS, the Phoenix-Mesa Gateway Airport Authority ("Authority"), a joint powers airport authority formed pursuant to Arizona Revised Statute §28-8521 *et seq.* owns and operates the Phoenix-Mesa Gateway Airport ("Airport"); and

WHEREAS the Authority desires to authorize an Authorization of Services with Combs Construction Company, Inc. (Combs) for Construction of the Vehicle Service Road, in an amount not to exceed $595,515 under CIP1322

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

> **The Board of Directors of the Authority hereby authorizes an Authorization of Services with Combs Construction Company, Inc. (Combs) for Construction of the Vehicle Service Road, in an amount not to exceed $595,515 under CIP1322. This resolution also authorizes the Chair or Executive Director/CEO to make such additions, deletions, and changes as may be approved by the Chair or Executive Director/CEO, necessary to carry out the purposes and intent of this Resolution.**
>
> Passed and adopted by the Authority this 17th day of December, 2024.

Julia Wheatley, Chair

ATTEST:

Misty Johnson, Clerk of the Board

APPROVED AS TO FORM:

Jill Casson Owen, Attorney

AUTHORIZATION OF SERVICES
COMBS CONSTRUCTION COMPANY INC., AOS 20250126 25-01

The signing of this Authorization of Services (AOS) by Phoenix-Mesa Gateway Airport Authority ("PMGAA") and Combs Construction Company, Inc., 1903 West Parkside Lane, Suite 100, Phoenix, Arizona, 85027, ("Combs"), authorizes Combs to carry-out and complete the services described below in consideration of the mutual covenants set forth below.

1. **PROJECT**: Vehicle Service Road Improvements – CIP1322

2. **SCOPE OF SERVICE**: Perform and provide Construction Services for the Vehicle Service Road (VSR) Improvements Project. This project will consist of paving the unpaved portions of the existing VSR, between the Alpha Apron and the Gulfstream Hangar/Apron. For areas where the existing VSR consists of compacted AC millings, a 2.5" AC overlay is anticipated. For areas where the existing VSR consists of compacted existing unpaved grade, a 2.5" pavement section will be designed for this condition. In addition, for areas that are determined not conducive for the mobilization of larger vehicles, then localized grade modifications may be necessary to accommodate horizontal and vertical improvements.

3. **FEE FOR SERVICES**: The fee for services shall be based upon the attached scope of work, not to exceed $595,515 (Five hundred ninety-five thousand, five hundred fifteen dollars and zero cents), without the express written approval of PMGAA.

4. **AVAILABILITY OF PROJECT FUNDING:** The approval and continuation of this AOS is subject to the availability of funds provided to, made available to, or appropriated by PMGAA for this purpose. In the event that funds are not available or appropriated for PMGAA's payment requirements under this AOS for the goods and/or services to be provided hereunder, PMGAA may terminate this AOS by providing notice to the Contractor of the lack of the availability of funds. The Contractor acknowledges and agrees that one source of funding for this AOS may be funds made available from the Federal Aviation Administration and/or Arizona Department of Transportation, and that this AOS, its approval and continuation, may be contingent on the availability of those funds being made to PMGAA.

5. **INCORPORATED:** The following documents, including its terms, conditions, exhibits, attachments, and amendments are hereby incorporated with this AOS and made part thereof:

   - ☑ PMGAA Agreement-to-Use Number: 20250126, effective 12/05/24.

6. **ATTACHED:** The following documents are attached to this AOS and are incorporated herein by this reference and made part thereof:

   - ☑ Contractor's Scope and Fee Proposal dated 12/04/24.
   - ☑ Exhibit 1, PMGAA Project Specific Terms
   - ☑ Exhibit 2, PMGAA Airfield Safety and Security
   - ☑ Exhibit 3, Construction Safety and Phasing Plan
   - ☑ Exhibit 4, Construction Plans

7. **EFFECTIVE:** This AOS is effective as of the date signed by PMGAA.

PMGAA and Contractor acknowledge that they are in agreement with the terms and conditions as set forth in this AOS.

Executed as of the Effective Date.

CONTRACTOR
COMBS CONSTRUCTION COMPANY, INC.,
an Arizona Corporation

By: _____

Name: Ryan Combs

Title: President

Date: 12-5-2024

PMGAA
PHOENIX MESA GATEWAY AIRPORT AUTHORITY, a joint powers airport authority authorized by the state of Arizona

By: _____

Name: J. Brian O'Neill, A.A.E.

Title: Executive Director/CEO

Date: _____

Exhibit 1

Phoenix Mesa Gateway Airport Authority
Project Specific Terms

Project: Vehicle Service Road, CIP 1322

1. Phoenix Mesa Gateway Airport Authority (PMGAA) requires Combs Construction Company, Inc. (Combs) to purchase and maintain, at Combs expense, Auto liability insurance covering all owned, hired and non-owned motor vehicles used in connection with the work being performed under AOS #202500126 25-01 with a combined single limit for Bodily Injury and Property Damage shall be no less than $5,000,000 per accident.

2. Peoria Ordinance No. 98-11 restricting outdoor construction to designated times shall not apply to AOS #20250019 25-01.

3. Bonds. PMGAA does not require Combs to provide payment or performance bonds for the Project.

4. Retainage. PMGAA shall not withhold any retainage on payments to Combs for work performed on the Project.

5. PMGAA's representative for the above project shall be:

   Michael Hanas
   Project Manager
   5835 South Sossaman Road
   Mesa, AZ 85212
   480.988.7636

Exhibit 2

Phoenix Mesa Gateway Airport Authority
Airfield Safety and Security

Project: Vehicle Service Road, CIP 1322

1. Definitions

   a. Air Carrier Aircraft - An aircraft with a seating capacity of more than 30 passengers that is being operated by an air carrier.
   b. Air Carrier Operation - The takeoff and landing of an air carrier aircraft and includes the period of time from 15 minutes before and until 15 minutes after the takeoff or landing.
   c. Air Operations Area (AOA) - Air operations area, paved or unpaved, is any area of the airport used for or intended for landing, takeoff, or surface maneuvering of aircraft including its associated runway, taxiway, or apron.
   d. Airfield Operations Specialist – The Authority employee who monitors activities within the Airport Restricted Areas. Operations Specialists ensure a safe and secure operating environment is maintained on the airfield.
   e. Airport Marking Aids - Marking used on runway and taxiway surfaces to identify a specific runway, a runway threshold, a centerline, a hold line, etc. A runway should be marked in accordance with its present usage such as: visual, non-precision instrument, precision instrument.
   f. Construction - The presence and movement of construction-related personnel, equipment, and materials in any location that could infringe upon the movement of aircraft.
   g. Escort - person authorized by the Authority to accompany Contractor personnel within the Airport Restricted Area. The escort shall accompany or monitor the activities of an individual(s) in a manner sufficient to take responsive action in a sized area approved by the Engineer. A proper escort is defined as maintaining visual monitoring, within reasonable voice range and being able to react to the actions of those under escort.
   h. FAA - The Federal Aviation Administration, a branch of the U.S. Department of Transportation that regulates aviation and airport safety and certification.
   i. FDC – Fire Department Connection.
   j. FOD - Foreign Object Debris/Damage, meaning any object that is potentially hazardous to aircraft.
   k. General Aviation - That portion of civil aviation which encompasses all facets of aviation except air carriers holding a certificate of public convenience and necessity from a Civil Aeronautics Board and Large aircraft commercial operators.
   l. Haul Route - A specified path created for vehicles to maneuver within the Airport Restricted Area to/from a work site. Haul routes are subject to the approval of the Engineer in accordance with the contract documents.
   m. Instrument Landing System (ILS) – An electronic visual approach guidance system used by aircraft during landing operations.
   n. Movement Area - The runways, taxiways, and other areas of an airport that are used for taxiing or hover taxiing, air taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas (reference 14 CFR part 139).
   o. Navigational Aid (NAVAID) - An apparatus generally located within the AOA, serving as a guide to aircraft.
   p. Obstruction - Any object/obstacle exceeding the obstruction standards specified by 14 CFR part 77, subpart C.
   q. Object Free Area (OFA) - An area on the ground centered on the runway, taxiway, or taxilane centerline provided to enhance safety of aircraft operations by having the area free of objects except for those objects

that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes (see AC 150/5300-13, *Airport Design,* for additional guidance on OFA standards and wingtip clearance criteria).

r. Obstacle Free Zone (OFZ) - The airspace below 150 feet (45m) above the established airport elevation and along the runway and extended runway centerline that is required to be clear of all objects, except for frangible visual NAVAIDs that need to be located in the OFZ because of their function, in order to provide clearance protection for aircraft landing or taking off from the runway and for missed approaches (refer to AC 150/5300-13 for guidance on OFZs).

s. Precision Approach Path Indicator (PAPI) - An airport lighting facility providing vertical visual approach slope guidance to aircraft during approach to landing by radiating a directional pattern of high intensity red and white focused light beams which indicate to the pilot that he/she is "on path" if he sees red/white, "above path" if white/white, and "below path" if red/red.

t. Restricted Area – Areas that do not allow access to the general public. These are limited access areas that the Executive Director, the FAA, or commercial aviation business owners have elected to restrict for purposes of security or safety. It is enclosed by a perimeter fence and includes but is not limited to the AOA, perimeter roadways, haul routes, Contractor security gate and worksite.

u. Runway - A defined rectangular area on a land airport prepared for the landing and takeoff run of aircraft along its length. Runways are normally numbered in relation to their magnetic direction rounded off to the nearest 10 degrees; e.g., Runway 12 and Runway 30.

v. Runway End Identifier Lights (REIL) - Two synchronized flashing lights, one on each side of the runway threshold, which provides rapid and positive identification of the approach end of a particular runway.

w. Runway Lights/Runway Edge Lights - Lights having a prescribed angle of emission used to define the lateral limits of a runway. Runway lights are uniformly spaced and the intensity may be controlled or preset.

x. Runway Safety Area (RSA) - A defined surface surrounding the runway prepared or suitable for reducing the risk of damage to airplanes in the event of an undershoot, overshoot, or excursion from the runway, in accordance with AC 150/5300-13.

y. Safety Area - A designated area abutting the edges of a runway or taxiway intended to reduce the risk of damage to an aircraft inadvertently leaving the runway or taxiway.

z. Taxi - The movement of an airplane under its own power on the surface of an airport.

aa. Taxiway - A defined surface used by aircraft for transition/movement to and from aircraft parking areas/aprons to runways.

bb. Taxiway Lights/Taxiway Edge Lights - Lights having a prescribed angle of emission used to define the lateral limits of a taxiway and are blue in color.

cc. Threshold Lights - Fixed green lights arranged symmetrically left and right of the runway centerline, identifying the runway threshold.

dd. TSA – The Transportation Security Administration, a branch of the U.S. Department of Homeland Security that oversees aviation security.

ee. Visual Flight Rules (VFR) - Rules that govern the procedures for conducting flight under visual conditions. The term "VFR" is also used in the United States to indicate weather conditions that are equal to or greater than minimum VFR requirements.

ff. Worksite - Area in which work under contract is being performed, generally starting at Combs Construction Company, Inc. ("Combs") on-site trailer. Airport ID badges must be displayed within the worksite at all times.

2. Airport Security Requirements

a. The following badging requirements shall apply.

The airport is operated in strict compliance with Transportation Security Administration (TSA) and Federal Aviation Regulations (FAR), which prohibit unauthorized persons or vehicles in the Air Operations Area (AOA). Equipment and workmen will be restricted to the work area defined on the plans. Any violation by Combs' personnel or sub-contractors will subject Combs to penalties imposed by the TSA or the Authority.

Combs will assume all fines against the Authority assessed to them by the TSA for Combs' security violations. Typical fines are ten thousand dollars ($10,000.00) or more per incident.

Combs shall be responsible for the protection of the construction site, and all work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons. Security measures shall include such additional security fencing, barricades, lighting, and other measures as Combs may deem necessary to protect the site.

Combs' responsibilities for work areas are as follows:

i. Combs shall be held responsible for controlling his employees, subcontractors, and their employees with regard to traffic movement.

ii. Combs shall rebuild, repair, restore, and make good at his own expense all injuries or damages to any portion of the work occasioned by his use of these facilities before completion and acceptance of his work.

iii. Combs shall submit to the Engineer in writing a detailed work plan for each construction phase. The work plan shall include, but not be limited to, temporary electrical facilities, installation sequence of underground electrical and storm sewer systems, paving sequence, and installation sequence of electrical items. This plan shall be submitted 14 calendar days prior to the start of each construction phase. No work within the construction phase may commence until the phase work plan is approved.

iv. Combs shall employ a full time traffic manager.

b. The following language shall be used in all solicitations, Contracts and subcontracts requiring the distribution of security badges to Combs, subcontractor or material supplier employees:

i. Airport Access Badges All Combs and/or subcontractor personnel performing work functions in accordance with this Contract shall obtain and properly display a Phoenix-Mesa Gateway Airport (IWA) airport security badge. Combs shall submit a Security Badge Application form to the Authority security office for each employee requiring unescorted access, along with the current fee for each badge. The fee must be paid with submittal of application. The Security Badge Application form and instructions are available via the Internet at www.gatewayairport.com.

ii. Contractor Badging Process – Combs is to follow the process below to obtain badges for their staff and subcontractors.

- Step 1 – Contractor On-boarding
  1. A contractual agreement shall be established and executed with PMGAA.
  2. A sponsorship Form shall be completed by PMGAA Engineering Staff sponsoring the contractor/project.
  3. A Company Security Media Authorization (CSMA) form is completed by Combs' company principal to sponsor airport security badges. The principal may delegate up to two (2) Authorized Signatories, including themselves if they choose to do so.
     i. If an operational need exists, subcontractors may be permitted to complete a CSMA and sponsor badges, if sponsored by the Combs, but all requests are reviewed on a case-by-case basis and are at PMGAA's discretion.
  4. Combs shall retain responsibility for all badges issued to their employees and their subcontractors, in addition to complying with the Airport Security Program.
  5. Combs will either need to produce a credit card at time of service for any payments or complete a credit card authorization form to place a card on file with the Badging Office. Alternative payment methods may be evaluated on a case-by-case basis and are at the discretion of PMGAA.

- Step 2 – Authorized Signatories
  1. Designated Authorized Signatories will schedule an appointment to drop-off paperwork once the CSMA form has been completed with the Badging Office.
  2. Upon clearing the background process, Authorized Signatories will schedule appointment(s) to complete all required training to include, but not limited to, Authorized Signatory Training, Ramp Driver, etc.
  3. Once an Authorized Signatory is issued their badge, they may sign badge applications for their organization.
     i. Signatories are required to comply with all audit and badge management procedures, regulations; to include an annual recurrent training.

- Step 3 – Applicant Processing
  1. An applicant will fill out a badging application, bring their required IDs (found on the last page of the badge application), and meet with their Authorized Signatory to validate the IDs and have the signatory sign the application. Once completed, the applicant may schedule an appointment with the Badging Office to drop off their application.
     i. NOTE: At its discretion, PMGAA may facilitate bulk application drop-off based on operational need
  2. Once the applicant has cleared, the Authorized Signatory will be notified that the applicant has passed the background process and is ready for training. The Badging Office will coordinate with the PMGAA Engineering Team to determine the training requirements that must be completed based upon the project type.
  3. Upon completion of training and applicant will be issued their badge.
     i. NOTE: At its discretion, PMGAA may facilitate bulk badge pick-up based on operational need
  4. Badges may be renewed up to 60 days prior to its expiration date. Badge renewals shall be contingent on operational needs of a project and at the discretion of PMGAA.

c. All Combs and sub-Contractor personnel that are to be issued an Airport Identification Badge are required to attend and successfully complete a training class before being issued an identification badge. Fees for the security badge include attendance for the necessary training classes. Attendance at the security classes and issuance of the security badge may take 2 hours per person.

The types of training required will be determined by the scope and location of the work involved. All personnel that will receive Airport badges shall attend the security training. Additionally, personnel operating vehicles or equipment within the Restricted Area of the airport will attend Airport Driver training, all personnel working near active movement areas will attend the Operational Safety on Airports training and any personnel acting as a Gate Guard/Crossing Guard will attend the Gate Guard/Crossing Guard training.

d. Additional information, including a "Frequently Asked Questions" is available via the Internet at www.gatewayairport.com or by contacting the Authority Badging Office at 480.988.7522 or via email to *badgingoffice@gatewayairport.com*
The Badging Office is located at 5803 S. S. Sossaman Rd., Mesa AZ 85212.

e. Combs should allow thirty (30) business days lead time for employee badges to be issued.

f. Combs shall immediately notify Airport Operations/Badging Office of any Combs personnel whose employment status has changed.

g. Combs shall be responsible for retrieving all security badges and keys and return them to the Badging Office. A fee will be charged for each badge that is damaged, lost or not returned.

h. The Authority Badging Office will require the following from each badge applicant before a security badge is issued:

i. Security Badge Application - All employees are required to complete a security badge application form. The security badge application is available via the Internet at www.gatewayairport.com.

Contractor-Provided Escorts - The job superintendent and assistant superintendent will be responsible for escorting their non-badged employees, visitors, vendors, subcontractors and material suppliers while on the job site, assuring that no breeches of the Airport security program occur.

ii. Company Security Media Authorization - A Principal of Combs is required to complete and submit to the Authority Badging Office this form, which identifies authorized signatories for Combs.

For current badging hours or any other questions pertaining to badging, please call the Badging Office at 480.988.7522.

iii. Airport security badges are issued by the Authority Airport Operations and will be required when working within the Restricted Area. It is recommended that Superintendents, Foremen, Supervisors, or Leads be issued an airport security badge who then can provide the required escort for their work crew.

- Airport ID badges issued by the Airport are property of the Airport and must be surrendered upon the request of any Airport personnel.
- No person shall loan or provide airport ID badges to anyone other than to whom the badge was issued.
- Airport ID badges must be properly displayed on the outermost garment, above the waist, at all times while within the Restricted Area.
- Airport ID badges shall not be mutilated or altered from its original form in any way, nor shall any such media be reproduced or copied in such a manner as to degrade the security of the ID system.
- Airport ID badges are non-transferable.
- Damaged badges will be subject to a replacement fee.
- Contractors are required to wear the armband that accompanies the badge.
- Combs shall be assessed a fee for each lost/unreturned badge.
- Combs must immediately report to the Badging Office any lost badge or any employee who quits or is terminated, and the employee's badge must be returned to the Authority.

j. Access Control

Any time access is required within the Restricted Areas Combs shall be responsible for assuring that no breeches of airport security occur. Restricted areas are fenced and must remain fenced at all times. The gates will remain closed and locked or a guard will be provided at Combs' expense. Combs will furnish the guard with a roster of his personnel and ensure that each individual has adequate identification. The duplicate keys for each lock will be turned over to the airport authorities.

- No person shall enter the Combs worksite without authorization. Any person found within the worksite without proper identification as describe herein shall be considered unauthorized and shall be removed from the worksite.
- All persons authorized access to the worksite shall display a valid Airport ID badge issued by the Authority or be under authorized escort.
- Persons authorized to provide escorts include the Authority staff and designated Combs supervisors. The number of personnel being escorted shall not exceed ten (10) non-badged personnel; this includes vendors, subcontractors, visitors and part-time workers. Equipment Operators are not allowed to provide escort while operating equipment. **Failure to provide an escort can result in loss of escort privileges, fines, revocation of the security badge, or all three.**

k. Challenge Procedures

All personnel are responsible for challenging and reporting anyone in their work areas not displaying an Airport ID badge. Personnel shall contact Airport Operations and/or Mesa Police Department and detain person(s) if safe to do so.

3. Airport Safety Requirements

a. Operation of Vehicles

No vehicle shall operate within the Airport Restricted Area:

- Unless operated by an individual in possession of a valid Airport Identification Badge with a drivers endorsement or, under the direct escort of someone who is.
- In a careless or negligent manner.
- With disregard of the rights and safety of others.
- At a speed or in a way which endangers persons or property.
- While the driver is under the influence of drugs or alcohol.
- If such vehicle is loaded or maintained as to endanger persons or property.

b. Speed Limits

Combs and Subcontractors shall observe and obey the posted speed limit on roadways on and around the work area.

c. Vehicle Accidents

Each operator of a motor vehicle involved in an accident on the airport that results in damage to property or personal injury shall first contact 9-1-1 and then report it fully to the Airport Operations Department as soon as possible after the accident. The report must include the name and address of the person reporting. Copies of reports taken by City of Mesa are acceptable for incidents that occur in the public areas of the airport.

d. Hearing Protection

Combs personnel working on or adjacent to the AOA are encouraged to wear hearing protection.

e. Worker Injuries

In the event of a serious injury requiring medical attention call 911. If called from a cell phone, tell the emergency operator to connect to the City of Mesa Emergency Dispatch, otherwise the call will be routed to Maricopa County Dispatch and that will delay emergency response. All injuries must also be reported to Airport Operations as soon as possible.

f. After Hours Contacts

Combs shall submit to PMGAA a list of personnel who can be contacted 24 hours a day, seven (7) days a week and can respond in a reasonable time frame regarding any possible emergency on the work site. The list must include names, job title and phone numbers.

g. Daily Site Inspections

Prior to Combs leaving the worksite for the day, an inspection of the site shall be completed. All discrepancies noted in the inspection must be corrected to the satisfaction of the Engineer prior to Combs leaving the worksite.

h. Deliveries

All deliveries for Combs shall be received by Combs. Deliveries will not be accepted by anyone other than Combs. The Authority nor its authorized representatives will not accept or be responsible for deliveries.

i. Haul Routes

- The majority of the haul route is in the City of Mesa Public Right-of-Way and Combs shall abide by City of Mesa Traffic regulations. Combs shall maintain access in the vicinity of the haul routes to provide access to the parking lot and the Authority vehicles.

j. Cranes or Mobilized Equipment

All activities involving cranes or mobilized vehicles exceeding 20 feet in height on or near the AOA require 48-hour advance coordination with Airport Operations. The following information is required:

- Location of equipment
- Maximum extendable height
- Duration of use
- Daily hours of operation
- Whether or not the crane can be lowered when not in use

Equipment must be lowered to its stowed height when not in use or as otherwise directed. The **highest point** of each piece of equipment shall be marked by a 3' x 3' orange and white checkered flag. At night and during periods of low visibility, the highest point of the crane must be marked by a red obstruction light. Crews must be prepared to remove equipment promptly if so directed.

Combs is advised that it may take up to 12 weeks to obtain an airspace determination for construction equipment (such as a concrete batch plant if he elects to use one), and he must submit information required for inclusion into the 7460 airspace evaluation submittal as soon as feasible after Notice Of Award in order to not delay the project schedule. This review should be included in Combs' schedule.

k. Staging & Storage Area

All Combs materials, equipment and supplies shall be within Combs' designated staging & storage area. All staging & storage areas shall be marked, debris boxes covered and area kept neat and clean of debris.

For equipment that must remain in the work area, the following conditions must be met:

- Be marked with lighted barricades around the equipment perimeter with a spacing of no more than 10 feet.
- Be coordinated at least 48 hours in advance with the Engineer.
- The highest point of the equipment marked and lit with a red flashing/steady burning omni-directional obstruction light.

l. Barricades & Lighting

The perimeters of the actual work areas, all uneven surfaces, mounds and excavations shall be adequately barricaded in accordance with the plans and contract documents including but not limited to vertical panel barricades, low level barricades and/or Type II barricades and lighted with omni-directional flashing red lights to prevent intrusion by taxiing aircraft, equipment, personnel and vehicles.

Combs shall provide and maintain all low-profile and vertical panel barricades and LED omni-directional lights, night and day. The lights for the low-level barricades shall be capable to be "screwed in" to the

barricade. Low-profile barricades shall be orange and white in color and shall be a minimum of eight (6) feet in length and approximately ten (10) inches in height. All cones and other marking devices must be lighted or equipped with reflectors during periods of darkness as directed by Airport Operations.

All barricades, lights, flags and cones must be maintained and kept in proper working order by Combs day and night. All burnt out lights must be replaced immediately. Barricades, lights, flags and cones must remain upright at all times.

The low-profile barricades must always be filled with water. In situations of adverse weather, the placement of sandbags on barricades may also be required. Combs must also keep an adequate supply of extra barricades and lights on site for replacement. Escorts for barricade maintenance must be provided by Combs or coordinated in advance with Airport Operations.

Only red, battery powered or approved solar powered, lights are acceptable at the airport.

m. Trenches and Excavations

Contractors shall close trenches located within active safety areas at the end of each workday. No open trenches or excavations will be allowed within the following active safety areas without prior coordination and approval with the Engineer:

- Open trenches not to exceed 500 feet in length at any one time.
- Spoils from excavations are to be placed closest to the trench.
- Spoils length not to exceed 500 feet in length at any one time.
- Spoil height is not to exceed 4 feet or any height that would cause a visual obstruction.
- Spoils not returned to the trench or removed from the worksite are to be properly marked with lighted barricades with a spacing of no more than 10' or that to properly delineate the trench.

n. Stockpiled Material

Stockpiled materials are allowed only within Combs' designated staging & storage areas.

o. Weapons

No person, except a peace officer, authorized air carrier employee, airport employee or a member of an armed force of the United States on official duty, shall carry any weapon, explosive, or inflammable material on or about his person, openly or concealed, in the Restricted Area of the airport without the written permission of the Airport Director, Deputy Director or Director of Operations and Maintenance. A weapon includes all those listed in Section 13-301, Arizona Revised Statutes. No person shall furnish, give, sell, or trade a weapon on airport property.

p. Construction Flagmen

Construction flagmen will be required at any crossings of taxiways by construction equipment.

4. Schedule of Fines

Due to both the safety and security precautions necessary at the airport, failure of Combs to adhere to the prescribed requirements/regulations has consequences that may jeopardize the health, welfare and lives of the customers and employees at the airport, as well as Combs' own employees. Therefore, if Combs is found to be in non-compliance with the security, airfield badging/licensing and airfield safety requirements by either the Owner's personnel or the Engineer or his representatives, the Owner may issue Notice of Violation (NOV). Combs may appeal the NOV, however appeals must be made in writing, and within four (4) calendar

days of the offending incident, to the Authority Project Representative. The appeal shall state, in sufficient detail, why the NOV/circumstances is unwarranted. A final and binding decision on the appeal will be made by Airport Operations within ten (10) working days of receipt of the appeal, Combs will then be notified of this decision in writing. No further appeals to the specific NOV will be considered/accepted. Subsequent fines and/or requirements, if any, will be applied in accordance with the Schedule of Fines table (on the next page), and the applicable amount will be withheld from Combs' monthly payment application following the date of the violation. Combs shall be held financially responsible for all NOV's issued to their subcontractors, lower tier subcontractors, or material suppliers associated with this Contract.

DESCRIPTION OF FINES:	***1ST OFFENSE***	***2ND OFFENSE***	***3RD OFFENSE***
Parking in unauthorized areas.	$1,000	$2,500	$5,000
Not having proper and current Airport Security Badge or not properly displaying Airport Security Badge.	$1,000	$5,000	$15,000
Unauthorized access to AOA by construction personnel or access through construction gate by unauthorized personnel.	$1,000	$5,000	$15,000
Failure to Escort / be Escorted.	$1,000	$5,000	$15,000
Failure to secure an access gate / door when not in use, or failure to wait for an automated gate / door to close.	$5,000	$10,000	$15,000
Operating a vehicle or mobile construction equipment without a current Ramp Driver's permit.	$1,000	$5,000	$15,000
Failure to stop at a designated Stop, or exceeding the maximum speed limit, or deviating from designated service roadway or haul routes.	$2,500	$5,000	$15,000
Failure to yield to airside personnel or vehicles.	$1,000	$5,000	$15,000
Failure to yield to an aircraft and/or causing an aircraft to deviate from intended course.	$5,000	$10,000	$15,000
No logo on vehicle or logo is not correct in name and dimension.	$1,000	$5,000	$15,000
Runway incursion.	$15,000	$20,000	$25,000
Runway/Taxiway deviation of an active taxiway, or apron.	$10,000	$15,000	$20,000
Safety violation, such as insufficient barricades, or no flags or amber beacons on vehicle or equipment. Or no red obstruction lighting on cement silo, batch plants, cranes or other equipment with significant height.	$5,000	$10,000	$15,000
Non-compliance with the Authority's lock-out tag-out procedures.	$5,000	$10,000	$15,000
Failure to backfill open trenches within time specified.	$5,000	$10,000	$15,000
Failure to provide lighted barricades.	$5,000	$10,000	$15,000
Failure to provide functional temporary edge lighting.	$5,000	$10,000	$15,000
All other NOV not listed in this Table 1.	$1,000	$5,000	$15,000

Exhibit 3

Phoenix Mesa Gateway Airport Authority
Construction Safety and Phasing Plan

Project: Vehicle Service Road, CIP 1322

See following pages

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

MESA, ARIZONA

Construction Safety and Phasing Plan

For

EAST SERVICE ROAD IMPROVEMENTS

Project No. PMGAA-1322

December 19, 2024

The PHOENIX-MESA GATEWAY AIRPORT is owned and operated by the PHOENIX-MESA GATEWAY AIRPORT AUTHORITY (PMGAA), a Joint Powers Airport Authority comprised of the Cities of Mesa and Apache Junction, the Towns of Queen Creek and Gilbert, and the Gila River Indian Community.

Airport Construction Safety and Phasing Plan

For

Phoenix-Mesa Gateway Airport
Mesa, Arizona
East Service Road Improvements

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A. PROJECT OVERVIEW

Aviation safety is the primary consideration at airports, especially during construction. The Phoenix-Mesa Gateway Airport's (PMGA) Construction Safety and Phasing Plan (CSPP) is the primary tool to ensure safety compliance when coordinating construction activities with airport operations. These documents identify all aspects of the construction project that pose a potential safety hazard to airport operations and outline respective mitigation procedures or a required Contractor response for each hazard.

Phoenix-Mesa Gateway Airport (Airport, Gateway Airport) is a thriving small hub airport located in the Southeast region of the greater Phoenix area with growth now expanding to the previously undeveloped land east of the airfield. The current existing service road between the Alpha Apron and the new Gulfstream Service Center Hangar/Apron has varying surface conditions. Portions of the service road are paved with an Asphalt Concrete (AC) pavement section, other portions consist of compacted AC millings, and a small section, to the southeast of the Gulfstream Hangar/Apron, consists of just compacted existing grade. In addition to the varying service road surface types, there are also sections where existing grades and horizontal curvature of the service road are not conducive for the mobilization of larger vehicles.

This project will consist of paving the unpaved portions of the existing service road, between the Alpha Apron and the Gulfstream Hangar/Apron. For areas where the existing service road consists of compacted AC millings, a 2.5" AC overlay is anticipated. For areas where the existing service road consists of compacted existing unpaved grade, a 2.5" pavement section will be designed for this condition. In addition, for areas that are determined not conducive for the mobilization of larger vehicles, then localized grade modifications may be necessary to accommodate horizontal and vertical improvements.

This Construction Safety & Phasing Plan provides specific information to the Contractor and/or Subcontractors selected to carry out the construction contract for the East Service Road Improvements Construction Project. This plan includes the requirements and procedures for accident prevention, safety requirements, and security considerations at the Phoenix-Mesa Gateway Airport. The Airport's safety objective is to achieve accident-free construction projects.

The CSPP is a standalone document which has been specifically developed for the project at the Phoenix-Mesa Gateway Airport referenced as East Service Road Improvements Construction Project. The CSPP has been written to correspond with the safety and security requirements set forth in FAA Advisory Circular 150/5370-2G, specific Phoenix-Mesa Gateway Airport Authority (PMGAA) safety and security requirements, as well as local codes and requirements.

The CSPP is to be used by all personnel involved in the project. The CSPP covers the actions of not only the construction personnel and equipment, but also the actions of inspection personnel and airport staff.

The Contractor or Subcontractor shall conduct operations in a manner that will provide safe working conditions for all employees, the protection of the public and all others who may be affected by construction activities. Nothing contained in this plan is intended to relieve the Contractor, subcontractor or supplier of the obligations assumed by the Contractor under contract with PMGAA or as required by law.

Safety must be an integral part of the job. Full participation, cooperation, and support are necessary to ensure the safety and health of all persons and property involved in the project. The purpose of phasing, marking, barricading, and lighting of airside construction areas is to delineate hazardous areas and prevent unauthorized incursions into the area by personnel, vehicles, equipment, and aircraft during construction; and to positively separate construction activity from aircraft operations. The majority of this project will take place within the Air Operations Area and outside of any Movement Areas.

This document has been developed to minimize interruptions to airport operations, reduce construction costs, and maximize the performance and safety of construction activity on active airfield surfaces. Strict adherence to the provisions of the CSPP by all personnel assigned to or visiting the construction site is mandatory for AIP funded construction projects.

The Contractor shall be required to submit a Safety Plan Compliance Document (SPCD) to the Airport describing how the Contractor will comply with the requirements set forth in this CSPP.

The SPCD shall be drafted as required in FAA Advisory Circular 150/5370-2G Operational Safety on Airports During Construction. The SPCD shall detail how the Contractor will comply with the CSPP by detailing those means, methods and/or programs that will be implemented during construction. These items will include but not be limited to:

- specific hazard and safety equipment
- construction lighting
- construction equipment height
- Contractor emergency points of contact
- HAZMAT response procedures
- AOA access and escort programs

The SPCD must be submitted to the Airport for approval prior to issuance of the Notice to Proceed. The SPCD must also include a certification statement by the contractor stating that it understands the operational safety requirements detailed in this CSPP and SPCD. The contractor's certification statement will also assert that there will be no deviation from the approved construction practices contained within either of these documents.

In the event the Contractor's activities are found in non-compliance with the provisions of the CSPP or the SPCD, the Airport or Engineer will direct the Contractor, in writing, to immediately cease those operations observed to be in violation. In addition, a safety meeting will be conducted for the purposes of determining and reviewing those provisions in the CSPP/SPCD which were violated. The Contractor will not be allowed to resume any construction operations until conclusion of the safety meeting and all corrective actions required by the contractor have been implemented.

B. PROJECT SCOPE

This project consists of approximately 5,500 linear feet of new asphalt pavement in two separate locations along the continuous service road leading from the Mesa Fire Department Station 215 driveway to the newly constructed Gulfstream MRO facility. Additionally, this project will include installation of permanent fencing, wildlife deterrent, and two (2) access gates in the far southeast corner of the Air Operations Area to be utilized as a staging area.

Major elements of the East Perimeter Road Improvement Project will include surface preparation and grading, along with paving a 4,500 linear foot section of road adjacent Taxiway Alpha (Phase I), and surface preparation and paving of a 1,000 linear foot section of road just east of the new Gulfstream hangar (Phase II). This work will take place within the Air Operations Area (AOA), but will not impact any Movement Area.

Additional elements include cleaning and re-grading selected sections of drainage, and cleaning existing drainage piping.

Construction is anticipated to begin in late January of 2025 and planned for completion in February of 2025. The project shall proceed forward as two concurrent phases of work. No areas of the Movement Area are expected to be closed during this project.

C. PLAN REQUIREMENTS

1. COORDINATION

A pre-construction conference and targeted instructor-led contractor training classes will be used to introduce the subject of airport operational safety during construction. In addition, construction progress meetings, scope of schedule changes, and meetings with the FAA Air Traffic Organization (ATO) will be coordinated as required through the performance of the contract.

- Contact information for key construction personnel, engineering staff, and key airport personnel will be distributed between all relevant parties associated with the project prior to the start of construction. Updated and current contact lists shall be made available to Airport Operations at all times.
- Communication between the airport staff, tenants and construction personnel will be primarily through the Airport Project Manager.
- If Airport Operations staff are not able to contact the Airport Project Manager, they may contact designated contractor employees that will be on call 24/7.
- Notifications to the Airport and FAA ATO shall be coordinated through the Airport Project Manager whenever possible.

A Pre-Construction Conference will be scheduled prior to the issuance of the Notice to Proceed. Invitees and attendees will include PMGAA Design, Construction, and Operations personnel, and the Contractor's Project Superintendent, and relevant safety-related issues will be discussed in detail at this meeting.

At the Pre-Construction Conference, topics of discussion will include the FAA Advisory Circular (AC) 150/5370-2G, Operational Safety on Airports during Construction, project scope, the Airport Project Manager's responsibility and authority, identifying the Contractor's Superintendent, NOTAM responsibility, phasing and scheduling of work, Notice to Proceed date, safety during construction, security, badging and escorting requirements, contractor training classes, quality control and testing, test reports, maintenance of record drawings, labor requirements; and DBE, MBE, and EEO requirements.

The Pre-Construction Meeting has not yet been scheduled but will tentatively take place in January 2025, at the Phoenix-Mesa Gateway Airport.

a. Contractor Progress Meetings. Weekly construction progress meetings will be held at Phoenix-Mesa Gateway Airport where the invitees and attendees will include at minimum PMGAA personnel, the Contractor's Project Superintendent, and the lead personnel of each Subcontractor. In addition to the discussions on the progress of the project, operational safety procedures identified within this Safety Plan will be reviewed and discussed. Additional meetings may be scheduled between the weekly construction meetings as deemed necessary by the Airport Project Manager.

b. Scope or Schedule Changes. Changes in the scope and/or duration of the project may necessitate revisions to the CSPP. The FAA Airports Regional or District office shall be promptly notified of any proposed changes to this CSPP. Changes to this document require review and approval by the Airport and the FAA prior to implementation.

c. FAA ATO Coordination. Notifications to the Airport and FAA ATO shall be coordinated through the Airport Project Manager whenever possible. Airport Operations will issue the proper NOTAMS to close specific areas of the airport to aircraft operations as needed throughout the project.

2. PHASING

Construction phasing for this project shall be coordinated through PMGAA Operations. All required NOTAM closures and notices shall be in-place and active prior to any proposed work operations.

a. **Phase Elements.** The entire project is expected to be completed in two concurrent phases. General elements of the sequencing and phasing are as follows:

- **Contractor staging, Equipment Storage, Demolished pavement disposal areas, and Soil Disposal areas** – Reference Appendix A exhibits for general safety and security notes associated with and corresponding to staging, equipment storage and material disposal area locations.

- **Construction access and haul routes** – Reference Appendix A for routing layouts. Applicable control along contractor access routes for both safety and security must be maintained at all times. Contractor access into or through the Airfield Operations Area (AOA) is limited to entry points and routes approved by the Airport Project Manager and through coordination with PMGAA Operations.

- **ARFF access routes** – Emergency ARFF access in and around the site will be maintained by the contractor, as required, for the duration of this project. Access gates and routes for ARFF vehicle access shall be coordinated with PMGAA Operations and maintained and/or adjusted as necessary by the Contractor. Construction contractors must prominently mark open trenches and excavations within the construction site.

- **Airport Operations vehicle routes** – Access for Airport Operations Vehicles, in and around the site will be maintained by the Contractor as required or needed for the duration of this project. Routes for vehicle access shall be coordinated with PMGAA Operations and maintained and/or adjusted as necessary by the Contractor. Construction contractors must prominently mark open trenches and excavations within the construction site.

- **Lead times for required notifications** – While not anticipated for this project, the contractor is required to coordinate with Airport Operations through the Airport Project Manager on any expected airfield closures. Lead times for required notifications shall be established at the pre-construction meeting.

All work for the phased construction of this project shall be completed in accordance with the project plans and Federal Aviation Administration (FAA) Advisory Circular 150/5370-2G.

b. **Construction Safety Drawings.** Appropriate construction layout drawings are supplied in Appendix A and shall be adhered to by the contractor. Any changes to the drawing must be requested and approved by the Airport Project Manager.

3. AREAS AND OPERATIONS AFFECTED BY THE CONSTRUCTION ACTIVITY

a. **Identification of Affected Areas.** The bulk of this project will be constructed within the AOA to include construction of the staging yard fencing, the site preparation and grading, and the actual paving. It is anticipated that all work associated with this project will be completed outside of all Runway and Taxiway Safety Areas and thus will not require any movement area closures. Should the need for a Runway or Taxiway closure become necessary, the contractor shall notify the Airport Project Manager to coordinate prior to work taking place within movement areas surfaces.

b. **Mitigation of Effects**.

All coordination pertaining to airport operations during construction will go through the Airport Project Manager.

Any required NOTAM's to be issued will be sent through the Airport Project Manager and issued by the Airport Operations Department.

In the event of an emergency of any type on or affecting the airport, emergency vehicle access will be coordinated by PMGAA Operations. Contractor crews, when directed, will immediately cease operations and await further instructions from emergency personnel, Airport Operations or the Airport Project Manager.

4. PROTECTION OF NAVIGATIONAL AIDS (NAVAIDS)

This project and associated materials and equipment is not anticipated to be within close proximity to any Airport NAVAIDs, however before commencing construction activity, parking vehicles, or storing construction equipment and materials near a NAVAID, coordination with the appropriate FAA ATO to evaluate the effects of construction activity and the required distances and direction from the NAVAID must be performed. This coordination will be the responsibility of the PMGAA staff.

No work will be completed, as part of this project, which will affect the NAVAID critical areas. No work will take place on or near NAVAID facilities as part of this project. Contractor shall protect NAVAID Facilities and critical areas in place.

5. CONTRACTOR ACCESS

a. Location of Stockpiled Construction Materials. All Contractor materials, equipment and supplies shall be staged within the designated staging area. The contractor shall keep the staging area neat and clean of debris.

The limits of construction, Contractor's staging area and stockpile areas required for the Contractor's exclusive use during construction are shown in Appendix A. Additional areas may be requested by the Contractor and approved by PMGAA.

The Contractor shall protect all existing drainage structures from any damage caused while the area is being used as a construction staging area. The Contractor shall maintain existing drainage patterns at the staging and stockpile areas and provide temporary routing of stormwater around the areas. In order to prevent sediment from leaving the Contractor staging area, the Contractor shall install temporary silt fence around the staging area and provide inlet protection devices for all existing drainage structures as necessary. All damage shall be repaired to the satisfaction of PMGAA and at no additional cost to PMGAA.

The Contractor shall not park equipment or store materials within six (6) feet of the AOA fence line.

Contractor shall supply trash and rubbish dumpsters and all other containers for removal of trash, rubbish, and debris resulting from the work of the contract. The Contractor should not allow dumpsters to overflow.

The Contractor shall completely clean up and restore the entire staging and storage areas, as approved by the Airport Project Manager prior to final completion. All unused materials shall be removed from the project site at the Contractor's expense, unless prior approval has been given from the Airport Project Manager and the staging area graded smooth and sloped to drain. No direct payment shall be made.

For materials and equipment that must remain within the AOA, the following criteria must be met:

- Equipment must be located outside of active the runway/taxiway safety and object free areas.
- Equipment must be marked with lighted barricades around the equipment perimeter with a spacing of no more than 10 feet.
- Equipment to be staged must be coordinated at least 48 hours in advance with the Airport Project Manager.

- The highest point of the equipment must be marked and lit with a red flashing/steady burning omni-directional obstruction light.

Stockpiling of materials is permitted, as long as the following criteria are met:

- Material may be stockpiled within the designated stockpile areas shown on the plans or in an alternate location as approved by the Airport Project Manager.
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Construction activity shall be prohibited when equipment penetrates the imaginary surface described in Title 14 CFR Part 77 and any restricted area as defined in AC 150/5300-13B, Airport Design, current edition, unless a favorable airspace finding has been made by the FAA. Equipment that penetrates the Part 77 imaginary surface must display an orange and white checkered flag during daytime operations and red obstruction light during nighttime use.

There shall not be any stockpiled materials in the active runway or taxiway safety areas, object free areas, or in the infield areas. Stockpiled material or equipment shall not be stored near aircraft turning areas or operational movement areas, aprons, or excavations and trenches. Stockpiled materials shall not be stored near NAVAIDs, visual or approach aids, nor shall they obstruct the ATCT's line of sight to any runway or taxiway. The Contractor shall ensure that stockpiled materials do not cause degraded or hazardous conditions to airport operations safety. This includes determining and verifying that stockpiled materials are stored at an approved location, that they are properly stowed to prevent foreign object debris (FOD), attraction by wildlife, or obstruction of air operations either by their proximity to NAVAIDs or to aircraft movement areas.

All stockpiled material(s)/supplies shall be constrained in a manner to prevent movement resulting from aircraft jet blast or wind conditions. Material(s)/supplies shall not be stored within 500 feet of aircraft turning areas or movement areas. Stockpiled material(s)/supplies shall not exceed 15 feet in height unless the Contractor has complied with all requirements for spacing and secured approval from PMGAA. All material(s)/supplies shall be positioned to not obstruct the line of sight from the control tower to the movement area. Marking and lighting shall be in accordance with appropriate current FAA Advisory Circulars.

b. Vehicle and Pedestrian Operations

The Contractor shall confine all vehicles and equipment to the designated construction areas, staging areas and haul routes. Access points to the project site are shown on the site layout plan in Appendix A. The Contractor shall be responsible for restoring all airport roads to their pre-construction condition where such roads are used by the Contractor. The existing condition of all anticipated haul routes shall be documented prior to hauling.

The Contractor shall not permit any unauthorized construction personnel or traffic on the project site. The Contractor shall be responsible for traffic control to and from the project site. Contractor provided directional signage at the access gate and along the delivery route to the staging area and project site shall be reviewed by the Airport Project Manager prior to installation. All Contractor material orders for delivery to the site shall be directed to the access point identified or Contractor staging area.

While within the AOA, the Contractor will not be permitted to use any access or haul roads other than those designated by the Airport Project Manager. Aircraft Rescue and Fire Fighting (ARFF) vehicles have the right-of-way on access roads, haul roads, taxiways, and runways and shall not be impeded at any time.

Vehicles and equipment that are deemed a potential hazard by the Airport Project Manager shall be removed from the job site and airport property at the request of the Engineer. The Contractor shall cleanup, at Contractor's expense, any and all leaks or spills.

Vehicle and access routes for airport construction shall be controlled as necessary to prevent inadvertent or unauthorized entry of persons, vehicles or animals onto air operation areas (AOA). No vehicle shall enter the AOA except at predetermined locations. Contractor personnel who operate vehicles in the AOA shall comply with the owner's rules and regulations for vehicle marking, lighting, and operation.

All Contractor vehicles that operate within the AOA shall have operating head lights, taillights and brake lights. Head lights shall not be set on high beam when moving about the airport. Additionally, all Contractors and Sub-Contractors vehicles must display in full view, company logos, affixed to each side of the vehicle while operating inside the AOA. Company logos must be no less than four (4) inch lettering, or twelve (12) inch company logo and can be magnetic, printed or painted on, but must be commercially made.

All construction vehicles/mechanized equipment authorized within the AOA shall be marked with a 3' x 3' orange and white checkered flag with each box being 1' square, located on the uppermost portion of the vehicle/motorized equipment, or be escorted by a vehicle so equipped. During nighttime or inclement weather, vehicles and equipment authorized within the AOA shall be equipped with an electrically powered, amber color, 360-degree omni-direction light, mounted on the vehicle such that it is conspicuous from any direction.

All vehicle marking and lighting must comply with the most recent version of Advisory Circular 150/5210-5D Painting, Marking and Lighting of Vehicles Used on an Airport.

No vehicle shall operate within the Air Operations Area (AOA):

- Unless operated by an individual in possession of a valid PMGAA badge with a Ramp Driver endorsement or, under the direct escort of someone who is.
- In a careless or negligent manner.
- With disregard for the rights and safety of others.
- At a speed or in a manner which endangers persons or property.
- While the driver is under the influence of alcohol, drugs, or other impairing substance.
- If such a vehicle is loaded or maintained as to endanger persons or property.

Contractor employee parking will be coordinated with the owner prior to notice to proceed. Personal vehicles will be parked at a designated area. Contractor's employees will be transported to the job site by means of a company vehicle. Personal vehicles will not be allowed within the AOA or on the airfield.

6. WILDLIFE MANAGEMENT

The Contractor will be required to follow any Airport Wildlife Management Procedures that are in place, but at a minimum the Contractor will be required to:

- Perform daily inspections of the work areas (including the Contractor's Staging Area) to remove any trash, debris and food scraps and place these items in an appropriate trash receptacle.
- Close and lock any airfield access gates that are not in use.
- Report any significant wildlife sightings within the AOA to the nearest Airport employee.

a. Trash. Contractor shall instruct employees not to discard food or other trash on or around work sites. Food waste and packaging shall be discarded in designated dumpsters and/or trash cans provided by the Contractor on site. Contractor employees shall not intentionally feed any wildlife while working at the airport. Contractor shall properly seal all trash containers at work sites such that wildlife cannot gain access to containers during non-construction periods.

b. **Standing Water.** Contractor shall take appropriate measures to remove all standing water as soon as practicable following the accumulation of water in open excavations. Contractor shall not allow standing water to accumulate in areas that may attract wildlife which may interfere with the safe operation of aircraft.

c. **Tall Grass and Seeds.** Contractor shall always maintain control of tall vegetation within the project limits. Contractor shall immediately cut or trim vegetation within the project limits when requested by airport Operations, Environmental, or Wildlife Management personnel.

d. **Poorly Maintained Fencing and Gates.** Contractor shall close and lock any airfield gates that are not in use. Contractor shall be responsible for immediately repairing any fencing or gates damaged by construction activities. Fencing and gates utilized by the Contractor during construction shall be maintained to a safe working order by the Contractor throughout the duration of the project.

e. **Disruption of Existing Wildlife Habitat** Contractor activities are not expected to disrupt existing wildlife habits during the project. The Contractor shall notify airport Operations staff if large numbers of birds or significant wildlife are observed at work sites. The Contractor shall immediately notify Operations staff if any large animals are sighted within the airfield fence.

7. FOREIGN OBJECT DEBRIS (FOD) MANAGEMENT

The Contractor will be required to maintain control of all potential FOD items or FOD producing items at all times and must continually manage FOD control. The Contractor will be required to keep water on non-paved construction areas to minimize the possibility of FOD generated by wind. The Contractor will be required to conduct FOD checks at the end of each working shift/day to remove any FOD that could make its way onto the airfield pavements from the Contractor's construction activities. The Airport Project Manager and/or Airport Operations personnel will periodically perform FOD checks to ensure compliance.

8. HAZARDOUS MATERIALS (HAZMAT) MANAGEMENT

Any hazardous or regulated waste material produced by the Contractor shall be properly disposed of at the Contractor's expense pursuant to all local, state and federal regulations. The Contractor may be required to provide test results to confirm that a contaminated area has been properly remediated. Any hazardous materials situation that poses a threat to life safety or property shall be immediately reported to emergency personnel by dialing 9-1-1, followed by notifying Airport Operations and the Airport Project Manager in that order.

9. NOTIFICATION OF CONSTRUCTION ACTIVITIES

All proposed construction activities that affect operations at the Airport will be immediately relayed to all Airport Users and the FAA by way of meetings, advisories, NOTAM's and the filing of Form 7460 as appropriate (minimum of 45 days prior to the proposed construction) issued by one of the Airport's designated staff or the Airport Project Manager.

NOTAM's and project advisories will be distributed approximately three (3) days prior to start of construction or when appropriate as conditions warrant that, while not anticipated for this project, may include effects to NAVAIDs, temporarily relocated thresholds, approach conditions, lighting, runway and taxiway closures, and other items that may affect normal operating conditions at the Airport. Anticipated night work by the Contractor will need PMGAA approval prior to proceeding with the night work.

a. **Maintenance of a List of Responsible Representatives / Points of Contact.** Responsible representative/points of contact will be distributed to the Contractor, Airport Operations, and other critical personnel at the Pre-Construction meeting. The following is a list of some of the necessary information that will be provided:

EMERGENCY TELEPHONE NUMBER 9-1-1 (MESA DISPATCH)

Grid map coordinates for the project are as follows:
9-INDIA *(Phase I)*
13-HOTEL *(Phase II)*
13-KILO *(Staging Yard)*

Mesa Dispatch Non-Emergency Phone Number: 480-644-2211

ADDITIONAL CONTACT INFORMATION

PMGAA Main Switchboard: 480-988-7600

PMGAA Operations 24/7: 480-988-7570

PMGAA Badging Office: 480-988-7522

PMGAA Project Manager (Mike Hanas): 480-988-7636 or 480-438-7318

The Airport Project Manager will generally be the central point of contact with all communications relating to construction being filtered through him. Matters relating to Airport Operations and Airport Traffic Control will be handled through the Airport Project Manager, with assistance from the Contractor as needed.

b. **Noticed to Airmen (NOTAM).** All proposed construction activities that affect operations at the Airport will be immediately relayed to all Airport Users and the FAA by way of meetings, advisories, NOTAM's and the filing of Form 7460 as appropriate (minimum of 45 days prior to the proposed construction) issued by one of the Airport's designated staff or the Airport Project Manager.

NOTAM's and project advisories will be distributed approximately three (3) days prior to start of construction or when appropriate as conditions warrant that, while not anticipated for this project, may include effects to NAVAIDs, temporarily relocated thresholds, approach conditions, lighting, runway and taxiway closures, and other items that may affect normal operating conditions at the Airport. Anticipated night work by the Contractor will need PMGAA approval prior to proceeding with the night work conditions that may affect operations or safety.

Airport staff will be responsible for filing construction NOTAM's approximately three (3) days prior to construction beginning in the area which the NOTAM references, or prior to any change in airfield conditions that may affect operations or safety.

PMGAA staff will be responsible for notifying the OCC of any closed facilities and/or hazardous conditions at the Airport. The OCC will be notified about closed facilities as soon as practicable. Any unexpected hazardous conditions will be immediately relayed to the OCC by Airport staff.

c. **Emergency Notification Procedures.** If a serious injury requiring medical attention occurs call 9-1-1 immediately. Immediately following a 9-1-1 call, notify Airport Operations. The Control Center receives and routes all calls that come into the Airport. The Control Center also handles all dispatch functions for Airfield, Terminal Services, Shuttle, and Maintenance personnel.

The Contractor shall submit to the Project Manager a list of personnel who can be contacted 24 hours a day, seven (7) days a week and can respond in a reasonable time frame regarding any possible emergency on the work site. The list must include names, job title and phone numbers.

d. **Coordination with ARFF Personnel.** For non-emergency issues that need to be coordinated with the Airport's ARFF Unit, the Contractor must notify the PMGAA Project Manager. Non-emergency issues may include but are not limited to:

- Work in the vicinity of the ARFF building;
- ARFF access routes around construction work areas;
- Temporarily affected utilities by construction.

Procedures and methods for addressing any planned or emergency response actions on the airfield concerning this project shall be established and implemented prior to the start of construction and incorporated in the Contractor's SPCD.

e. **Notification to the FAA.** Notification to the FAA under 14 CFR part 77 will be addressed through the Airport Project Manager to the regional ADO. The Contractor is responsible for ensuring that the heights of equipment and materials do not exceed heights specified in this CSPP and the project specifications and layout plan. Reference Appendix A of this document.

Notification to the FAA under 14 CFR part 157 will be addressed through the Airport Operations Manager to the regional ADO.

The Gateway Air Traffic Control Tower (ATCT) will be kept up to date of all construction activities throughout the duration of the project. The ATCT will be provided construction schedules at least three weeks ahead of the proposed construction activities and will be expected to provide feedback about any concerns that the ATCT has for construction areas and Contractor movements. Project exhibits and phasing plans will be provided to the ATCT so that they are aware of the impacts to aircraft operations on the ground and in the air.

PMGAA will acquire a list of the ATCT Managers that will be on duty during the project prior to the start of construction. This list will be made available to the Airport staff by the date of the Pre-Construction Meeting.

10. INSPECTION REQUIREMENTS

a. **Daily (or more frequent) Inspections.** Daily inspections will be required for all work occurring within the AOA to ensure that FOD is minimized. In addition, daily inspections of Contractor access areas will be performed to help ensure safety onto the airfield. Daily inspections will be conducted by the PMGAA Project Manager or delegate, a Contractor representative, and a Construction Administration field representative.

All discrepancies noted in the inspection must be corrected to the satisfaction of the Airport Project Manager prior to the Contractor leaving the worksite.

Should any inspection reveal any FOD concerns, the Contractor shall have a crew ready to remove any FOD in a timely manner Should any inspection reveal work that does not meet Contract

requirements or that is deficient in any way, the Contractor shall mobilize a crew as soon as possible to remedy the deficient areas so as to avoid prolonging the continued closure of the areas.

b. Final Inspections. Construction inspections will be required at the Substantial Completion and Final Completion phases of the project. These inspections will be attended by the Contractor, Airport Staff, FAA Representatives, ADOT Grant Administrator, the Engineer, and Construction Administration representatives. A punch list will be developed at the Substantial Completion inspection, and any items placed on the punch list will be required to be completed within 30 days, in time for the Final Inspection.

11. UNDERGROUND UTILITIES

The Contractor is required to Blue Stake and pothole (if necessary) all existing utilities within the project area prior to the beginning of any construction activities. Protection of utilities may include, but is not limited to, flagging utilities, marking lines on pavement, and placing barricades along utility lines and at manholes.

a. Each utility shall be swept/identified in the following manner:

- Flags can be used but shall be color coordinated. In addition, the acronym for that utility shall be written on one side of the flag with a permanent marker.
- Stakes may be used. The top two inches of the stake shall be painted in color. In addition, the acronym for that utility shall be written on one side of the stake with a permanent marker.
- Painting is only authorized on asphalt, concrete, and metal surfaces. Markings shall be color coordinated. The acronym for the utility shall be used for each utility. A line that shows the direction of the utility shall emanate from the acronym in each direction.

b. If abandoned, the Contractor shall still stake, mark, or flag but write down “ABAND” before the abbreviated prefix indicated above.

c. The individual marking, staking, or flagging shall mark the utilities in a way that coincides with the drawings.

d. If a utility or any underground obstruction is found it shall be reported immediately to the Airport Project Manager.

e. Contractor employees in an excavation shall be protected from cave-ins by an adequate protective system unless the excavation is:

- Made entirely of stable rock, or
- Less than 5 feet deep and determination has been made that there is no potential for a cave-in.

f. Excavations shall be protected using proper barricading materials which shall be installed a minimum of 6 feet back from the edge of the excavation (unless in conflict with airfield requirements). Barricade materials can be wood, steel cables, or chain supported at intervals so that the barricade does not sag or droop below the required height. Caution tape is not an approved barricade material. Guardrail/jersey barriers may be required and shall provide a top rail, mid rail, and toe board at proper elevations and be able to withstand a minimum 200 pounds of force without collapsing.

g. The Contractor is responsible for documenting utility information for use during construction and preparation of as-builts.

12. PENALTIES

The Contractor will be required to enforce his company's safety policies with the employees working on this project. In addition, the Airport may enforce policies that are in place to protect the safety of the Airport property, its users, and the local Airspace. These policies include, but are not limited to:

- Informal conversations with the subject person or party;
- Formal meetings/conversations with the subject person or party and their supervisors/managers;
- Formal written notices of non-compliance from the Airport;
- Immediate removal from Airport property; and
- Notification of law enforcement personnel for persons that cause situations posing dangerous threats to property or personal safety.

Due to both the safety and security precautions necessary at PMGAA, failure of the Contractors to adhere to the prescribed requirements/regulations has consequences that may jeopardize the health, welfare and lives of the customers and employees at PMGAA, as well as the Contractor's own employees. Therefore, if the Contractor is found to be in non-compliance with the security, airfield badging/licensing and airfield safety requirements by either the Owner's personnel or his representatives, the Owner may issue Notice of Violation (NOV). The Contractor may appeal the NOV, however appeals must be made in writing, and within four (4) calendar days of the offending incident, to the PMGAA Project Representative. The appeal shall state, in sufficient detail, why the NOV/circumstances is unwarranted. A final and binding decision on the appeal will be made by Airport Operations within ten (10) working days of receipt of the appeal, the Contractor will then be notified of this decision in writing. No further appeals to the specific NOV will be considered/accepted. Subsequent fines and/or requirements, if any, will be applied in accordance with Table 2, Schedule of Fines listed below, and the applicable amount will be withheld from the Contractor's monthly payment application following the date of the violation. The Prime Contractor shall be held financially responsible for all NOV's issued to their subcontractors, lower tier subcontractors, or material suppliers associated with this Contract.

A Description of Fines is provided in table below:

Description of Fines:	***1st Offense***	***2nd Offense***	***3rd Offense***
Parking in unauthorized areas.	$1,000	$2,500	$5,000
Not having proper and current Airport Security Badge or not properly displaying Airport Security Badge.	$1,000	$5,000	$15,000
Unauthorized access to AOA by construction personnel or access through construction gate by unauthorized personnel.	$1,000	$5,000	$15,000
Failure to Escort / be Escorted.	$1,000	$5,000	$15,000
Failure to secure an access gate / door when not in use, or failure to wait for an automated gate / door to close.	$5,000	$10,000	$15,000
Operating a vehicle or mobile construction equipment without a current Ramp Driver's permit.	$1,000	$5,000	$15,000
Failure to stop at a designated Stop, or exceeding the maximum speed limit, or deviating from designated service roadway or haul routes.	$2,500	$5,000	$15,000
Failure to yield to airside personnel or vehicles.	$1,000	$5,000	$15,000
Failure to yield to an aircraft and/or causing an aircraft to deviate from intended course.	$5,000	$10,000	$15,000
No logo on vehicle or logo is not correct in name and dimension.	$1,000	$5,000	$15,000
Runway incursion.	$15,000	$20,000	$25,000
Runway/Taxiway deviation of an active taxiway, or apron.	$10,000	$15,000	$20,000
Safety violation, such as insufficient barricades, or no flags or amber beacons on vehicle or equipment. Or no red obstruction lighting on cement silo, batch plants, cranes or other equipment with significant height.	$5,000	$10,000	$15,000
Non-compliance with the Authority's lock-out tag-out procedures.	$5,000	$10,000	$15,000
Failure to backfill open trenches within time specified.	$5,000	$10,000	$15,000
Failure to provide lighted barricades.	$5,000	$10,000	$15,000
Failure to provide functional temporary edge lighting.	$5,000	$10,000	$15,000
All other NOV not listed in this Table 1.	$1,000	$5,000	$15,000

13. SPECIAL CONDITIONS

Special unforeseen conditions or circumstances may require the activation of special procedures by the Airport. In cases involving aircraft emergencies or distressed aircraft the Contractor may be required to temporarily halt construction activities and immediately vacate the area in which he is working. The nearest Airport Operations employee, PMGAA Project Manager or delegate will be expected to notify all Contractor personnel in the vicinity and promote safe and orderly removal of all Contractor personnel and equipment to an area that is no longer in conflict with the emergency at hand. The Contractor will be expected to immediately comply with all Airport personnel directions and may not return to the subject work area until given the all clear to do so.

In the event of low-visibility conditions, or other conditions which may signal the need for additional unimpeded space next to runways or taxiways, the Contractor may be required to move to another work area of the project or temporarily stop work. The Contractor will be made aware of the possibility of these situations during the Pre-Construction Conference.

14. RUNWAY AND TAXIWAY VISUAL AIDS

a. **General.** Planned work areas for this project are not expected to impact Runway or Taxiway visual aids in any way, however, if circumstances require, Airport staff will implement measures to properly delineate work areas using appropriate barricades, temporary lighting and signage in compliance with ACs 150/5340-30J Design and Installation Details for Airport Visual Aids and 150/5340-18H Standard for Airport Sign Systems.

b. **Markings.** Planned work areas for this project are not expected to impact Runway or Taxiway markings in any way, however, if circumstances require, all permanent and temporary pavement markings shall be in compliance with the current version of AC 150/5340-1M Standards for Airport Markings.

c. **Lighting and Visual NAVAIDs.** Planned work areas for this project are not expected to impact Runway or Taxiway lighting or visual NAVAIDs in any way, however, if circumstances require, airfield lighting for runways and taxiways that are closed will either be either de-energized or disconnected.

d. **Signs, temporary, including orange construction signs, and permanent signs.** Planned work areas for this project are not expected to impact Runway or Taxiway signs in any way, however, if circumstances require, airfield guidance signs for runways and taxiways that are closed will either be removed or covered.

15. MARKINGS AND SIGNS FOR ACCESS ROUTES

The bulk of the work for this project will take place within the AOA. All contractor personnel will attend Operational Safety on Airports During Construction targeted instructor-led training which will clearly instruct approved routes of travel that are limited to established service roads. Additional or supplemental markings and/or signage for access routes within the AOA will be utilized as conditions warrant.

Temporary signing used for Contractor access/haul routes, open trenching or other hazards shall be clear, concise, reflective, and large enough so as to minimize safety-related issues. All temporary signing shall meet the requirements of the most current version of the MUTCD, and shall be frangible.

16. HAZARD MARKING AND LIGHTING

a. **Purpose.** Hazard-marking barricades, traffic cones, flashers, etc. should be used: to identify and define the limits of construction making them visible to aircraft, personnel, or vehicles; to identify hazards such as open manholes, small areas under repair, stockpiled material, waste areas, etc.; to prevent aircraft from taxiing onto a closed taxiway; and to identify FAA, airport, and national weather service facilities, cables, power lines, instrument landing system (ILS) critical areas, and other sensitive areas to prevent damage, interference, and facility shutdown.

The work planned to take place within the AOA is not expected to produce any hazards as the service roads that will be utilized already exist. No open trenches or excavations are expected inside the AOA. Hazard marking and lighting will be used should the need arise, however it is not anticipated that hazards such as trenches will exist as they are not within the scope of the project.

b. Equipment. The contractor will use standard barricades and lighting to properly delineate hazards within the AOA. It is not anticipated that the work inside the AOA will generate any hazards, however, if the need does arise, the contractor shall properly mark and light hazards according to AC 150/5340-1M (current edition). Marking and lighting inside the AOA must be approved by the Project Manager with concurrence of Airport Operations.

17. WORK ZONE LIGHTING FOR NIGHTTIME CONSTRUCTION

When nighttime construction operations are required, the Contractor shall be responsible for providing adequate lighting to maintain safe working conditions on the construction site. Contractor shall utilize generator-powered light plants, or other approved equipment, to illuminate the work area(s). Equipment used for lighting shall not impede aircraft operations and shall adhere to all height restrictions while in use on the AOA. Light beams shall not be aimed in directions that might affect the safe operation of aircraft. The Contractor shall immediately cease operation of lighting equipment that is deemed hazardous by Airport Operations or the Airport Project Manager.

18. PROTECTION OF RUNWAY AND TAXIWAY SAFETY AREAS, OBJECT FREE AREAS, OBSTACLE FREE ZONES, AND APPROACH/DEPARTURE SURFACES

a. Runway Safety Area (RSA). No construction activities may occur within any active Runway Safety Area without taking the appropriate measures to close the runway. These measures include strict coordination with Airport, ATCT and the Engineer. Although not anticipated for this project, if the Contractor requests to perform work outside of the current construction area that would impact a Runway Safety Area, a minimum of at least a 48-hour notice to the Airport is required.

Although not anticipated for this project, no trenches shall be left open within an active RSA. Any trenching within an RSA needing to be left open after the Contractor leaves the work site for the day shall be properly plated and capable of safely supporting aircraft traffic, but it is the intent that this be a unique situation with very limited occurrences. Any requests of this type shall be submitted in writing to the Airport Project Manager at least 48 hours prior to the activity. The Airport Project Manager will confer the ATCT personnel and Airport Operations, and any decision related to the Contractor's request shall be final.

Contractor shall close trenches located within active safety areas at the end of each workday. No open trenches or excavations will be allowed within the following active safety areas without prior coordination and approval from the Engineer:

- Within 250 feet parallel to an active runway centerline (trenches/excavations within a Runway Safety Area require a runway closure).
- Open trenches not to exceed 500 feet in length at any one time.

All excavated areas within an RSA shall be backfilled or covered prior to the reopening of the affected Runway. All potential hazards, including but not limited to, open trenches, manholes, and steep embankments shall be barricaded and lighted with caution tape or orange fabric construction fencing to prohibit accidental falls. The Contractor's site-specific and company safety plan/guidelines shall address the protection of these areas and the protection of the employees against these hazards.

Upon completion of the project, the Contractor is responsible for returning the affected RSA back to the requirements set by the FAA and the Airport. Construction equipment not in use shall be returned to the Contractor's Staging Area by the Contractor, where practicable. In no case shall construction equipment be left within any RSA.

b. Runway Object Free Area (ROFA). Construction in an active Runway Object Free Area (ROFA) is permitted with appropriate coordination with the Project Manager and Airport Operations.

c. Taxiway Safety Area (TSA). No construction activities may occur within any active Taxiway Safety Area without taking the appropriate measures to close the taxiway. These measures include strict coordination with Airport, ATCT and Airport Operations. Although not anticipated for this project, if the Contractor requests to perform work outside of the current construction area that would impact a Taxiway Safety Area, a minimum of at least a 48-hour notice to the Airport is required.

No adjustment to any TSA is anticipated for this project.

Although not anticipated for this project, no trenches shall be left open within an active TSA. Any trenching within a TSA needing to be left open after the Contractor leaves the work site for the day shall be properly plated and capable of safely supporting aircraft traffic, but it is the intent that this be a unique situation with very limited occurrences. Any requests of this type shall be submitted in writing to the Airport Project Manager at least 48 hours prior to the activity. The Airport Project Manager will confer with ATCT personnel and Airport Operations, and any decision related to the Contractor's request shall be final.

Contractor shall close trenches located within active safety areas at the end of each workday. No open trenches or excavations will be allowed within the following active safety areas without prior coordination and approval from the Airport Project Manager:

- Open trenches not to exceed 500 feet in length at any one time

All excavated areas within a TSA shall be backfilled or covered prior to the reopening of the affected Taxiway. All potential hazards, including but not limited to, open trenches, manholes, and steep embankments shall be barricaded and lighted with caution tape or orange fabric construction fencing to prohibit accidental falls. The Contractor's site-specific and company safety plan/guidelines shall address the protection of these areas and the protection of the employees against these hazards.

Upon completion of the project, the Contractor is responsible for returning the affected TSA back to the requirements set by the FAA and the Airport.

Construction equipment not in use shall be returned to the Contractor's Staging Area by the Contractor, where practicable. In no case shall construction equipment be left within any TSA.

d. Taxiway Object Free Area (TOFA). Work within adjacent Taxiway OFA's is not anticipated as part of this project.

e. Obstacle Free Zone (OFZ). The OFZ and Threshold Siting Surfaces will not be affected as part of this project.

f. Runway Approach / Departure Surfaces. The Approach/Departure surfaces will not be affected as part of this project**.**

19. OTHER LIMITATIONS ON CONSTRUCTION

The Contractor and its employees shall employ safe practices per the Contractor's safety procedures and industry safety standards. The Contractor's safety procedures will ultimately dictate the use of protective clothing and equipment for its employees, but at a minimum, the Contractor's employees must be equipped with a Type 2 safety vest, and every employee that enters the site must be wearing said vest. The vest must be worn the entire time that the employee enters and is within the Air Operations Area (AOA).

The Contractor will be required to maintain situational awareness for the duration of this project, and will be required to report suspicious situations, persons, and/or materials to the nearest Airport employee immediately.

The project will require that the Contractor and any employees, subcontractors and delivery staff working within the AOA undergo the security badging process and instructor-led Operational Safety on Airports During Construction training, and will be responsible for being vigilant in helping to maintain security of the airfield.

The airport is operated in strict compliance with Transportation Security Administration (TSA) and Federal Aviation Regulations (FAR), which prohibit unauthorized persons or vehicles in the Air Operations Area (AOA). Equipment and workmen will be restricted to the work area defined on the plans unless escorted by Airport staff. Any violation by Contractor's personnel or sub-contractors will subject the contractor to penalties imposed by the TSA, FAA or PMGAA.

The Contractor will assume all fines against PMGAA assessed to them by the FAA/TSA for the Contractor's security violations. Typical fines are ten thousand dollars ($10,000.00) or more per incident.

The Contractor shall be responsible for the protection of the construction site, and all work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons. Security measures shall include such additional security fencing, barricades, lighting, and other measures as the Contractor may deem necessary to protect the site.

The Contractor's responsibilities for work areas are as follows:

1) The Contractor shall be held responsible for controlling his employees, Sub-Contractors, and their employees with regard to traffic movement.

2) The Contractor shall rebuild, repair, restore, and make good at his own expense all injuries or damages to any portion of the work occasioned by his use of these facilities before completion and acceptance of his work.

Airport Access Badging: All Contractor and/or subcontractor personnel performing work functions within the AOA shall obtain and properly display a Phoenix-Mesa Gateway Airport (IWA) airport security badge. The Contractor shall submit a Security Badge Application form to the PMGAA security office for each employee requiring unescorted access, along with the current fee for each badge. The fee must be paid for with cash, check, or credit card. The Security Badge Application form and instructions are available via the Internet at www.gatewayairport.com.

A Company Principal of the Contractor must obtain and submit a Company Security Media Authorization (CSMA) form, which is to be submitted to the PMGAA Badging Office. The CSMA will identify those individuals employed by the Contractor who are authorized to approve and sign a Security Badge Application for other employees of the Contractor. The CSMA form and instructions are available via the Internet at www.gatewayairport.com.

All Contractor and sub-contractor personnel that are to be issued an Airport Identification Badge are required to attend and successfully complete the instructor led Operational Safety on Airports During Construction class before being issued an identification badge.

The types of training required will be determined by the scope and location of the work involved. All personnel that will receive Airport badges shall receive Operational Safety on Airports During Construction training.

Additional information, including a "Frequently Asked Questions" is available via the Internet at www.gatewayairport.com or by contacting the PMGAA Badging Office at 480.988.7522 or via email to badgingoffice@gatewayairport.com. The Badging Office is located at 5803 S Sossaman Rd, Mesa AZ 85212.

The Contractor should allow thirty (30) business days lead time for employee badges to be issued. The Contractor shall immediately notify Airport Operations/Badging Office of any Contractor personnel whose employment status has changed.

The Contractor shall be responsible for retrieving all security badges and keys and return them to the Badging Office. A fee will be charged for each badge that is damaged, lost or not returned.

a. Prohibitions.

- The use of flare pots is not permitted within the AOA at any time.
- The use of electrical blasting caps is not permitted within 1,000 feet of the Airport property.

b. Restrictions.

- Open flame welding and the use of torches shall be approved by the Airport prior to the project commencing. Open flame welding and the use of torches may require a "Hot-Work Permit" by a governing agency, (the City of Mesa), or the Airport's Aircraft Rescue and Fire Fighting (ARFF) department. If this type of work is required on this project, the Contractor shall notify the Airport.
- The purpose of the Airfield Lighting Vault Lock-Out/Tag-Out Policy procedure is to standardize the lock-out/tag-out procedures between Electrical Contractors, Airport Electricians, Operations, and the Air Traffic Control Tower:

    1) The Airport electricians responding to a lock-out/tag-out request will coordinate with the ATCT through Operations.
    2) After Operations notifies electricians of closures, the PMGAA electricians will turn off the closed runways/taxiways using the airfield computer system.
    3) The Contractor will supply an approved breaker-locking device and lock, then lock off the individual breakers for the circuits to be locked out. These items will remain in the vault in a lock box provided by PMGAA.
    4) The load break elbows and/or S-1 switches will be pulled, locked on the corresponding regulator by the Electrical Contractor, and the S-1 cabinet will be locked by the Contractor.
    5) The Electrical Contractor and PMGAA electricians must fill out lock-out/tag-out forms before leaving the Vault.
    6) Upon completion of the lock-out, the Contractor will remove all locks and install the load breaks. All circuits must be verified by operations in the manual mode on the regulator.
    7) Operations will perform a complete check of the lights in the field to verify actual operation.
    8) When that has been completed, PMGAA electricians will notify PMGAA Operations when lock-out is complete and regulators are in remote control; Operations will notify the ATCT that they have control of the airfield lighting.

    *This Procedure will be updated prior to construction.

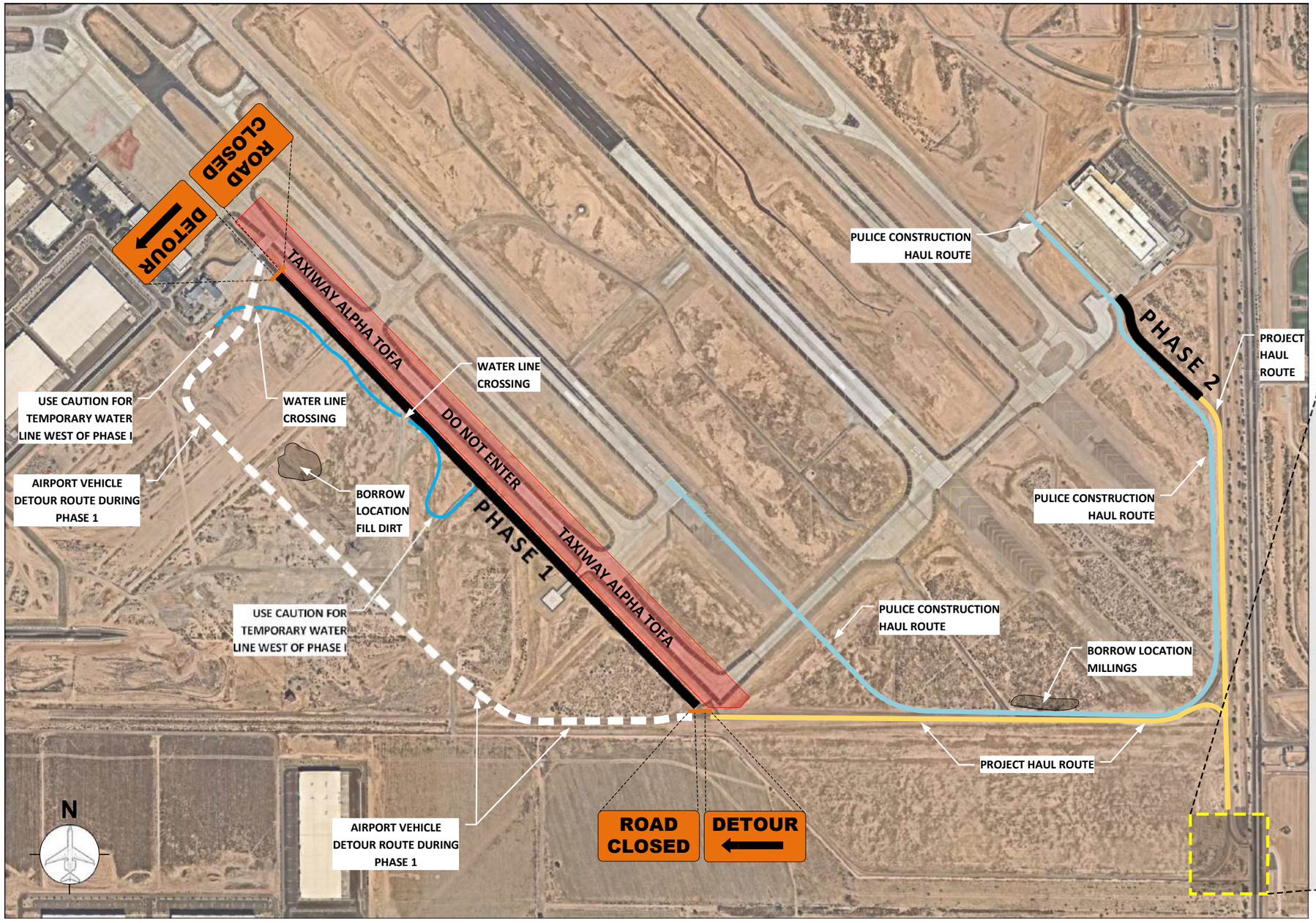
APPRNDIX A

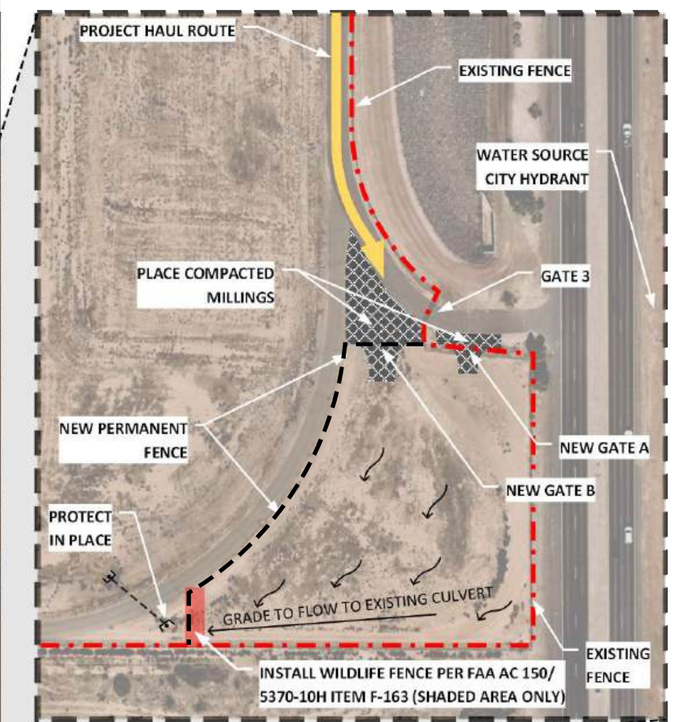
CSPP SAFETY AND SITE LOGISTICS LAYOUT

PMGAA-1322 ROAD IMPROVEMENTS PROJECT

CSPP SAFETY AND SITE LOGISTICS LAYOUT

PROJECT NOTES	
1. CONTRACTOR TO DELINEATE WORK ZONE AT TAXIWAY ALPHA TAXIWAY OBJECT FREE AREA (TOFA)	
2. PLACE TEMPORARY STOP SIGNS BOTH SIDES OF COMPASS ROAD CROSSING	
3. PROJECT IS INSIDE AIR OPERATIONS AREA (AOA) – AVIATION CONSTRUCTION FLAGS AND/OR OMNI-DIRECTIONAL AMBER BEACONS REQUIRED. COMPANY PLACARDS BOTH SIDES OF EACH VEHICLE REQUIRED.	
4. MANDATORY CONTRACTOR TRAINING REQUIRED FOR ALL WORKERS EXCEPT TRANSIENT HAUL TRUCK DRIVERS	
5. STAGING YARD PERM FENCE PER DISTRIBUTED STANDARD DETAIL MUST BE APPROVED BY AIRPORT OPERATIONS. GATE 3 MUST REMAIN CLEAR FOR EMERGENCY RESPONDERS. INSTALL PERM FENCE AND NEW GATE B, RECEIVE APPROVAL, THEN INSTALL NEW GATE A.	
6. WATER SOURCE AS SHOWN, WATER HOSE FENCE PENETRATION MUST BE APPROVED BY AIRPORT OPERATIONS (POSSIBILITY OF KLEIN TANK IS UNDER REVIEW)	
7. PULICE CONTACTS:	
JEFF GERGAL (PM)	858-525-3901
JACK MATHENY (SUPERINTENDENT)	602-448-1423
8. ALL PERSONNEL AND VEHICLES SHALL REMAIN OUTSIDE OF THE TAXIWAY ALPHA TOFA AS SHOWN IN RED SHADING ON THIS SHEET	
9. CONTRACTOR SHALL PROCURE AND PLACE TEMPORARY DETOUR/ROAD CLOSED SIGNAGE AS SHOWN ON THIS SHEET	
10. PMGAA PROJECT MANAGER: MIKE HANAS	480-438-7318(cell)
11. PMGAA OPERATIONS 24/7 CONTACT	480-988-7570
12. PMGAA BADING OFFICE:	480-988-7522





Rev-2 12/09/2024

Exhibit 4

Phoenix Mesa Gateway Airport Authority
Construction Plans

Project: Vehicle Service Road, CIP 1322

See following pages

CONSTRUCTION PLANS FOR

Phoenix-Mesa Gateway Airport

MESA, ARIZONA

The Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority, a Joint Powers Airport Authority comprised of the Cities of Mesa, and Apache Junction, the Towns of Queen Creek and Gilbert, and the Gila River Indian Community.
The Authority was formed by agreement between the City of Mesa, City of Apache Junction, Town of Gilbert, Town of Queen Creek, the Gila River Indian Community and the City of Phoenix, pursuant to Arizona Revised Statutes Section 28-854.

ROAD IMPROVEMENTS

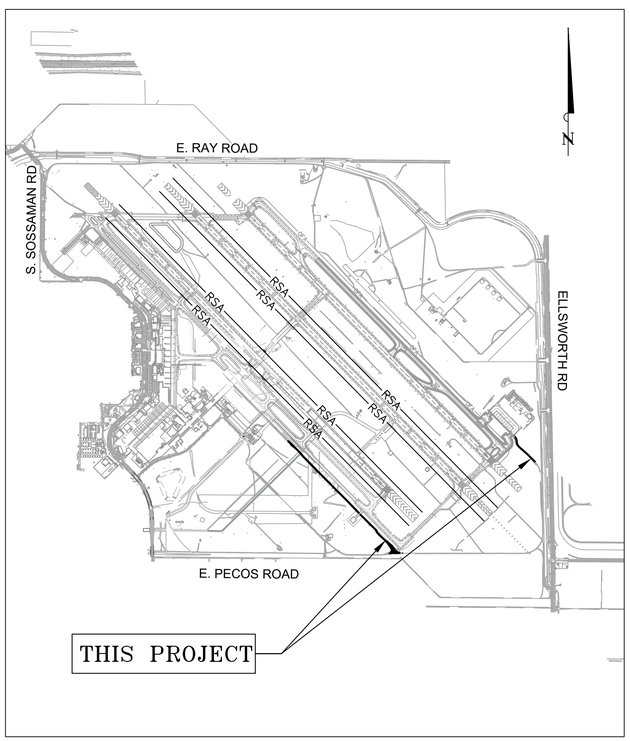
PMGAA PROJECT NO.: XXXX

PMGAA SOLICITATION NO.: 2024-XXXX-IFB

GENERAL PROJECT DESCRIPTION:

CONSTRUCT ROAD IMPROVEMENTS
ASPHALT OVERLAY OF EXISTING ROAD

FINAL SUBMITTAL



LOCATION MAP
N.T.S.

BENCHMARK

PROJECT HORIZONTAL AND VERTICAL CONTROL IS TIED TO THE FOLLOWING SURVEY MONUMENT:

PHOENIX-MESA GATEWAY AIRPORT DATUM

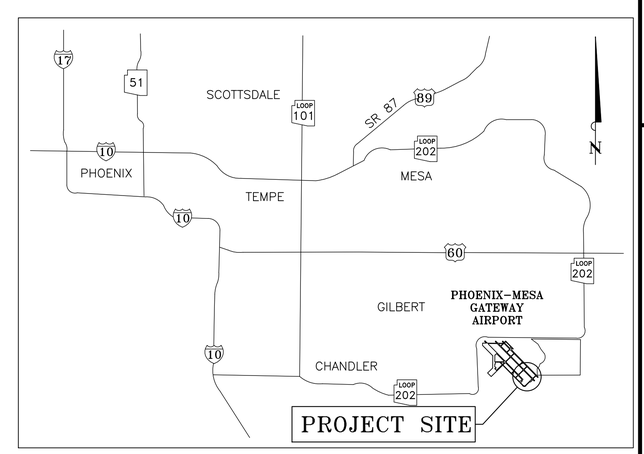
PROJECT BENCHMARK ID: 103 - IWA B
NORTHING: 843937.712
EASTING: 776679.269
ELEVATION: 1346.119

PROJECT BENCHMARK ID: 101 - IWA C
NORTHING: 834271.582
EASTING: 782102.727
ELEVATION: 1380.430

HORIZONTAL DATUM IS NAD 83 AND THE VERTICAL DATUM IS NAVD 88. ALL COORDINATES IN INTERNATIONAL. THE COMBINED AVERAGE SCALE FACTOR USED FOR THE MAPPING IS 1.0001533.

COORDINATION LIST

ORGANIZATION	CONTACT	PHONE
DESIGN		
ENGINEER (CIVIL)	**JARRETT MOORE**	**623-552-5185**
ENGINEER (ELECTRICAL)	**NONE**	**NONE**
ENGINEER (STRUCTURAL)	**NONE**	**NONE**
ENVIRONMENTAL / GEO	**NONE**	**NONE**
SURVEYOR	**RICHARD ANDERSON**	**602-577-7571**
OWNER		
PMGAA ENGINEERING AND FACILITIES	**BOB DRAPER**	**480-988-7705**
PMGAA OPERATIONS	**IVAN SMITH**	**480-988-7708**
PROJECT MANAGER	**MIKE HANAS**	**480-988-7636**



VICINITY MAP
N.T.S.

Call at least two full working days before you begin excavation.
ARIZONA 811 Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)
In Maricopa County: (602) 263-1100

K:\nov_civil\091134067 - ver Improvements\CADD\091134067CV.dwg Nov 13, 2024 Jason Zhang
XREFS: x091134067-TB x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134067-BM x091134067-VF x134022VS - VF Temp x291470002-BM-Lonaside

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NO.	REVISION	BY	DATE

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. ____
Vert. ____
Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

COVER SHEET

PROJECT NO. 091134067
FILE NO. 091134067CV
C1.1
SHEET 1 of 24

ABBREVIATIONS

ABAND	ABANDONED
ABC	AGGREGATE BASE COURSE
AC	ADVISORY CIRCULAR OR ASPHALTIC CONCRETE
ACI	AMERICAN CONCRETE INSTITUTE
AHD	AHEAD
AIP	AIRPORT IMPROVEMENT PROGRAM
ALP	AIRPORT LAYOUT PLAN
ALS	APPROACH LIGHT SYSTEM
AOA	AIR OPERATIONS AREA
APPROX	APPROXIMATE
APS	ARIZONA PUBLIC SERVICE
ASTM	AMERICAN SOCIETY FOR TESTING AND MATERIALS
ATCT	AIR TRAFFIC CONTROL TOWER
AWOS	AUTOMATED WEATHER OBSERVATION SYSTEM
BK	BACK
BM	BENCH MARK
BT	BASIC TRANSPORT
BU	BASIC UTILITY
BVC	BEGIN VERTICAL CURVE
BVCE	BEGIN VERTICAL CURVE ELEVATION
BVCS	BEGIN VERTICAL CURVE STATION
CB	CATCH BASIN
CFR	CRASH, FIRE, AND RESCUE AND CODE OF FEDERAL REGULATIONS
CFS	CUBIC FEET PER SECOND
CIP	CAST IRON PIPE
CIPP	CAST-IN-PLACE CONCRETE PIPE
CL	CENTERLINE
CLR	CLEARANCE
CMP	CORRUGATED METAL PIPE
CPT	CONTROL POINT
CY	CUBIC YARDS
DIA	DIAMETER
DIP	DUCTILE IRON PIPE
E	EAST OR ELECTRICAL FEATURE
EA	ENVIRONMENTAL ASSESSMENT OR EACH
EL	ELEVATION
EOP	EDGE OF PAVEMENT
EVC	END VERTICAL CURVE
EVCE	END VERTICAL CURVE ELEVATION
EVCS	END VERTICAL CURVE STATION
EX	EXISTING
EXIST	EXISTING
FAA	FEDERAL AVIATION AGENCY (ADMINISTRATION)
FAR	FEDERAL AVIATION REGULATION
FBO	FIXED BASE OPERATOR
FH	FIRE HYDRANT
FL	FLOWLINE
FOD	FOREIGN OBJECT DAMAGE/DEBRIS
FPS	FEET PER SECOND
GA	GENERAL AVIATION OR GAUGE
GB	GRADE BREAK
GALV	GALVANIZED
GR	GRATE ELEVATION
GT	GENERAL TRANSPORT
GU	GENERAL UTILITY
HORIZ	HORIZONTAL
HP	HIGH POINT
INV	INVERT ELEVATION
IFR	INSTRUMENT FLIGHT RULES
ILS	INSTRUMENT LANDING SYSTEM
INT	INTERSECTION
IR	IRON ROD
IRRIG	IRRIGATION
JT	JOINT
KV	KILOVOLT
LF	LINEAR FEET
LS	LUMP SUM
LT	LEFT
MAG	MARICOPA ASSOCIATION OF GOVERNMENTS
MAX	MAXIMUM
MBE	MINORITY BUSINESS ENTERPRISE
MGW	MAXIMUM GROSS WEIGHT
MH	MANHOLE
MIN	MINIMUM
MIRL	MEDIUM INTENSITY RUNWAY LIGHTS
MITL	MEDIUM INTENSITY TAXIWAY LIGHTS
ML	MONUMENT LINE
N	NORTH
NE	NORTHEAST
NEC	NATIONAL ELECTRIC CODE
NEMA	NATIONAL ELECTRICAL MANUFACTURES ASSOCIATION
NPIAS	NATIONAL PLAN OF INTEGRATED AIRPORT SYSTEMS
NAVAID	NAVIGATIONAL AID
NDB	NON-DIRECTIONAL BEACON
NFPA	NATIONAL FIRE PROTECTION ASSOCIATION
NIC	NOT IN CONTRACT
NO	NUMBER
NOTAM	NOTICE TO AIRMEN
NP	NON-PLASTIC
NPI	NON-PRECISION INSTRUMENT/NON-PAY ITEM
NTP	NOTICE TO PROCEED
NTS	NOT TO SCALE
NW	NORTHWEST
OC	ON CENTER
OD	OUTSIDE DIAMETER
OSHA	OCCUPATIONAL SAFETY AND HEALTH ACT
PAPI	PRECISION APPROACH PATH INDICATOR
PC	POINT OF CURVATURE
PCC	PORTLAND CEMENT CONCRETE OR POINT OF COMPOUND CURVE
PI	POINT OF INTERSECTION OR PLASTICITY INDEX
PL	PROPERTY LINE
POC	POINT ON CURVE
PP	POWER POLE
PRC	POINT OF REVERSE CURVE
PROP	PROPOSED
PSI	POUNDS PER SQUARE INCH
PT	POINT OF TANGENCY
PVC	POLYVINYL CHLORIDE
PVI	POINT OF VERTICAL INTERSECTION
PVMT	PAVEMENT
R	RADIUS
RCP	REINFORCED CONCRETE PIPE
REIL	RUNWAY END IDENTIFIER LIGHTS
RGRCP	RUBBER GASKETED REINFORCED CONCRETE PIPE
RP	RADIUS POINT
RSA	RUNWAY SAFETY AREA
RW	RIGHT-OF-WAY
R/W	RUNWAY
RWY	RUNWAY
RT	RIGHT
S	SLOPE OR SOUTH
SD	STORM DRAIN
SE	SOUTHEAST
SEC	SECTION
SF	SEMI-FLUSH OR SQUARE FEET
SHT	SHEET
SPA	SPACING
SPEC	SPECIFICATIONS
SRP	SALT RIVER PROJECT
STA	STATION
STD	STANDARD
SW	SOUTHWEST
SY	SQUARE YARD
TSA	TAXIWAY SAFETY AREA
T/W	TAXIWAY
TWY	TAXIWAY
TYP	TYPICAL
UL	UNDERWRITERS LABORATORY
UTIL	UTILITY
VAR	VARIES
VASI	VISUAL APPROACH SLOPE INDICATOR
VC	VERTICAL CURVE
VERT	VERTICAL
VFR	VISUAL FLIGHT RULES
VPI	VERTICAL POINT OF INTERSECTION
W	WEST
W	WELDED
WF	WIRE FABRIC
WV	WATER VALVE

LEGEND

- CENTERLINE/SURVEY LINE
- PROPOSED EDGE OF STRUCTURAL PAVEMENT
- EXISTING EDGE OF STRUCTURAL PAVEMENT
- EXISTING CURB AND GUTTER
- EXISTING ELECTRIC
- EXISTING CULVERT/PIPE
- PROPOSED CULVERT/PIPE
- APPROXIMATE LIMIT OF GRADING
- GB — GRADE BREAK
- DRAINAGE DITCH/SWALE
- EXISTING CHAIN LINK FENCE
- X — PROPOSED CHAIN LINK FENCE
- EXISTING CONTOUR
- 75 — PROPOSED CONTOUR
- SURVEY MONUMENT
- 5 — BORING LOG CORE LOCATION
- × 02.16 — PROPOSED SPOT ELEVATION
- EXISTING ELECTRIC BOX/HANDHOLE
- EXISTING TAXIWAY EDGE LIGHT AND BASE
- PROPOSED TAXIWAY EDGE LIGHT AND BASE
- EXISTING FUEL PUMP
- EXISTING MANHOLE
- PROPOSED MANHOLE
- EXISTING DRAINAGE INLET
- PROPOSED DRAINAGE INLET
- EXISTING WATER METER
- PROPOSED WATER METER
- EXISTING WATER VALVE
- PROPOSED WATER VALVE
- EXISTING FIRE HYDRANT
- PROPOSED FIRE HYDRANT
- EXISTING GUIDANCE SIGN
- X — PROPOSED SILT FENCE
- PROPOSED ROCK CHECK DAMS INSTALLED AT POINT DISCHARGE OUTLETS (SWALES AND DITCHES)
- EXISTING WINDSOCK
- FLAGGERS
- PORTLAND CEMENT CONCRETE PAVEMENT
- BITUMINOUS PAVEMENT
- ARCHAEOLOGICAL SENSITIVE AREA
- A / 1 — DETAIL/SECTION REFERENCE (DETAIL DESIGNATION ON TOP, SHEET NUMBER ON BOTTOM)
- PORTABLE LIGHTED RUNWAY CLOSURE MARKER
- HAUL ROUTE
- LOW PROFILE BARRICADES
- VERTICAL PANEL BARRICADES
- AIRCRAFT TRAFFIC ROUTE DURING CONSTRUCTION
- DESIGN AIRCRAFT (BOEING 747-400)

PHOENIX-MESA GATEWAY AIRPORT ROAD IMPROVMENTS

Sheet Number	Sheet Title	Sheet Description
1	C1.1	COVER SHEET
2	C1.2	ABBREVIATIONS, LEGEND AND SHEET INDEX
3	C1.3	GENERAL NOTES, KEY MAP, AND QUANTITIES
4	C1.4	PROJECT LAYOUT PLAN
5	C1.5	HORIZONTAL AND VERTICAL CONTROL PLAN
6	C2.1	CONSTRUCTION PHASING PLAN (PHASE 1)
7	C2.2	CONSTRUCTION PHASING PLAN (PHASE 2)
8	C3.1	DEMOLITION PLAN SHEET 1 OF 2
9	C3.2	DEMOLITION PLAN SHEET 2 OF 2
10	C4.1	GEOMETRIC LAYOUT PLAN SHEET 1 OF 6
11	C4.2	GEOMETRIC LAYOUT PLAN SHEET 2 OF 6
12	C4.3	GEOMETRIC LAYOUT PLAN SHEET 3 OF 6
13	C4.4	GEOMETRIC LAYOUT PLAN SHEET 4 OF 6
14	C4.5	GEOMETRIC LAYOUT PLAN SHEET 5 OF 6
15	C4.6	GEOMETRIC LAYOUT PLAN SHEET 6 OF 6
16	C5.1	GRADING AND DRAINAGE PLAN SHEET 1 OF 7
17	C5.2	GRADING AND DRAINAGE PLAN SHEET 2 OF 7
18	C5.3	GRADING AND DRAINAGE PLAN SHEET 3 OF 7
19	C5.4	GRADING AND DRAINAGE PLAN SHEET 4 OF 7
20	C5.5	GRADING AND DRAINAGE PLAN SHEET 5 OF 7
21	C5.6	GRADING AND DRAINAGE PLAN SHEET 6 OF 7
22	C5.7	GRADING AND DRAINAGE PLAN SHEET 7 OF 7
23	C6.1	PROJECT DETAILS SHEET 1 OF 2
24	C6.2	PROJECT DETAILS SHEET 2 OF 2

NO.	REVISION	BY	DATE

FIRMS NAME

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KIMLEY-HORN AND ASSOCIATES, INC.
1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

FIRMS SEAL

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NOT FOR CONSTRUCTION
Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 41580A DATE 11/13

SCALE
Horiz. ____
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

ABBREVIATIONS, LEGEND AND SHEET INDEX

PROJECT NO. 091134067
FILE NO. 091134067NT

C1.2

SHEET 2 of 24

K:\aov_aviation\091134067 - vsr improvements\CADD\091134067NT.dwg Nov 13, 2024 Jason Zhong
XREFS: x091134067-TB x091134054-VA x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134067-BM x091134067-HT-EX
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GENERAL NOTES

1. CONSTRUCTION OF THIS PROJECT SHALL BE IN ACCORDANCE WITH ALL APPLICABLE FEDERAL AVIATION ADMINISTRATION'S (FAA) STANDARDS AND SPECIFICATIONS, CITY OF MESA SUPPLEMENTARY CONDITIONS, CITY OF MESA SUPPLEMENTS, LATEST REVISION TO ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) STANDARD DRAWINGS, LATEST REVISION TO THE MAG UNIFORM STANDARD GOVERNMENTS (MAG) UNIFORM STANDARD SPECIFICATIONS AND UNIFORM STANDARD DETAILS, LATEST REVISION. IN THE EVENT OF ANY CONFLICT BETWEEN THE CONTRACT DOCUMENTS FOR THIS PROJECT AND THE MAG STANDARD SPECIFICATIONS AND DETAILS AND THE CITY OF MESA SUPPLEMENTS TO THE MAG STANDARDS, THE CONTRACT DOCUMENTS FOR THIS PROJECT SHALL PREVAIL. THE FOLLOWING IS THE PRECEDENCE OF THE CONTRACT DOCUMENTS:

   SPECIAL PROVISIONS
   TECHNICAL SPECIFICATIONS, CIVIL AND ELECTRICAL PLANS/DRAWINGS
   GENERAL PROVISIONS
   GENERAL CONDITIONS TO THE CONSTRUCTION CONTRACT
   CITY OF MESA SUPPLEMENTS TO MAG STANDARD SPECIFICATIONS
   MAG UNIFORM STANDARD SPECIFICATIONS

2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PRESERVATION OF PHOENIX–MESA GATEWAY PROPERTY AND SHALL LOCATE AND PROTECT CAREFULLY FROM DAMAGE OR DISTURBANCE OF ALL BENCHMARKS, LAND MONUMENTS AND PROPERTY MARKERS. IF DAMAGE OR INJURY TO PROPERTY DOES OCCUR DURING THE WORK, THE CONTRACTOR SHALL RESTORE, AT HIS OWN EXPENSE, SUCH PROPERTY TO A CONDITION EQUAL TO OR BETTER THAN THAT EXISTING BEFORE SUCH DAMAGE OR INJURY WAS DONE BY REBUILDING OR RESTORING AS DIRECTED.

3. SAFETY AND SECURITY – SAFETY AND SECURITY IS THE CONTRACTOR'S RESPONSIBILITY AND SHALL BE COORDINATED WITH THE PHOENIX–MESA GATEWAY AIRPORT AUTHORITY AND THE ENGINEER.

4. THE CONTRACTOR SHALL NOTIFY THE PHOENIX–MESA GATEWAY AIRPORT AUTHORITY IN WRITING, THROUGH THE ENGINEER, A MINIMUM OF TWO (2) WEEKS PRIOR TO WORK TO OBTAIN CLEARANCE FOR WORK WITHIN THE SAFETY AREA OF TAXIWAY "A", TAXIWAY "P", AND THE COMPASS ROSE. THE CONTRACTOR SHALL SUBMIT FOR APPROVAL, TEN (10) CALENDAR DAYS AFTER THE NOTICE OF AWARD, A CRITICAL PATH METHOD (CPM) SCHEDULE.

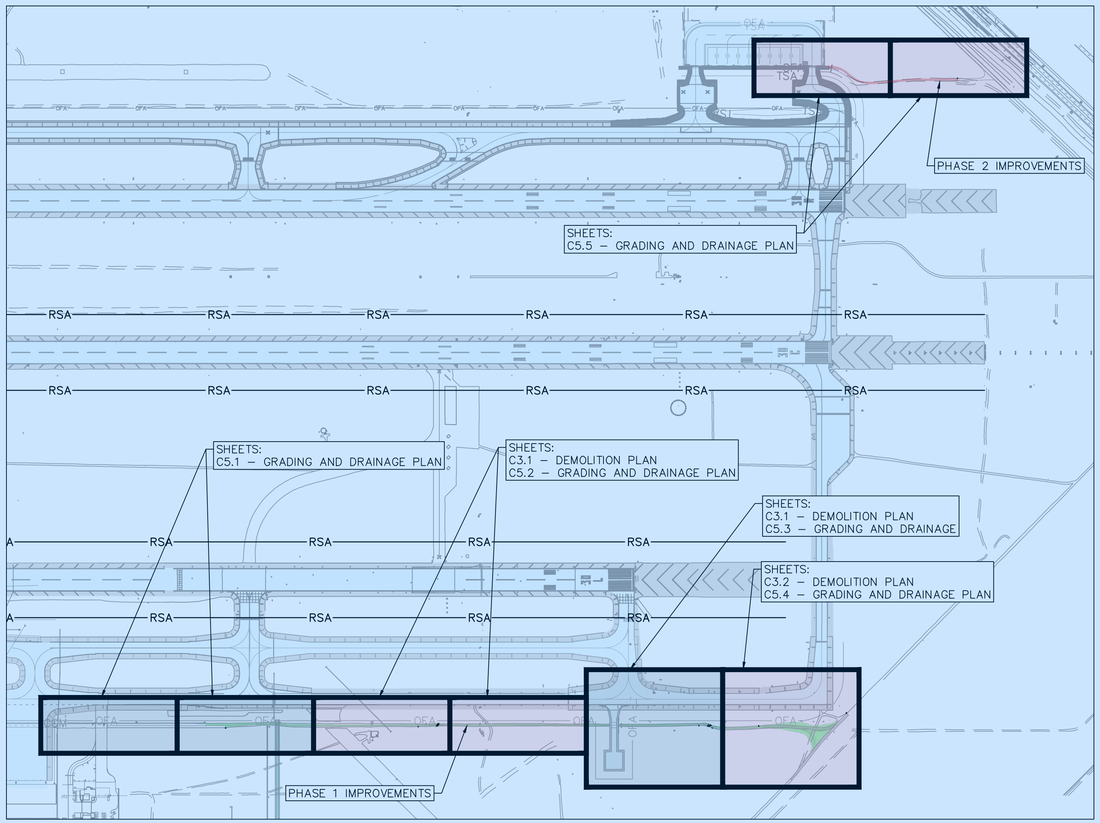
5. EXISTING UTILITY INFORMATION SHOWN ON THE PLANS CONCERNING THE TYPE, SIZE AND LOCATION OF UTILITIES WAS COMPILED BASED ON THE BEST AVAILABLE UTILITY RECORDS PROVIDED TO THE ENGINEER. THE CONTRACTOR SHALL PROVIDE A UTILITY LOCATOR AND VERIFY THE ACTUAL LOCATION PRIOR TO CONSTRUCTION. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROTECT ALL EXISTING UTILITES IN PLACE UNLESS NOTED OTHERWISE OR SPECIFIED. ANY DAMAGE TO EXISTING UTILITIES SHALL BE REPAIRED AT THE CONTRACTOR'S EXPENSE. UTILITIES INTERFERING WITH CONSTRUCTION SHALL BE RESET OR RELOCATED BY THE UTILITY COMPANY CONCERNED UNLESS NOTED OTHERWISE. CONTRACTOR SHALL CONTACT THE UTILITY COMPANIES AT LEAST SEVENTY–TWO (72) HOURS PRIOR TO BEGINNING CONSTRUCTION.

6. AIRFIELD LIGHTING SYSTEMS – INTERRUPTION OF THE EXISTING AIRFIELD LIGHTING SYSTEM IS NOT ANTICIPATED FOR THIS PROJECT. NOTICE SHALL BE PROVIDED TO THE PHOENIX–MESA GATEWAY AIRPORT AUTHORITY AND THE ENGINEER AT LEAST TWO (2) WEEKS PRIOR TO ANY LIGHTING WORK.

QUANTITIES

Item	Specification Number	Bid Item Description	Quantity	Unit
Base Bid				
1	MAG Section 109.10	Mobilization (Maximum of 5%)	1	LS
2	MAG 201	Clearing and Grubbing	0.63	AC
3	MAG 205	Roadway Excavation	100	CY
4	MAG 211	Fill Construction	2,790	CY
5	MAG 301	Subgrade Preparation	1,240	SY
6	MAG 310	Placement and Construction of Aggregate Base Course (4" Depth)	113	CY
7	MAG 321	Placement and Construction of Asphalt Concrete Pavement (2.5" Depth Overlay)	980	TON
8	MAG 324	Portland Cement Concrete Pavement, Storm Drain Cap (6" Depth)	31	SY
9	MAG 350-4.1	Removal of Existing Improvements (Remove/Relocate Existing AC Millings, and Place/Compact Per Plans at 2"-4" Depth)	1,440	SY

PROJECT SHEET KEY MAP



NO.	REVISION	BY	DATE

FIRM'S NAME

Kimley»Horn
KIMLEY-HORN AND ASSOCIATES, INC.
1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

FIRM'S SEAL

PRELIMINARY
FOR REVIEW ONLY
NOT FOR CONSTRUCTION
Kimley»Horn
ENGINEER JARRET M. MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. _____
Vert. _____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 S. SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY ROAD IMROVEMENTS

GENERAL NOTES, KEY MAP, AND QUANTITIES

PROJECT NO. 091134067
FILE NO. 091134067NT
C1.3
SHEET 3 of 24

K:\aev_aviation\091134067 – var. Improvements\CADD\091134067NT.dwg Nov 19, 2024 JC.Cruz
XREFS: x091134067-TB x091134054-VA x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134067-
THIS DOCUMENT, TOGETHER WITH THE CONCEPTS AND DESIGNS PRESENTED HEREIN, AS AN INSTRUMENT OF SERVICE, IS INTENDED ONLY FOR THE SPECIFIC PURPOSE AND CLIENT FOR WHICH IT WAS PREPARED. REUSE
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GENERAL NOTES

1. CONSTRUCTION OF THIS PROJECT SHALL BE IN ACCORDANCE WITH ALL APPLICABLE FEDERAL AVIATION ADMINISTRATION'S (FAA) STANDARDS AND SPECIFICATIONS, CITY OF MESA SUPPLEMENTARY CONDITIONS, CITY OF MESA SUPPLEMENTS, LATEST REVISION TO ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) STANDARD DRAWINGS, LATEST REVISION TO THE MAG UNIFORM STANDARD GOVERNMENTS (MAG) UNIFORM STANDARD SPECIFICATIONS AND UNIFORM STANDARD DETAILS, LATEST REVISION. IN THE EVENT OF ANY CONFLICT BETWEEN THE CONTRACT DOCUMENTS FOR THIS PROJECT AND THE MAG STANDARD SPECIFICATIONS AND DETAILS AND THE CITY OF MESA SUPPLEMENTS TO THE MAG STANDARDS, THE CONTRACT DOCUMENTS FOR THIS PROJECT SHALL PREVAIL. THE FOLLOWING IS THE PRECEDENCE OF THE CONTRACT DOCUMENTS:

   SPECIAL PROVISIONS
   TECHNICAL SPECIFICATIONS, CIVIL AND ELECTRICAL PLANS/DRAWINGS
   GENERAL PROVISIONS
   GENERAL CONDITIONS TO THE CONSTRUCTION CONTRACT
   CITY OF MESA SUPPLEMENTS TO MAG STANDARD SPECIFICATIONS
   MAG UNIFORM STANDARD SPECIFICATIONS

2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PRESERVATION OF PHOENIX–MESA GATEWAY PROPERTY AND SHALL LOCATE AND PROTECT CAREFULLY FROM DAMAGE OR DISTURBANCE OF ALL BENCHMARKS, LAND MONUMENTS AND PROPERTY MARKERS. IF DAMAGE OR INJURY TO PROPERTY DOES OCCUR DURING THE WORK, THE CONTRACTOR SHALL RESTORE, AT HIS OWN EXPENSE, SUCH PROPERTY TO A CONDITION EQUAL TO OR BETTER THAN THAT EXISTING BEFORE SUCH DAMAGE OR INJURY WAS DONE BY REBUILDING OR RESTORING AS DIRECTED.

3. SAFETY AND SECURITY – SAFETY AND SECURITY IS THE CONTRACTOR'S RESPONSIBILITY AND SHALL BE COORDINATED WITH THE PHOENIX–MESA GATEWAY AIRPORT AUTHORITY AND THE ENGINEER.

4. THE CONTRACTOR SHALL NOTIFY THE PHOENIX–MESA GATEWAY AIRPORT AUTHORITY IN WRITING, THROUGH THE ENGINEER, A MINIMUM OF TWO (2) WEEKS PRIOR TO WORK TO OBTAIN CLEARANCE FOR WORK WITHIN THE SAFETY AREA OF TAXIWAY "A", TAXIWAY "P", AND THE COMPASS ROSE. THE CONTRACTOR SHALL SUBMIT FOR APPROVAL, TEN (10) CALENDAR DAYS AFTER THE NOTICE OF AWARD, A CRITICAL PATH METHOD (CPM) SCHEDULE.

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QUANTITIES

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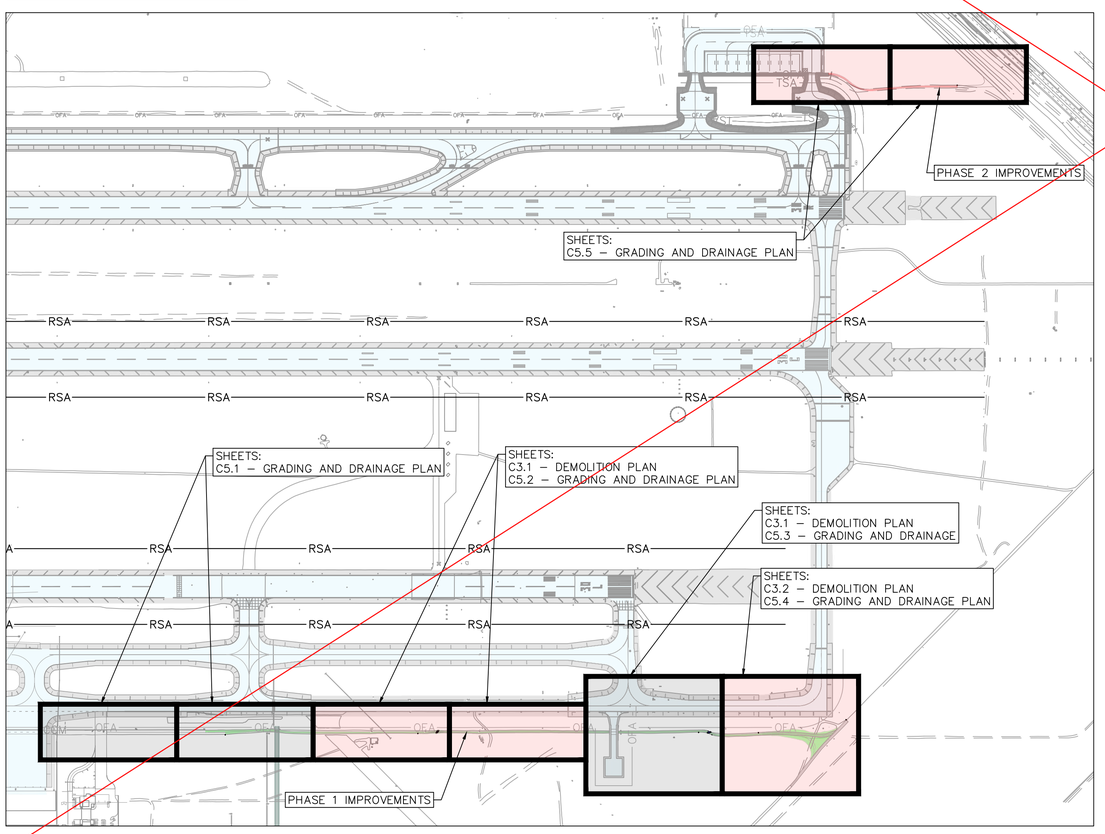
9	MAG 350-4.1	Removal of Existing Improvements (Remove/Relocate Existing AC Millings, and Place/Compact Per Plans at 2"-4" Depth)	1,440	SY

PROJECT SHEET KEY MAP



NO.	REVISION	BY	DATE

FIRM'S NAME

Kimley»Horn
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1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

FIRM'S SEAL

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Kimley»Horn
ENGINEER JARRET M. MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. ____
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

GENERAL NOTES, KEY MAP, AND QUANTITIES

PROJECT NO. 091134067
FILE NO. 091134067NT
C1.3
SHEET 3 of 24

K:\env_aviation\091134067 – ver improvements\CADD\091134067NT.dwg Nov 13, 2024 Jason.Zhang
XREFS: x091134067–TB x091130054–VA x091134033–BM–2 (Taxiway C Phase 2) x091134033–BM–3 (Taxiway C Phase 3) x091134054–BM (Taxiway Connectors) x091134067–BM x091134067–VF x134022VS – VF Temp x291470002–BM–Landside xTowerBM x091134067–HT–EX
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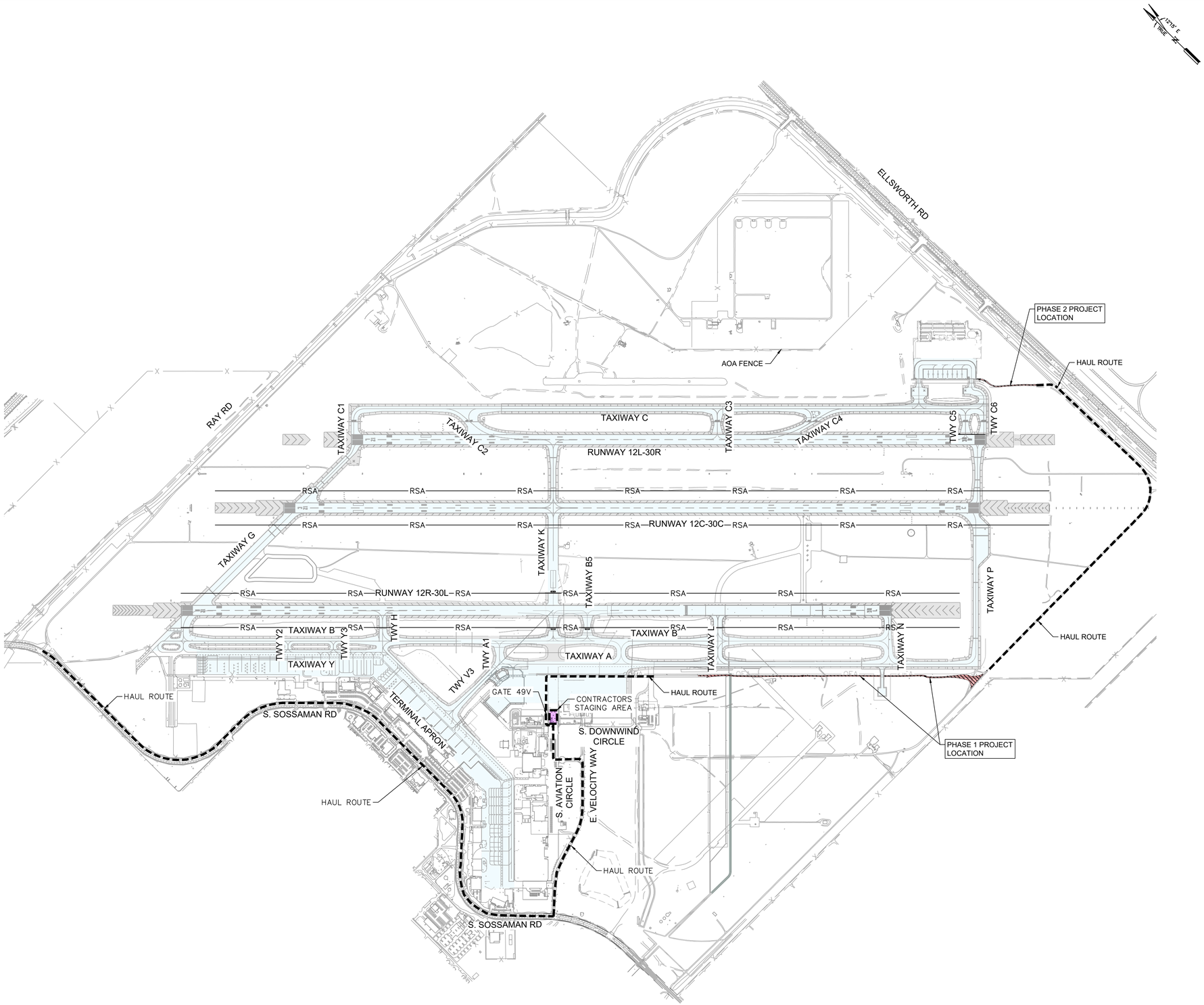

LEGEND

- PROJECT AREA
- STAGING AREA
- RSA — RUNWAY SAFETY AREA
- HAUL ROUTE/SITE ACCESS

PROJECT DESCRIPTION

THE PROJECT CONSISTS OF THE CONSTRUCTION OF NEW ROAD ELEMENTS AS WELL AS IMPROVEMENTS TO THE EXISTING ROAD. THE PROJECT INCLUDES: PLACEMENT OF AC OVERLAY, PLACEMENT OF AC MILLINGS. CONSTRUCTION OF NEW ROAD SECTIONS, REGRADING OF EXISTING ROAD SECTIONS, AND HERBICIDE APPLICATION.

GRAPHIC SCALE

750 0 375 750 1500

(IN FEET)

Call at least two full working days before you begin excavation. ARIZONA 811 Arizona Blue Stake, Inc. Dial 8-1-1 or 1-800-STAKE-IT (782-5348) In Maricopa County: (602) 263-1100

NO.	REVISION	BY	DATE

FIRMS NAME

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FIRMS SEAL

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 750'
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME

PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

PROJECT LAYOUT PLAN

PROJECT NO.
091134067

FILE NO.
091134067PL

C1.4

SHEET 4 of 24

K:\eov_aviation\091134067 - eov Improvements\CADD\091134067PL.dwg Nov 13, 2024 Jason.Zhong
XREFS: x091134067-TB x091134067-NTPL x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134067-BM x091134067-VF x291470002-BM-Landside xTowerBM x091134067-HT
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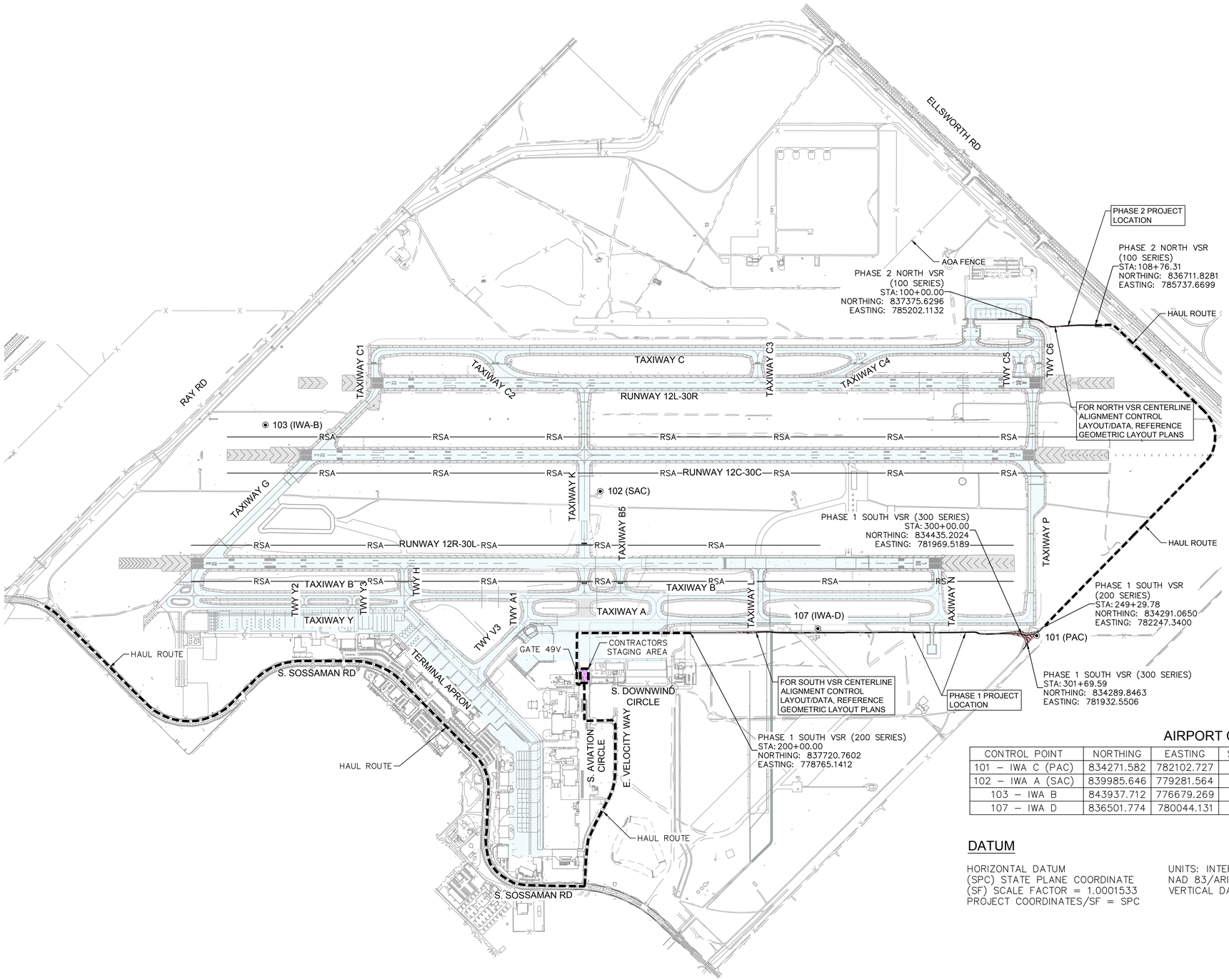

LEGEND

- PROJECT AREA
- STAGING AREA
- RSA — RUNWAY SAFETY AREA
- HAUL ROUTE/SITE ACCESS

PROJECT DESCRIPTION

THE PROJECT CONSISTS OF THE CONSTRUCTION OF NEW ROAD ELEMENTS AS WELL AS IMPROVEMENTS TO THE EXISTING ROAD. THE PROJECT INCLUDES: PLACEMENT OF AC OVERLAY, PLACEMENT OF AC MILLINGS. CONSTRUCTION OF NEW ROAD SECTIONS, REGRADING OF EXISTING ROAD SECTIONS, AND HERBICIDE APPLICATION.

AIRPORT CONTROL STATION

CONTROL POINT	NORTHING	EASTING	STATION	OFFSET	ELEVATION	DESCRIPTION
101 – IWA C (PAC)	834271.582	782102.727	----	----	1380.43	FD SSR HH IWA–C BM
102 – IWA A (SAC)	839985.646	779281.564	----	----	1358.00	FD BCF IWA–A BM
103 – IWA B	843937.712	776679.269	----	----	1346.12	FD BCF IWA–B
107 – IWA D	836501.774	780044.131	----	----	1363.08	FD BCF IWA D BM

DATUM

HORIZONTAL DATUM
(SPC) STATE PLANE COORDINATE
(SF) SCALE FACTOR = 1.0001533
PROJECT COORDINATES/SF = SPC

UNITS: INTERNATIONAL FEET
NAD 83/ARIZONA CENTRAL ZONE
VERTICAL DATUM NAVD '88

GRAPHIC SCALE
750 0 375 750 1500
(IN FEET)

Call at least two full working days before you begin excavation.
ARIZONA 811
Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)
In Maricopa County (602) 263-1100

NO.	REVISION	BY	DATE

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 750'
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

HORIZONTAL AND VERTICAL CONTROL PLAN

PROJECT NO. 091134067
FILE NO. 091134067HV
C1.5
SHEET 5 of 24

K:\eov_aviation\091134067 – ver Improvements\CADD\091134067HV.dwg Nov 13, 2024 Jason Zhang
XREFS: x091134067–TB x091134067–NTHV x091134054–VA x091134033–BM–2 (Taxiway C Phase 2) x091134033–BM–3 (Taxiway C Phase 3) x091134054–BM x091134054–BM (Taxiway Connectors) x091134054–EX (Taxiway Connectors) x091134067–VF x134022VS – VF Temp x291470002–BM–Landside x091134067–HT–EX x091134052–BM
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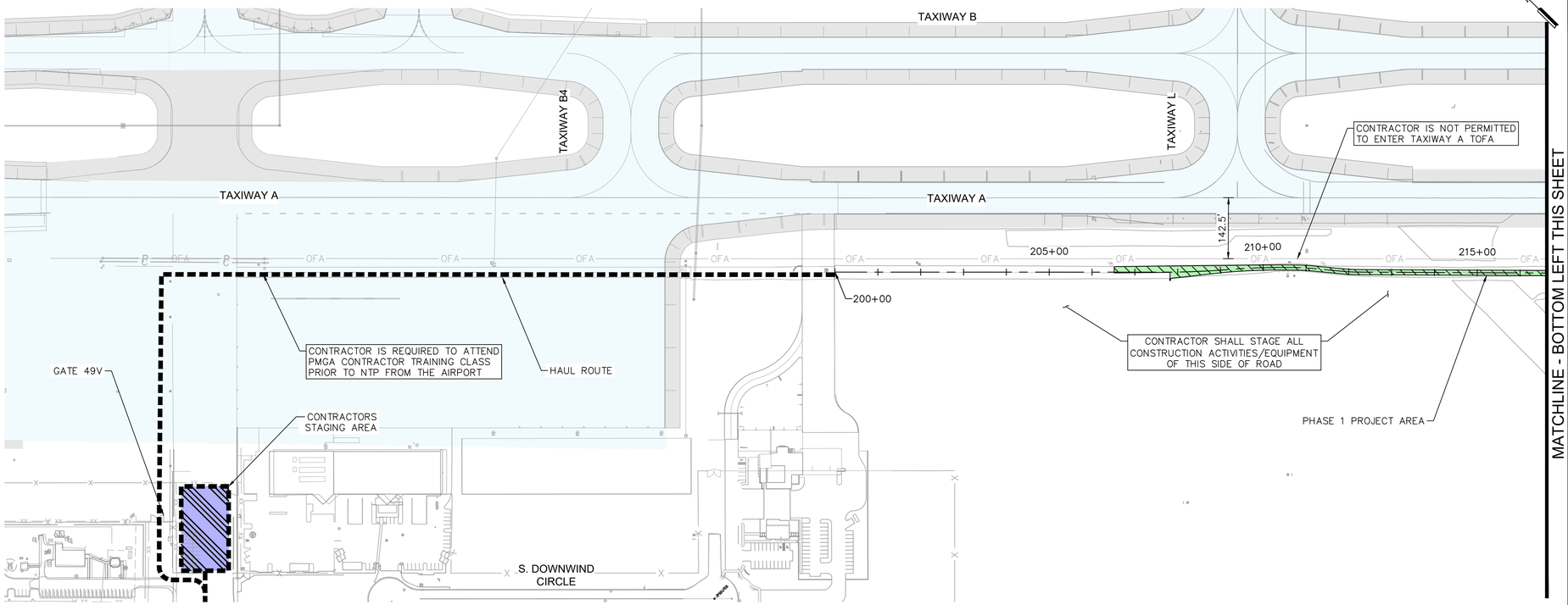

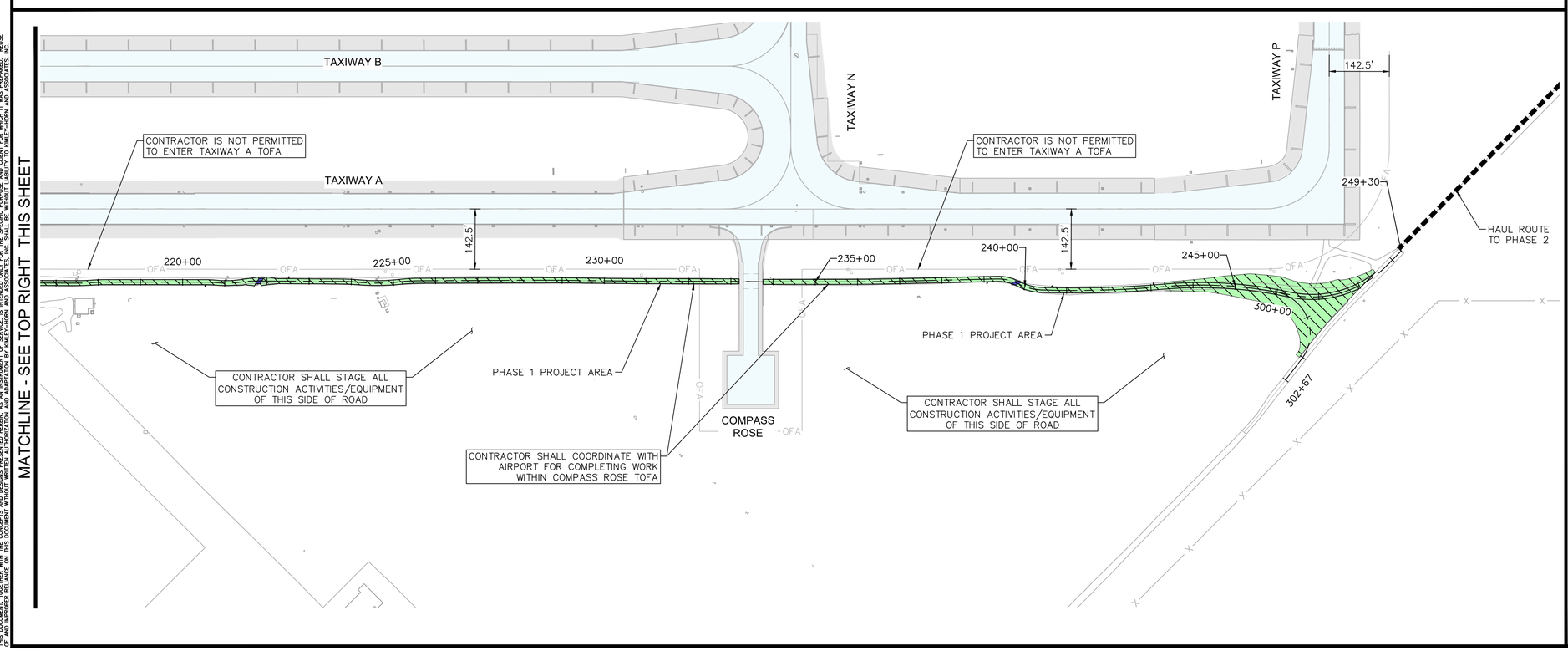

CONSTRUCTION DURATION TABLE	
PHASE 1	40 DAYS
PHASE 2	20 DAYS
TOTAL	60 DAYS

LEGEND

- PHASE 1 PROJECT AREA
- PHASE 2 PROJECT AREA
- STAGING AREA
- HAUL ROUTE
- OFA — TAXIWAY OBJECT FREE AREA (TOFA)

GENERAL NOTES:

1. CONSTRUCTION MAY START ONLY AFTER RECEIVING A NOTICE TO PROCEED (NTP) FROM THE AIRPORT.
2. CONTRACTOR IS REQUIRED TO ATTEND PMGA CONTRACTOR TRAINING CLASS PRIOR TO NTP FROM AIRPORT.
3. ALL PROJECT WORK ITEMS MUST BE COMPLETED PER THE APPROVED CONTRACT TIME.
4. PHASE 1 AND PHASE 2 MAY BE COMPLETED CONCURRENTLY PENDING AIRPORT APPROVAL.

CONTRACTOR TO REPAIR PAVEMENT MARKINGS ON THE COMPASS ROSE TAXIWAY, ADJACENT TAXIWAYS, BLAST PADS, AND SHOULDER AREAS AS NECESSARY DUE TO CONTRACTOR RELATED CONSTRUCTION ACTIVITIES.

GRAPHIC SCALE
150 0 75 150 300
(IN FEET)

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ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1"=150'
Vert. N/A
Date 11/13/2024
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Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
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www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
CONSTRUCTION PHASING PLAN
PHASE 1

PROJECT NO. 091134067
FILE NO. 091134067CS
C2.1
SHEET 6 of 24

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XREFS: x091134067-TB x091134067-NTCS x091134054-VA x134022VS - VF Temp x091134067-VF x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091470002-BM-Landside xTowerBM x091134067-HT-EX x091134054-BM (Taxiway Connectors) x091134055-BM (Road) x091134055-BM (Road-OLSON)
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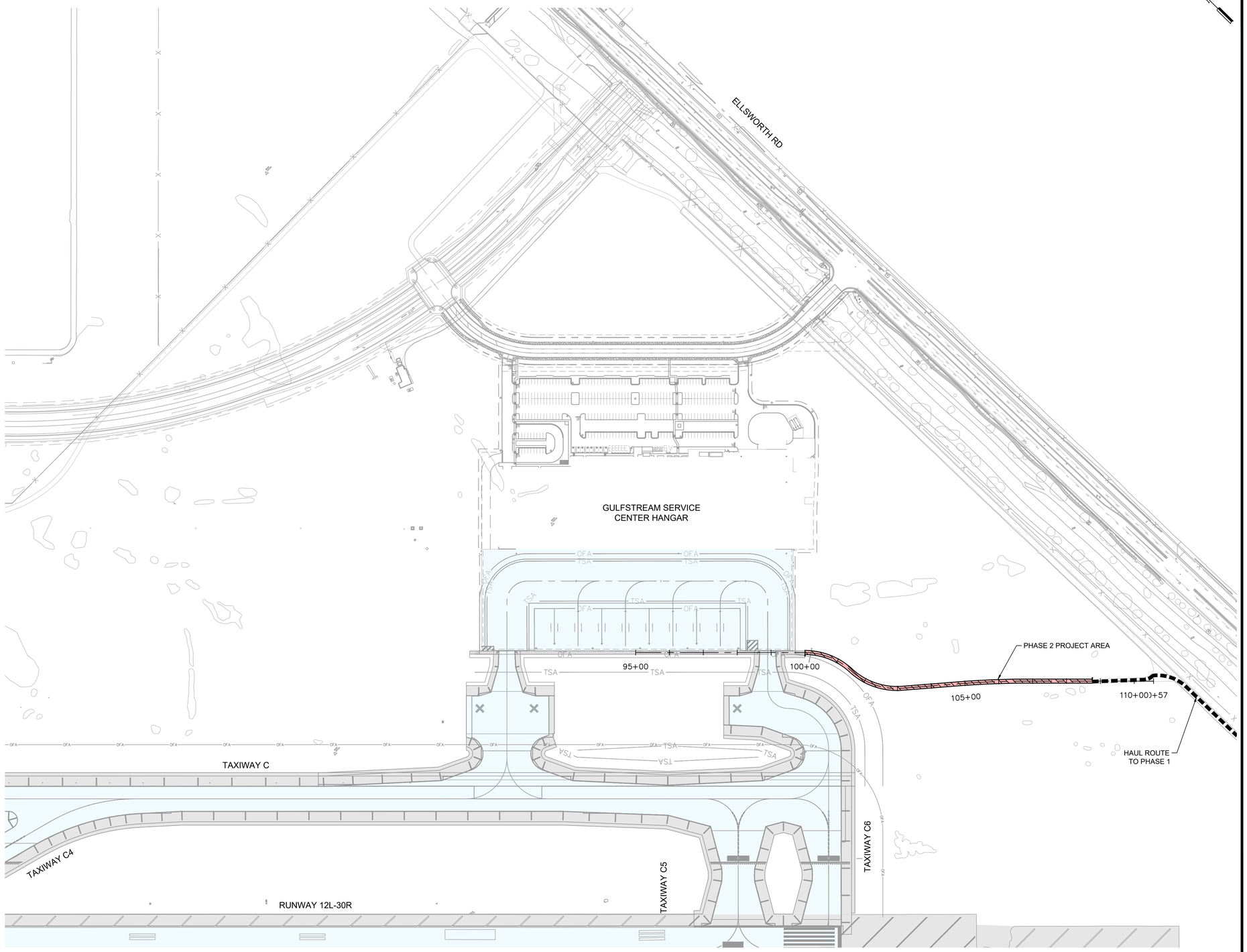

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- —OFA— TAXIWAY OBJECT FREE AREA (TOFA)

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GRAPHIC SCALE
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(IN FEET)

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ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1"=150'
Vert. N/A

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
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www.phxmesagateway.org

PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

CONSTRUCTION PHASING PLAN
PHASE 2

PROJECT NO. 091134067
FILE NO. 091134067CS

C2.2
SHEET 7 of 24

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XREFS: x091134067-TB x091134067-NTCS x091134054-VA x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134067-BM x291470002-BM-Landside xTowerBM x091134067-HT-EX x091134054-BM (Taxiway Connectors) x091134055-BM (Road) x091134055-BM (Road-OLSON)
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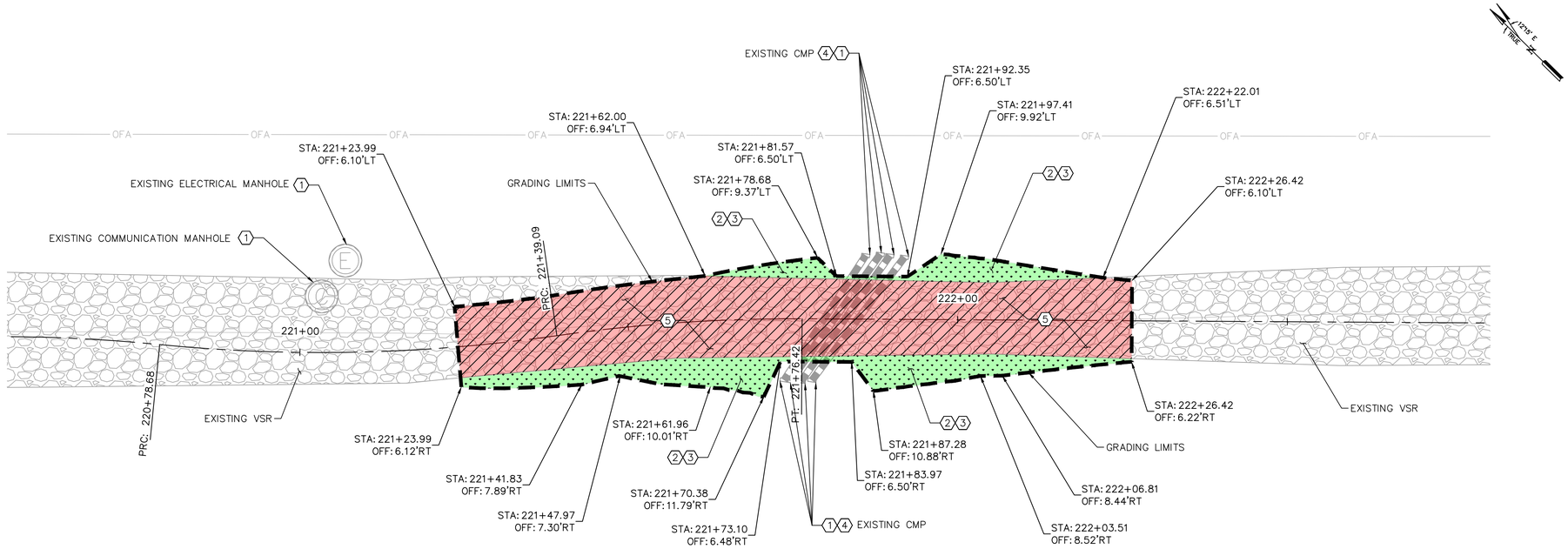

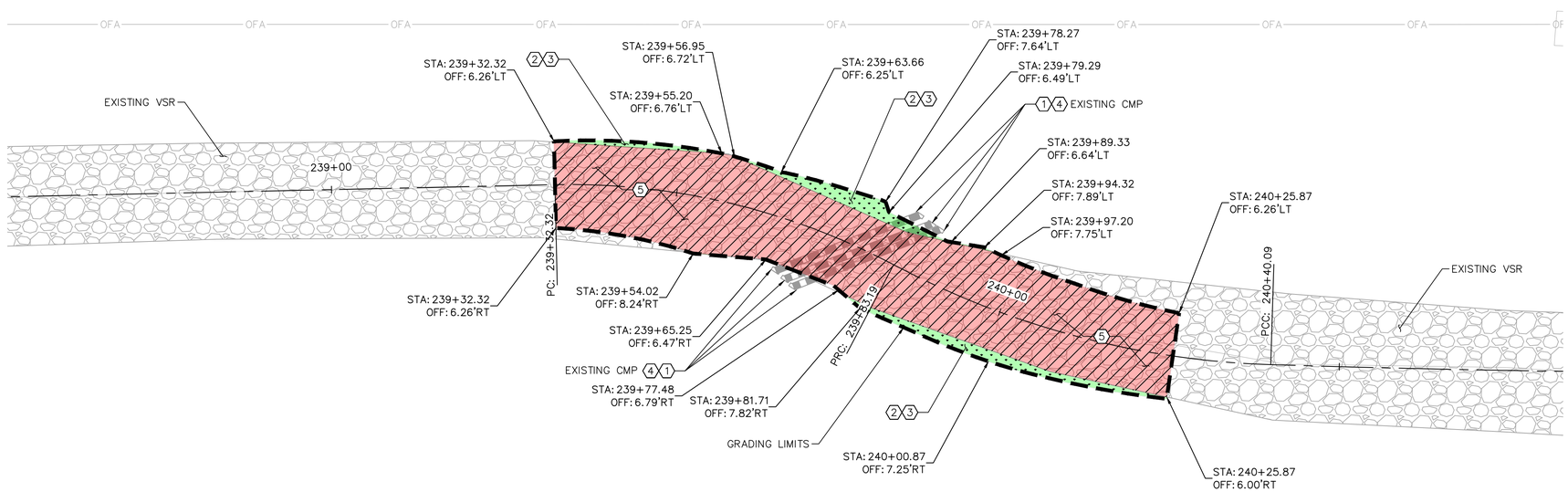

LEGEND

- REMOVE AND STOCKPILE EXISTING COMPACTED AC MILLINGS
- CLEAR AND GRUB AREA
- GRADING AND DRAINAGE TRANSITION AREA
- COMPACTED AC MILLINGS
- GRADING LIMITS

GENERAL NOTES:

1. EXISTING UTILITY INFORMATION SHOWN ON THE PLANS CONCERNING THE TYPE, SIZE AND LOCATION WERE COMPILED BASED ON THE BEST AVAILABLE UTILITY RECORDS TO THE ENGINEER. THE CONTRACTOR SHALL PROVIDE A UTILITY LOCATOR AND VERIFY THE ACTUAL LOCATION OF UTILITIES PRIOR TO CONSTRUCTION. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROTECT ALL EXISTING UTILITIES IN PLACE UNLESS NOTED OR SPECIFIED OTHERWISE. ANY DAMAGE TO EXISTING UTILITIES SHALL BE REPAIRED AT THE CONTRACTOR'S EXPENSE. UTILITIES INTERFERING WITH CONSTRUCTION SHALL BE RESET OR RELOCATED BY THE UTILITY COMPANY CONCERNED UNLESS NOTED OTHERWISE.
2. REFER TO C1.4 FOR CONSTRUCTION LIMITS AND C1.5 FOR HORIZONTAL CONTROL.
3. EXPOSED SUBGRADE AND BASE MATERIAL TO BE KEPT MOIST AND COMPACTED TO MINIMIZE FOD FROM JET BLAST AND SHALL BE TREATED WITH A DUST PALLIATIVE STABILIZER.

CONSTRUCTION NOTES:

1. PROTECT IN PLACE
2. GRADING AND DRAINAGE TRANSITION AREA
3. CLEAR AND GRUB
4. CLEAR/CLEAN EXISTING STORM DRAIN STRUCTURE FROM MILLINGS/DIRT/DEBRIS/VEGETATION, AND RECOMPACT ADJACENT GRADE AS NEEDED TO MAINTAIN POSITIVE DRAINAGE (NPI)
5. EXISTING AC MILLINGS TO BE SALVAGED AND STOCKPILED FOR FUTURE USE

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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NO.	REVISION	BY	DATE

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1001 W Southern Ave, Suite 131
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FIRMS SEAL

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 40'
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

DEMOLITION PLAN
SHEET 1 OF 2

PROJECT NO. 091134067
FILE NO. 091134067DM

C3.1
SHEET 8 of 24

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XREFS: x091134067-TB x091134067-NTDM x091134054-VA x091134033-BM-3 (Taxiway C Phase 3) x134022VS - VF Temp x091134054-BM (Taxiway Connectors) x091134067-BM x091134067-VF x291470002-BM-Lonaside x091134067-HT-EX
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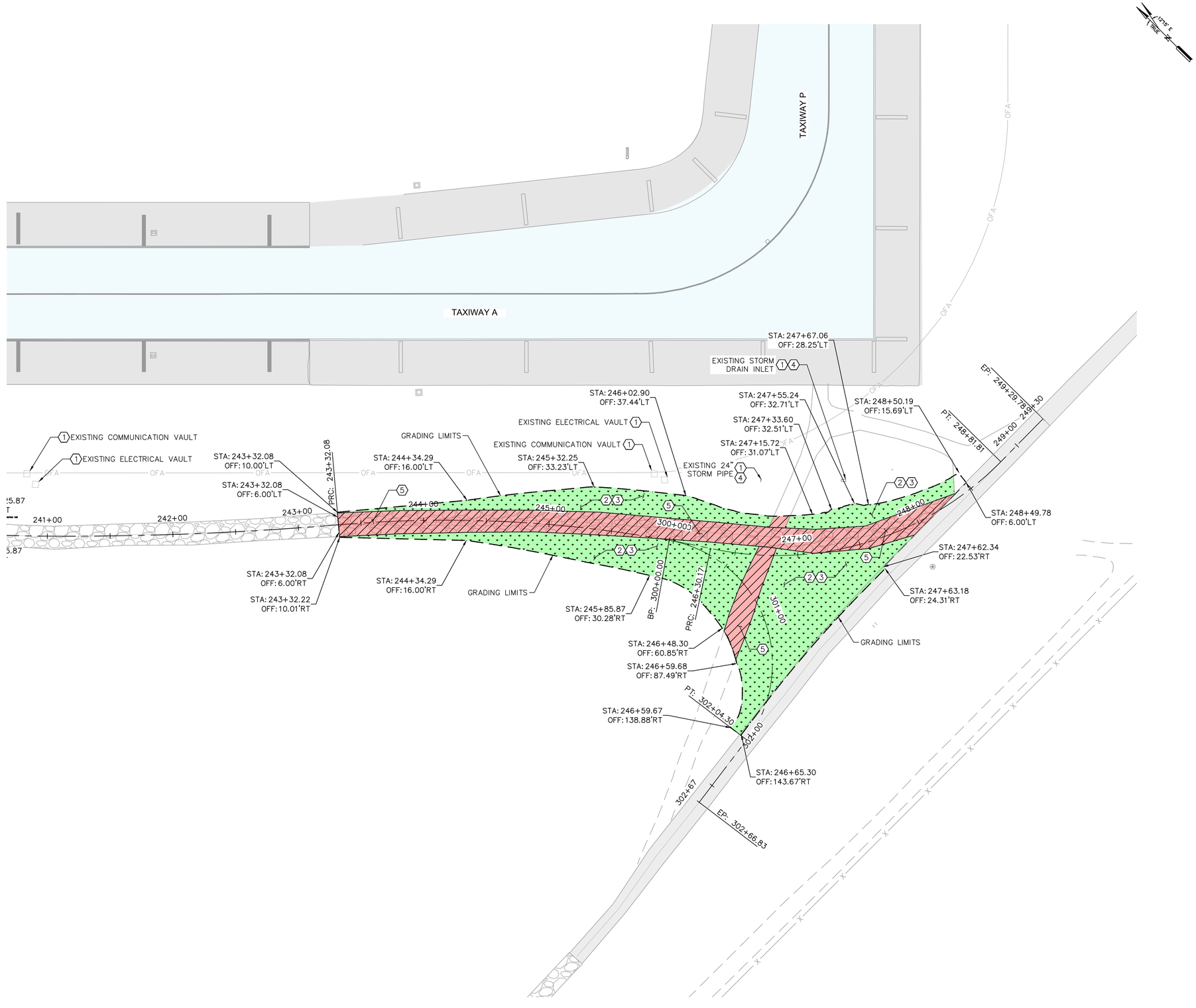

LEGEND

- REMOVE AND STOCKPILE EXISTING COMPACTED AC MILLINGS
- CLEAR AND GRUB AREA
- GRADING AND DRAINAGE TRANSITION AREA
- COMPACTED AC MILLINGS
- GRADING LIMITS

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CONSTRUCTION NOTES:

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3. CLEAR AND GRUB
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GRAPHIC SCALE

40 0 20 40 80

(IN FEET)

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PROJECT NAME

PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

DEMOLITION PLAN
SHEET 2 OF 2

PROJECT NO.
091134067

FILE NO.
091134067DM

C3.2

SHEET 9 of 24

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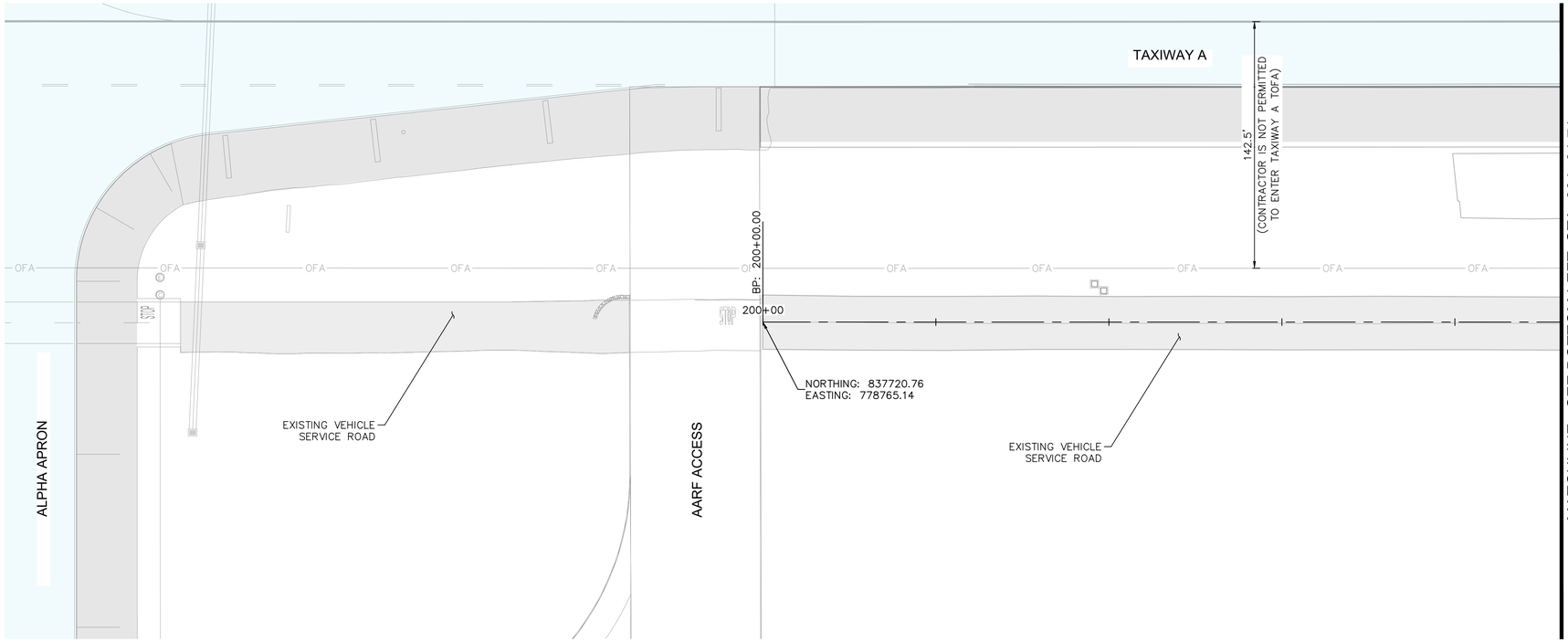

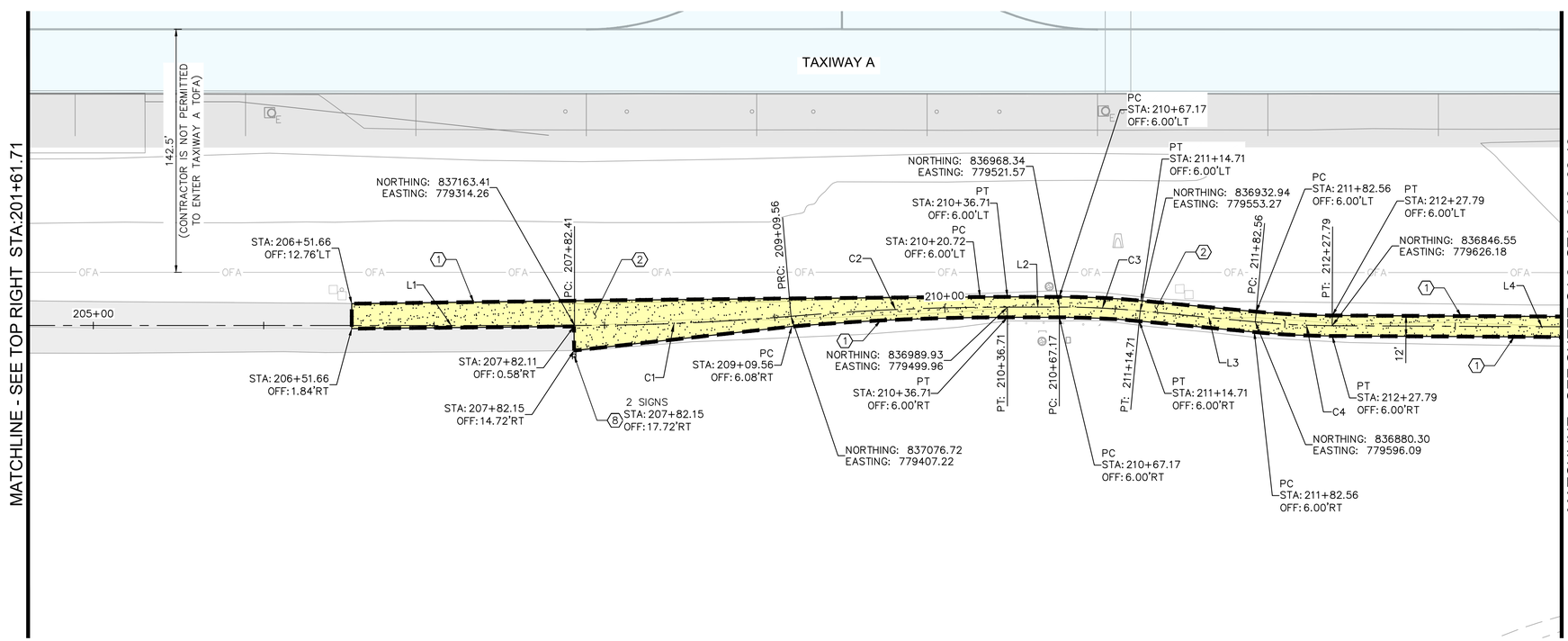

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

1. REFER TO SHEETS C3.1 THRU C3.2 FOR DEMOLITION PLANS
2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
4. REFER TO SHEETS C5.1 THRU C5.7 FOR GRADING AND DRAINAGE PLANS.
5. ANY EXCESS SALVAGED AC MILLINGS THAT REMAIN AFTER PLACING/COMPACTING IN THE RELOCATED LOCATIONS (PER PLANS) SHALL BE PLACED/COMPACTED ALONG THE EDGES OF THE NEW AC OVERLAY PAVEMENT AS DIRECTED IN THE FIELD BY THE ENGINEER/AIRPORT.

CONSTRUCTION NOTES:

1. GRADING LIMITS
2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 5, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

LINE TABLE

LINE	LENGTH	BEARING
L1	782.41	S44°34'24.71"E
L2	30.46	S44°34'24.71"E
L3	67.85	S39°07'32.52"E
L4	520.50	S44°18'29.62"E

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	TANGENT
C1	1500.00'	127.15'	4°51'25"	63.61'
C2	1500.00'	127.15'	4°51'25"	63.61'
C3	500.00'	47.54'	5°26'52"	23.79'
C4	500.00'	45.23'	5°10'57"	22.63'

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GEOMETRIC LAYOUT PLAN
SHEET 1 OF 5

PROJECT NO. 091134067
FILE NO. 091134067GL
C4.1
SHEET 10 of 24

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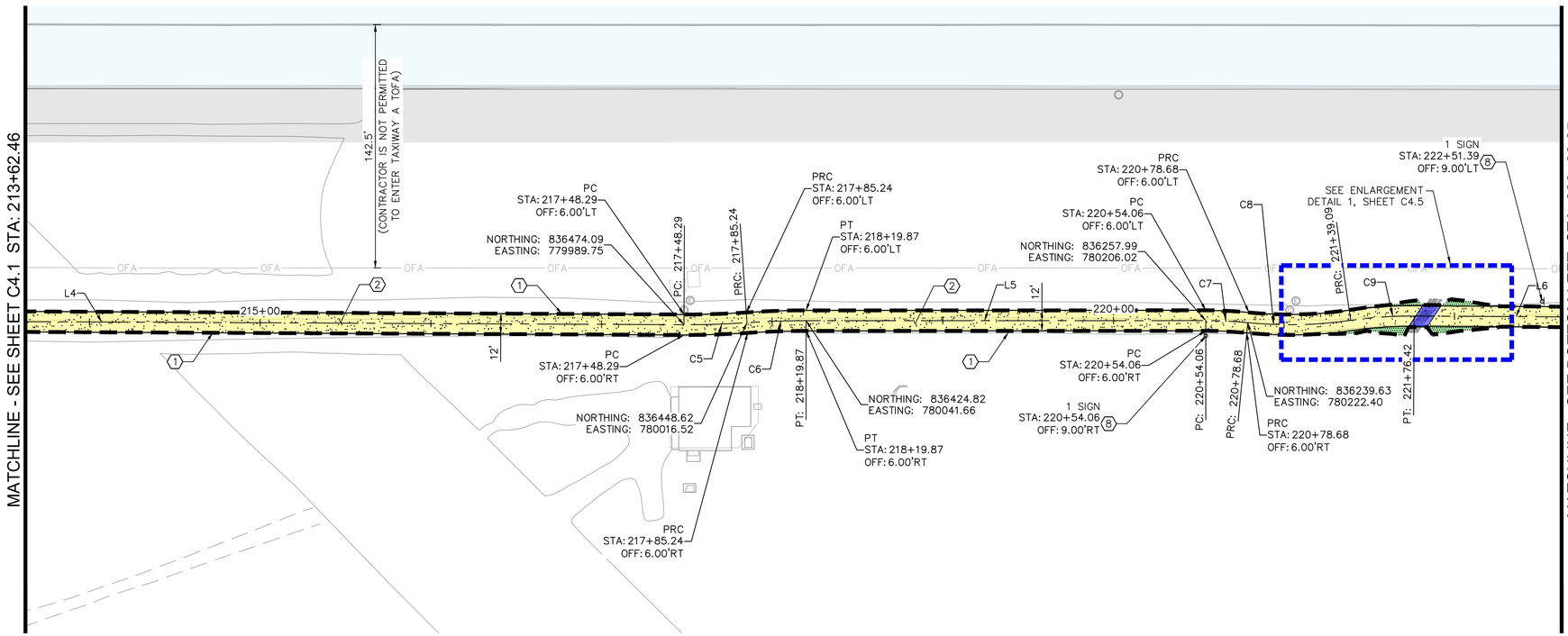

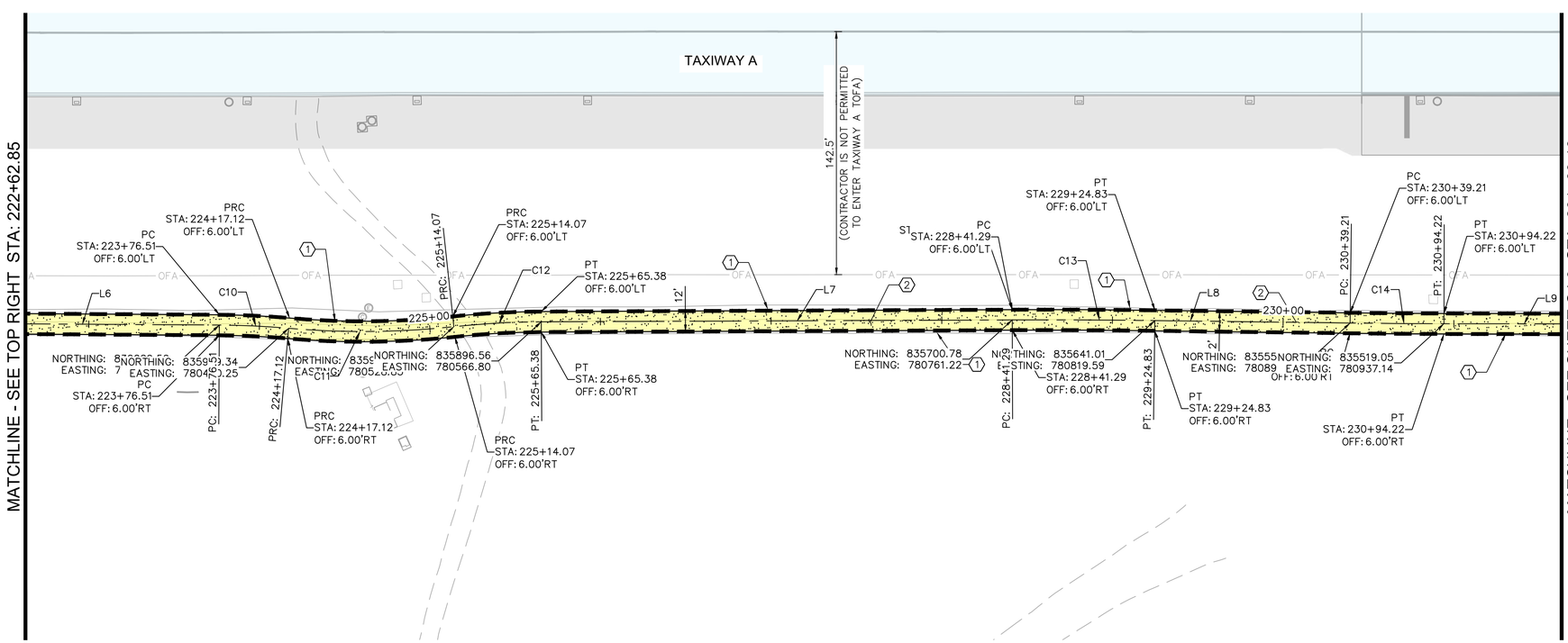

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

1. REFER TO SHEETS C3.1 THRU C3.2 FOR DEMOLITION PLANS
2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
4. REFER TO SHEETS C5.1 THRU C5.7 FOR GRADING AND DRAINAGE PLANS.
5. ANY EXCESS SALVAGED AC MILLINGS THAT REMAIN AFTER PLACING/COMPACTING IN THE RELOCATED LOCATIONS (PER PLANS) SHALL BE PLACED/COMPACTED ALONG THE EDGES OF THE NEW AC OVERLAY PAVEMENT AS DIRECTED IN THE FIELD BY THE ENGINEER/AIRPORT.

CONSTRUCTION NOTES:

1. GRADING LIMITS
2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 5, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	TANGENT
C5	500.00'	36.95'	4°14'02"	18.48'
C6	500.00'	34.63'	3°58'07"	17.32'
C7	250.00'	24.61'	5°38'28"	12.32'
C8	250.00'	60.42'	13°50'46"	30.36'
C9	250.00'	37.32'	8°33'14"	18.70'
C10	500.00'	40.62'	4°39'15"	20.32'
C11	500.00'	96.95'	11°06'34"	48.63'
C12	500.00'	51.31'	5°52'46"	25.68'
C13	5000.00'	83.54'	0°57'26"	41.77'
C14	5000.00'	55.01'	0°37'49"	27.51'

LINE TABLE

LINE	LENGTH	BEARING
L4	520.50	S44°18'29.62"E
L5	234.19	S44°34'24.71"E
L6	200.09	S44°13'29.28"E
L7	275.91	S44°48'01.97"E
L8	114.38	S43°50'35.59"E
L9	225.35	S44°28'25.05"E

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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PROJECT NAME
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ROAD IMROVEMENTS
GEOMETRIC LAYOUT PLAN
SHEET 2 OF 5

PROJECT NO. 091134067
FILE NO. 091134067GL
C4.2
SHEET 11 of 24

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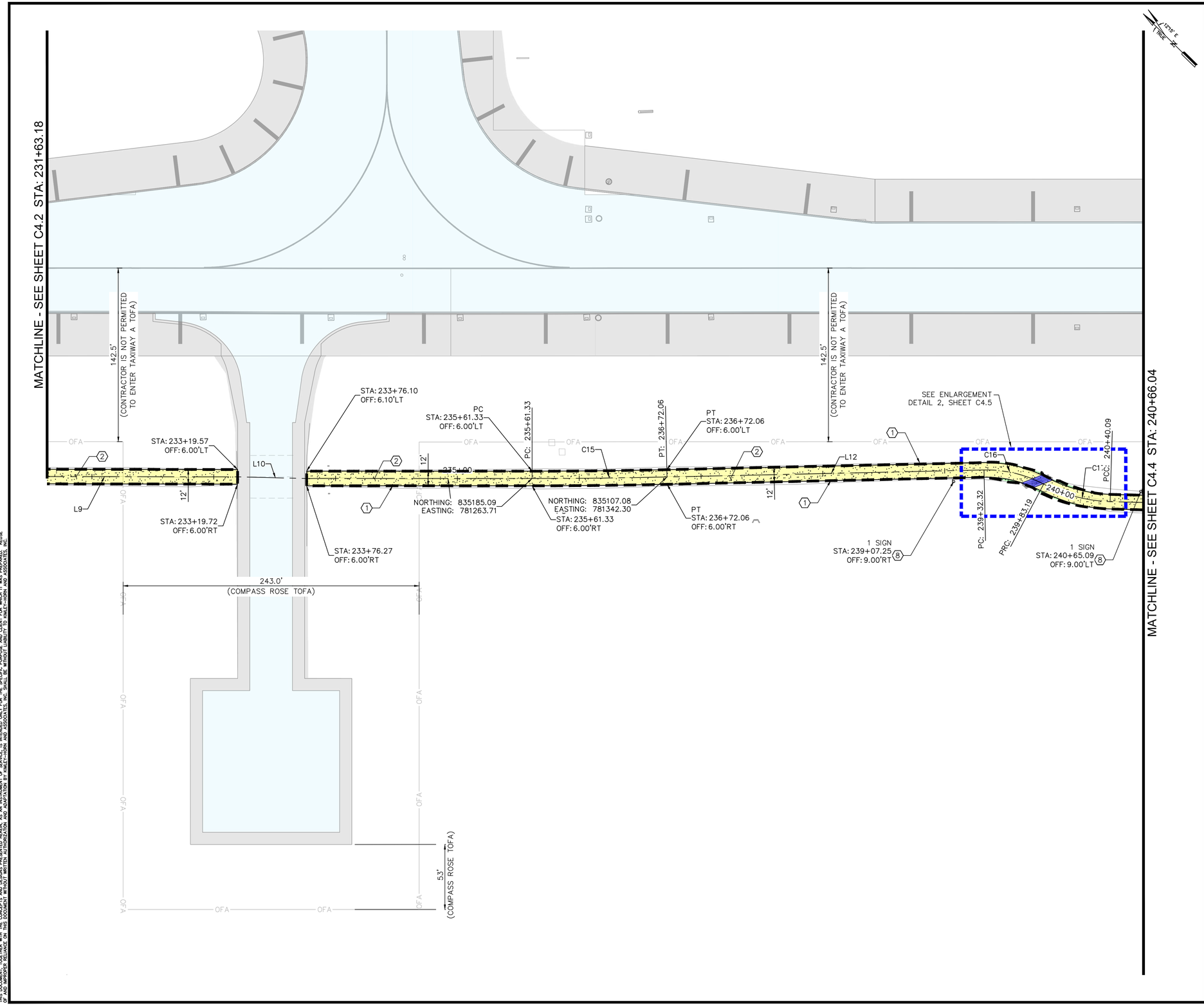

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

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2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
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8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

LINE TABLE

LINE	LENGTH	BEARING
L9	225.35	S44°28'25.05"E
L10	56.70	S43°12'18.47"E
L11	185.05	S44°34'24.71"E
L12	260.26	S45°50'32.76"E

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	TANGENT
C15	5000.00'	110.73'	1°16'08"	55.37'
C16	100.00'	50.87'	29°08'56"	26.00'
C17	125.00'	56.90'	26°04'50"	28.95'

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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SHEET 3 OF 5

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SHEET 12 of 24

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XREFS: x091134067-TB x091134054-VA x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x134022VS - VF Temp x091134067-VF x291470002-BM-Landside x091134067-NTGL x091134067-HT-EX x091134067-BM
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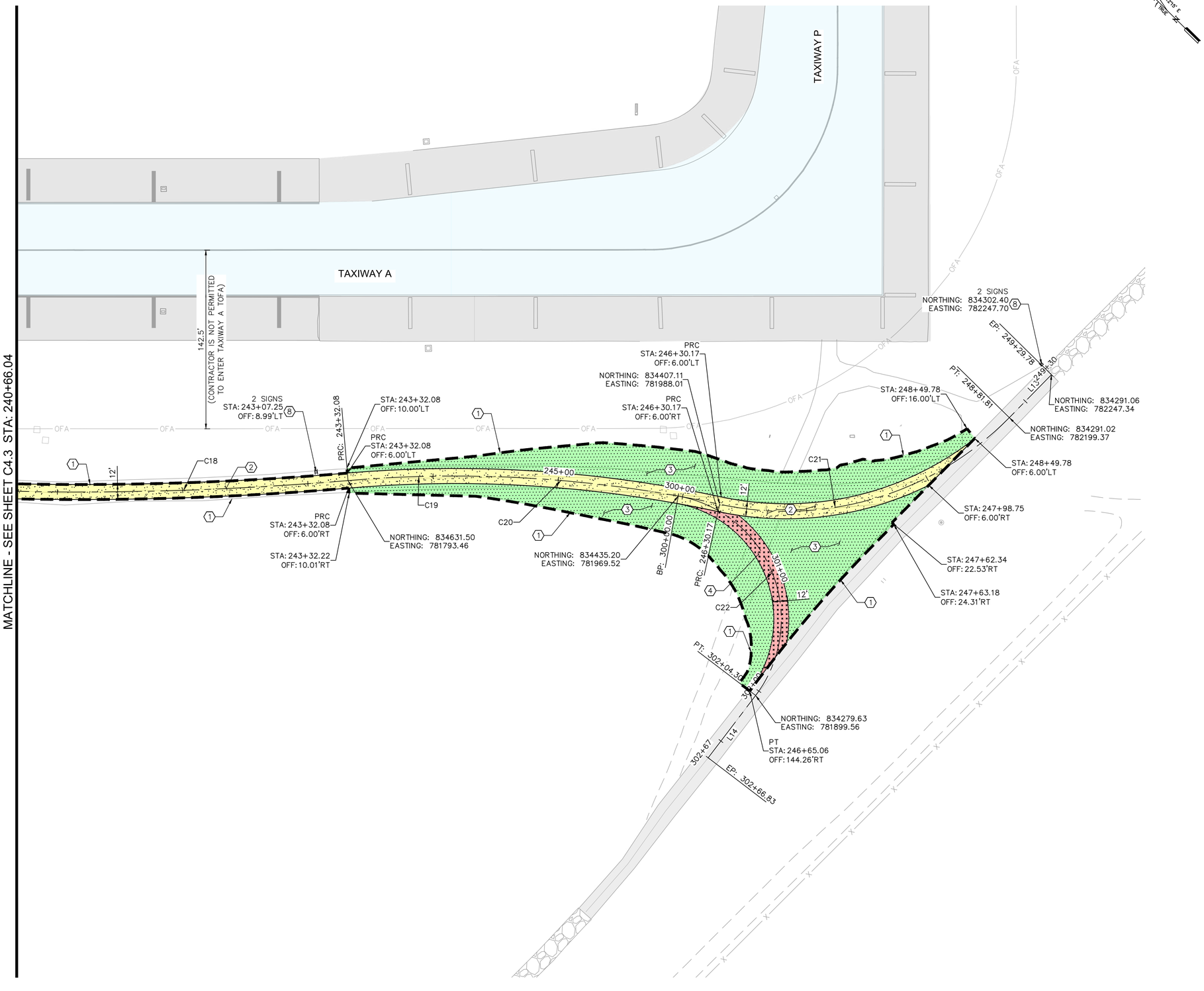

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

1. REFER TO SHEETS C3.1 THRU C3.2 FOR DEMOLITION PLANS
2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
4. REFER TO SHEETS C5.1 THRU C5.7 FOR GRADING AND DRAINAGE PLANS.
5. ANY EXCESS SALVAGED AC MILLINGS THAT REMAIN AFTER PLACING/COMPACTING IN THE RELOCATED LOCATIONS (PER PLANS) SHALL BE PLACED/COMPACTED ALONG THE EDGES OF THE NEW AC OVERLAY PAVEMENT AS DIRECTED IN THE FIELD BY THE ENGINEER/AIRPORT.

CONSTRUCTION NOTES:

1. GRADING LIMITS
2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 5, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

LINE TABLE

LINE	LENGTH	BEARING
L13	47.97	N89°56'32.27"E
L14	62.54	S82°44'24.25"W

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	TANGENT
C18	2500.00'	291.99'	6°41'31"	146.16'
C19	1000.00'	298.09'	17°04'45"	150.16'
C20	1000.00'	298.09'	17°04'45"	150.16'
C21	250.00'	251.64'	57°40'15"	137.64'
C22	100.00'	204.30'	117°03'14"	163.36'

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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NO.	REVISION	BY	DATE

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1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 40'
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
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PROJECT NAME
PHOENIX-MESA GATEWAY ROAD IMROVEMENTS
GEOMETRIC LAYOUT PLAN
SHEET 4 OF 5

PROJECT NO. 091134067
FILE NO. 091134067GL
C4.4
SHEET 13 of 24

K:\env_aviation\091134067 - vsr improvements\CADD\091134067GL.dwg Nov 13, 2024 Mark.Hendricks
XREF'S: x091134067-TB x091134054-VA x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x134022VS - VF Temp x091134067-VF x291470002-BM-Landside x091134067-NTGL x091134067-HT-EX x091134067-BM
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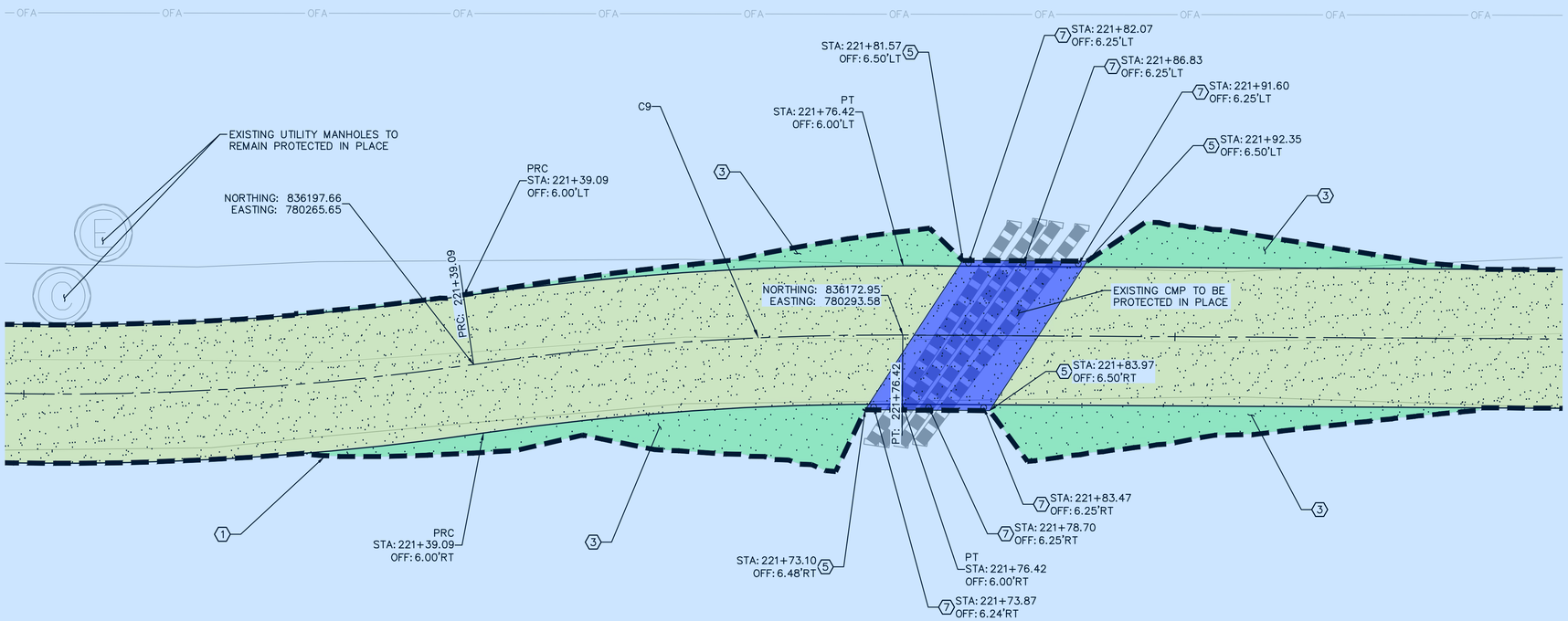
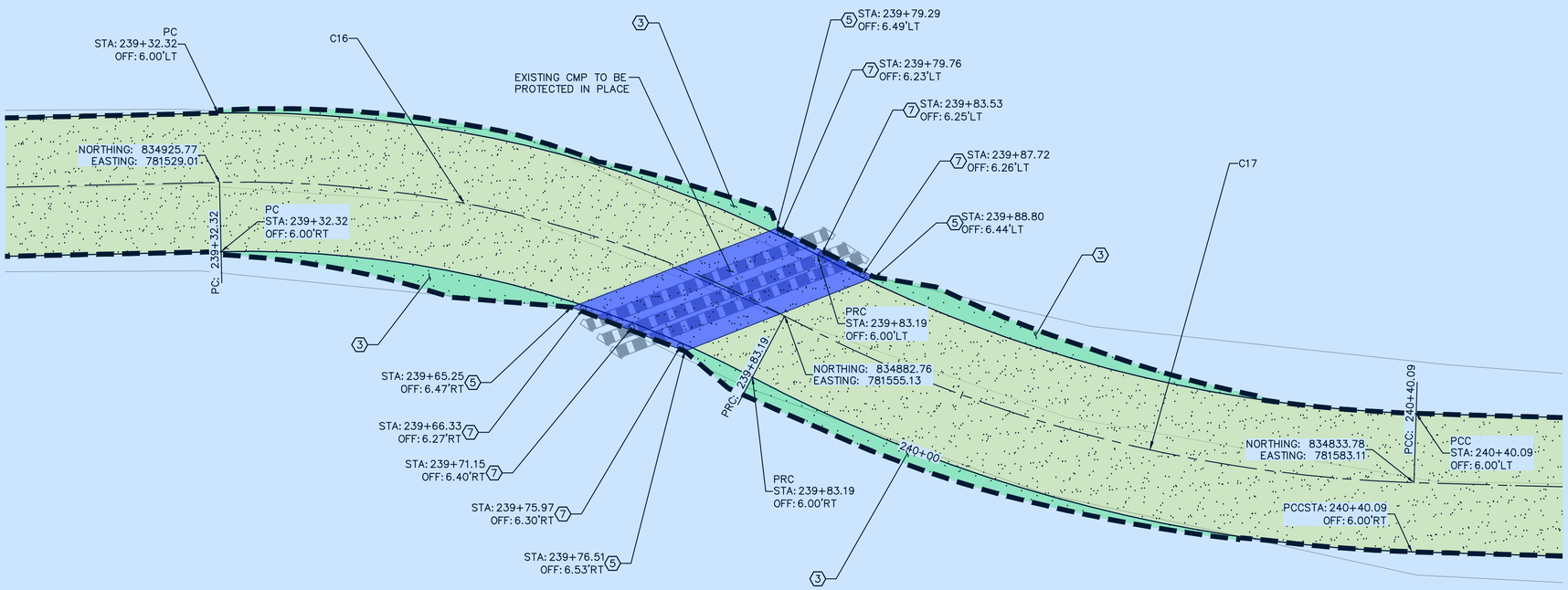


ENLARGEMENT DETAIL 1



ENLARGEMENT DETAIL 2

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

1. REFER TO SHEETS C3.1 THRU C3.2 FOR DEMOLITION PLANS
2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
4. REFER TO SHEETS C5.1 THRU C5.7 FOR GRADING AND DRAINAGE PLANS.
5. ANY EXCESS SALVAGED AC MILLINGS THAT REMAIN AFTER PLACING/COMPACTING IN THE RELOCATED LOCATIONS (PER PLANS) SHALL BE PLACED/COMPACTED ALONG THE EDGES OF THE NEW AC OVERLAY PAVEMENT AS DIRECTED IN THE FIELD BY THE ENGINEER/AIRPORT.

CONSTRUCTION NOTES:

1. GRADING LIMITS
2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 4, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

GRAPHIC SCALE
6 0 3 6 12
(IN FEET)

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SCALE
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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GEOMETRIC LAYOUT PLAN
SHEET 5 OF 6

PROJECT NO. 091134067
FILE NO. 091134067GL
C4.5
SHEET 14 of 24

K:\aev_aviation\091134067 - var Improvements\CADD\091134067GL.dwg Nov 19, 2024 JC.Cruz
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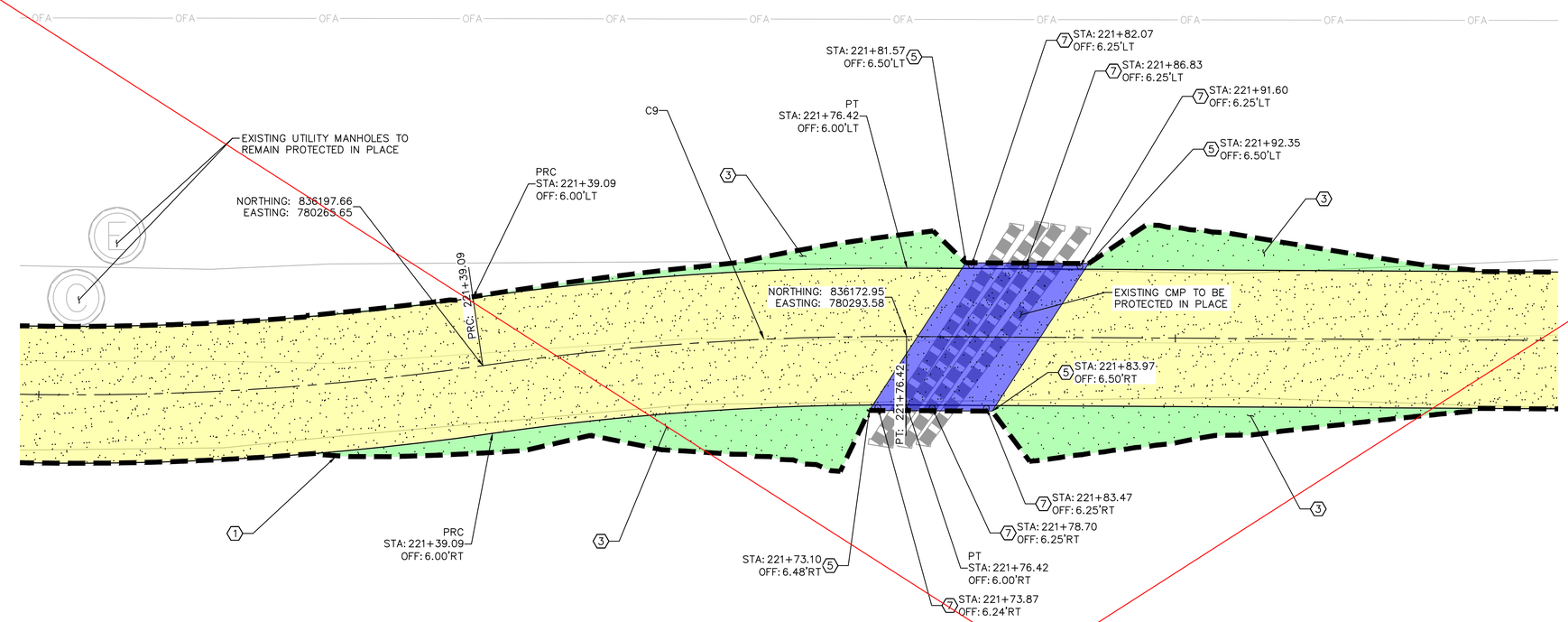
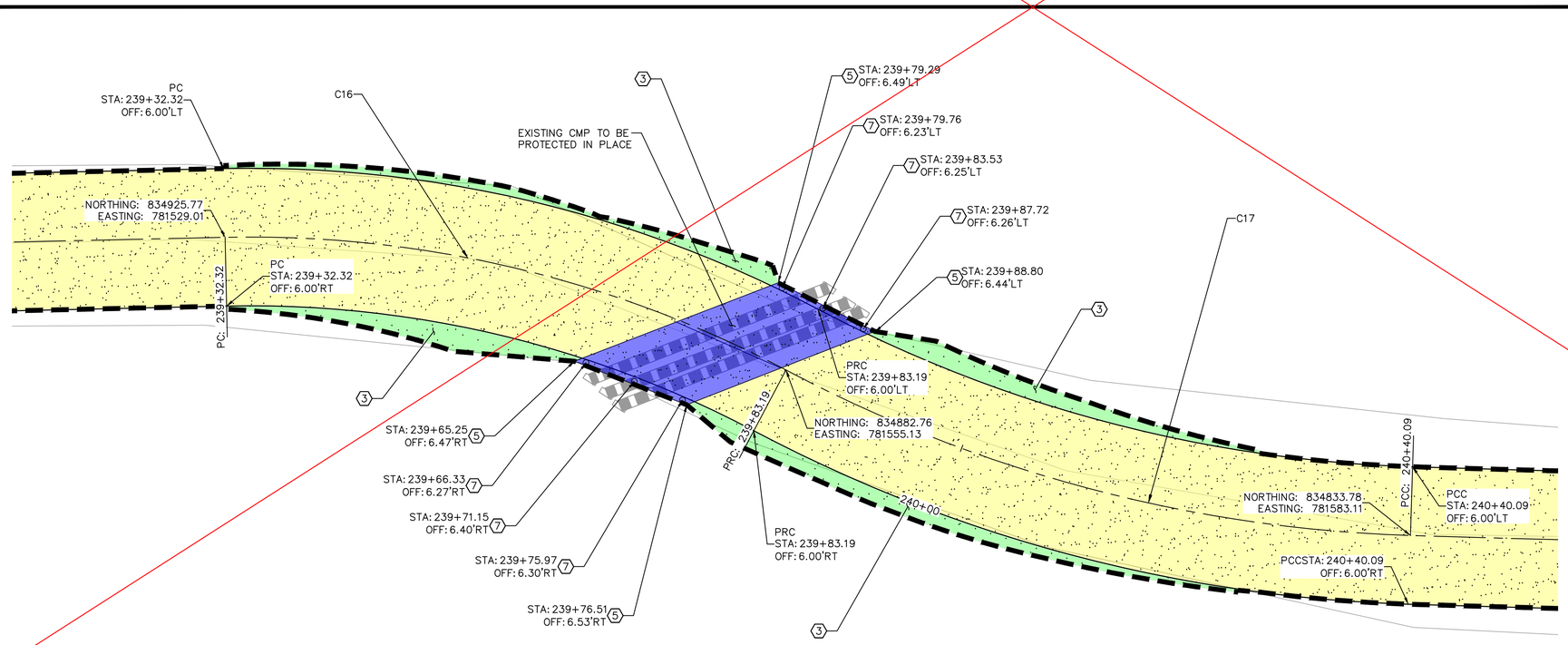


ENLARGEMENT DETAIL 1



ENLARGEMENT DETAIL 2

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

1. REFER TO SHEETS C3.1 THRU C3.2 FOR DEMOLITION PLANS
2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
4. REFER TO SHEETS C5.1 THRU C5.7 FOR GRADING AND DRAINAGE PLANS.
5. ANY EXCESS SALVAGED AC MILLINGS THAT REMAIN AFTER PLACING/COMPACTING IN THE RELOCATED LOCATIONS (PER PLANS) SHALL BE PLACED/COMPACTED ALONG THE EDGES OF THE NEW AC OVERLAY PAVEMENT AS DIRECTED IN THE FIELD BY THE ENGINEER/AIRPORT.

CONSTRUCTION NOTES:

1. GRADING LIMITS
2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 5, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

GEOMETRIC LAYOUT PLAN
SHEET 5 OF 6

PROJECT NO.
091134067

FILE NO.
091134067GL

C4.5

SHEET 14 of 24

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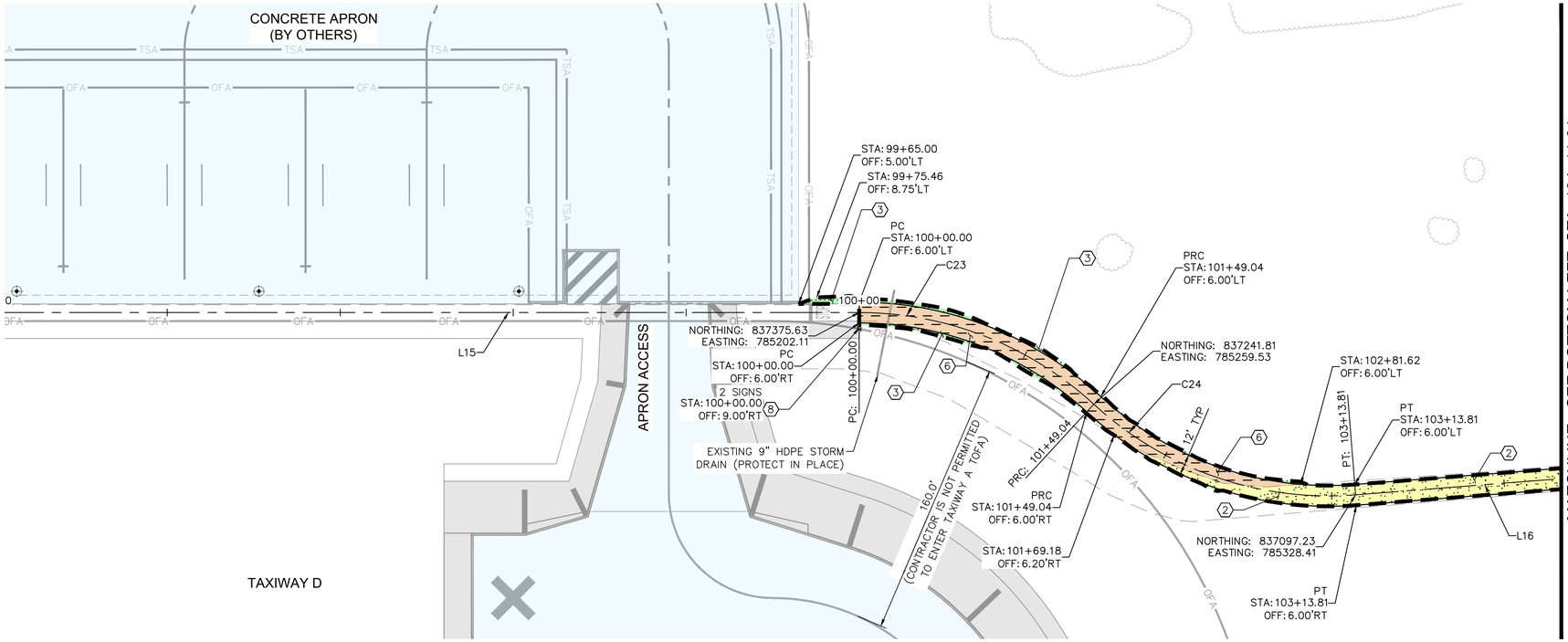

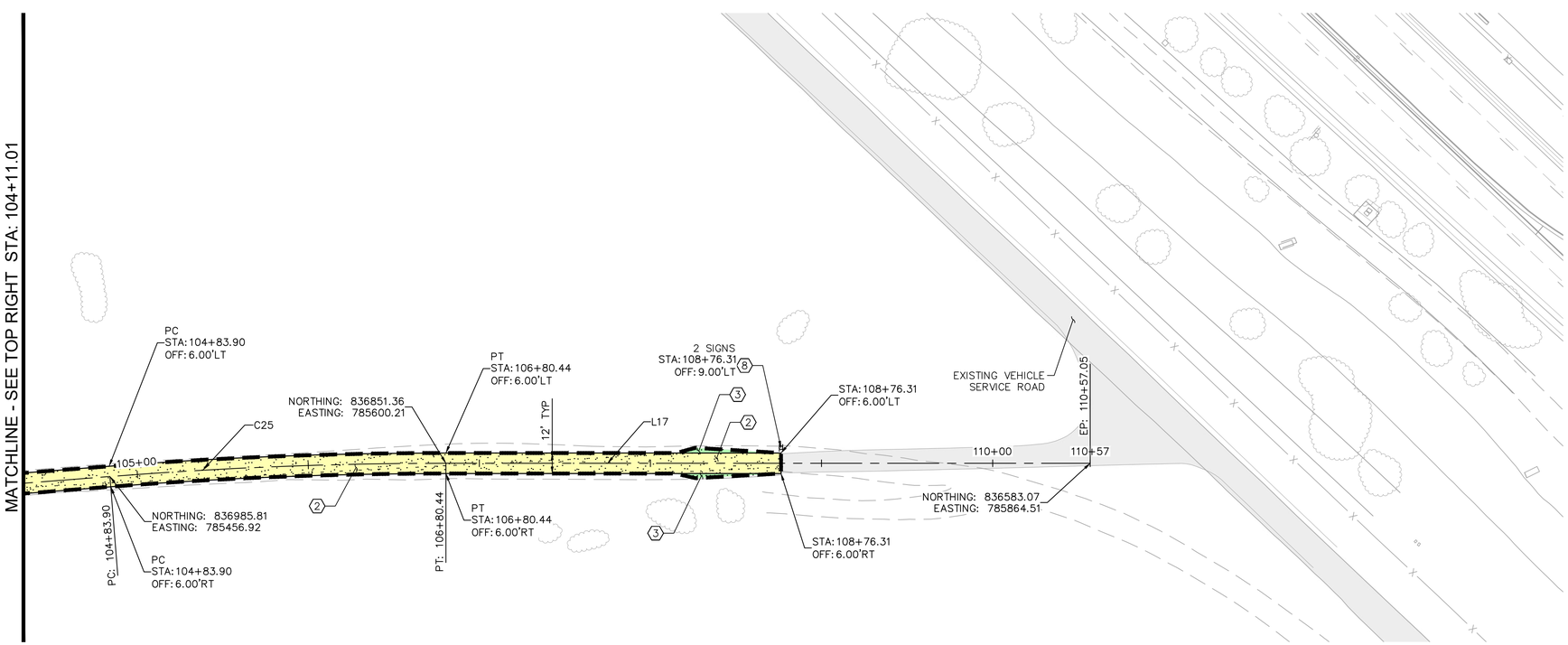

LEGEND

- 2.5" ASPHALT OVERLAY
- GRADING AND DRAINAGE TRANSITION AREA
- RELOCATED COMPACTED AC MILLINGS
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- GRADING LIMITS

GENERAL NOTES:

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2. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
3. REFER TO SHEET C1.5 FOR HORIZONTAL AND VERTICAL CONTROL.
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2. CONSTRUCT 2.5" AC OVERLAY, PER SECTION 1, SHEET C6.2
3. GRADING AND DRAINAGE TRANSITION AREA
4. CONSTRUCT 2" MIN (4" MAX) COMPACTED AC MILLINGS, OVER 6" SUBGRADE PREPARATION (MAG 301)
5. INSTALL 6" CONCRETE CAP PER DETAIL 1, SHEET C6.1
6. CONSTRUCT 2.5" AC OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS PER SECTION 5, SHEET C6.2
7. INSTALL 36" PAVEMENT MOUNTED YELLOW REFLECTIVE TUBULAR DELINEATOR PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 3.
8. INSTALL ROAD SPEED LIMIT SIGN PER LOCATION ON PLANS (NPI). SEE SHEET C6.1, DETAIL 2

LINE TABLE

LINE	LENGTH	BEARING
L15	500.00	S44°34'13.76"E
L16	170.09	S49°04'29.86"E
L17	376.60	S44°34'13.76"E

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	TANGENT
C23	200.00'	149.04'	42°41'50"	78.17'
C24	200.00'	164.76'	47°12'06"	87.38'
C25	2500.00'	196.54'	4°30'16"	98.32'

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

GEOMETRIC LAYOUT PLAN
SHEET 5 OF 5

PROJECT NO. 091134067
FILE NO. 091134067GL
C4.6
SHEET 15 of 24

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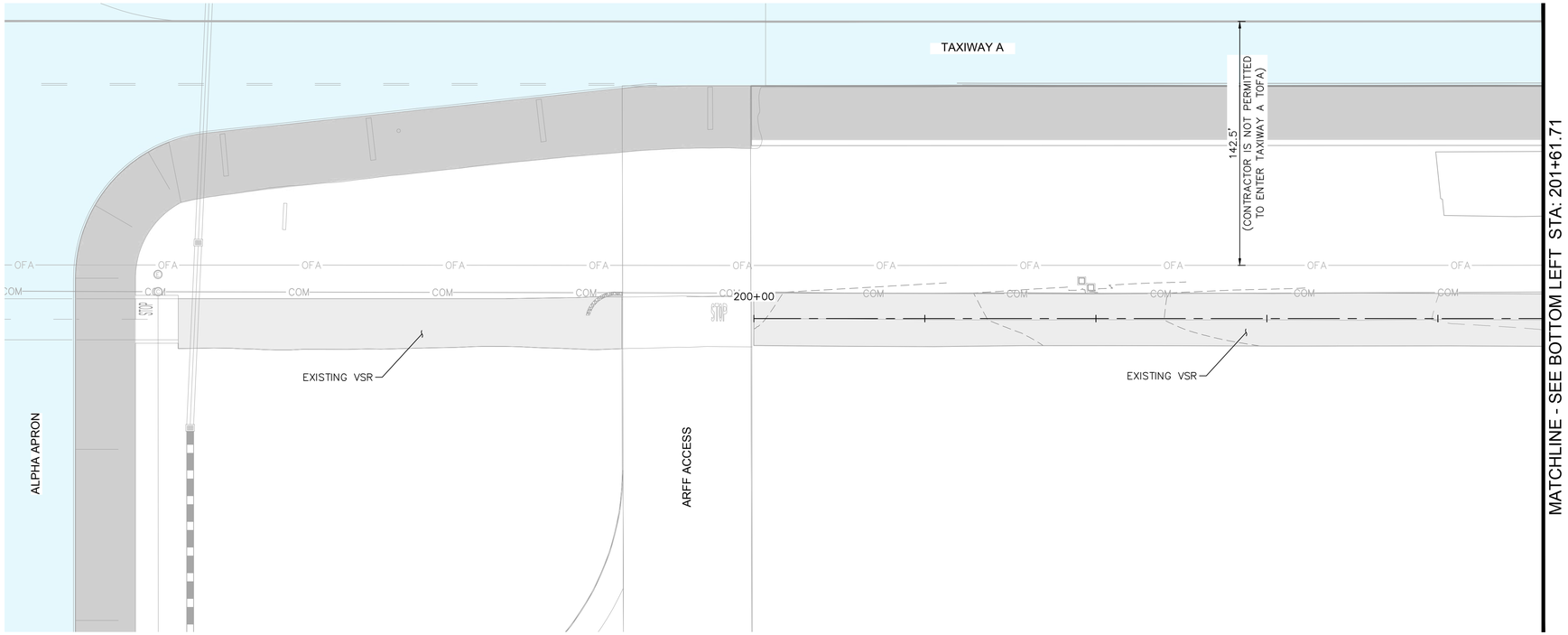

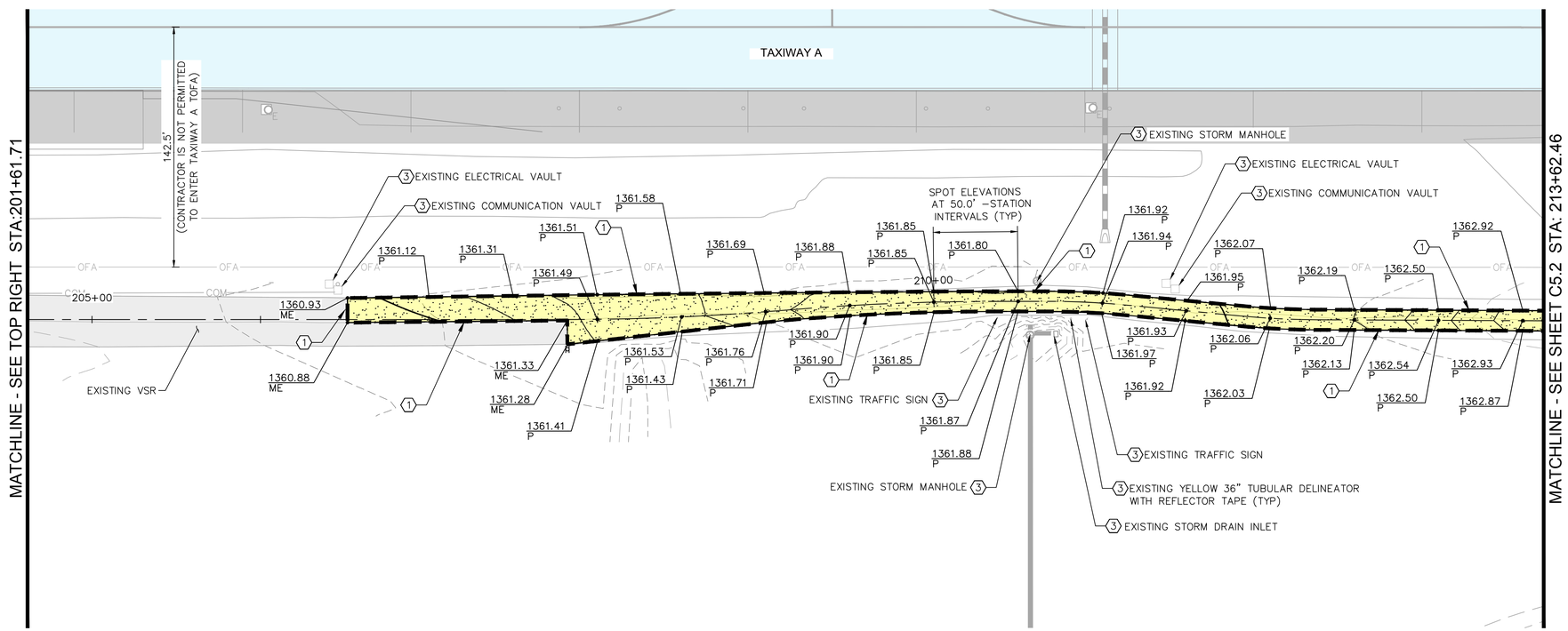

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
- GRADING AND DRAINAGE TRANSITION AREA (MAG 205 AND MAG 211)
- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- 1350 — EXISTING CONTOUR
- 1350 — PROPOSED CONTOUR
- ??? — FLOW DIRECTION
- FLOW LINE
- GRADING LIMITS
- GRADING BREAK
- ENLARGEMENT DETAIL AREA
- XXX P — PAVEMENT SPOT ELEVATION
- XXX ME — MATCH EXISTING SPOT ELEVATION
- XXX CC — CONCRETE CAP SPOT ELEVATION
- XXX ML — AC MILLINGS SPOT ELEVATION

GENERAL NOTES:

1. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
2. REFER TO C1.5 FOR HORIZONTAL CONTROL.
3. DESIGN CONTOURS REPRESENT FINISHED SURFACE.
4. CONTRACTOR SHALL MATCH EXISTING PAVEMENT ELEVATIONS AS SHOWN ON PLAN. IF EXISTING ELEVATIONS DIFFER FROM THOSE SHOWN, THE CONTRACTOR SHALL NOTIFY THE ENGINEER IMMEDIATELY.

CONSTRUCTION NOTES:

1. MATCH EXISTING GRADE
2. INSTALL 6" CONCRETE COVER PER DETAIL 1, SHEET C6.1
3. PROTECT IN PLACE
4. CONTRACTOR SHALL GRADE SWALE ALONG ROADWAY PER DETAIL 4, SHEET C6.1

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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ROAD IMROVEMENTS
GRADING AND DRAINAGE PLAN
SHEET 1 OF 7

PROJECT NO. 091134067
FILE NO. 091134067GD
C5.1
SHEET 16 of 24

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XREFS: x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134054-EX (Taxiway Connectors) x091134067-VF x091134067-TB x091134067-NTGD x091134067-BM x291470002-BM-Landside x09113054-VA x091134067-HT-EX
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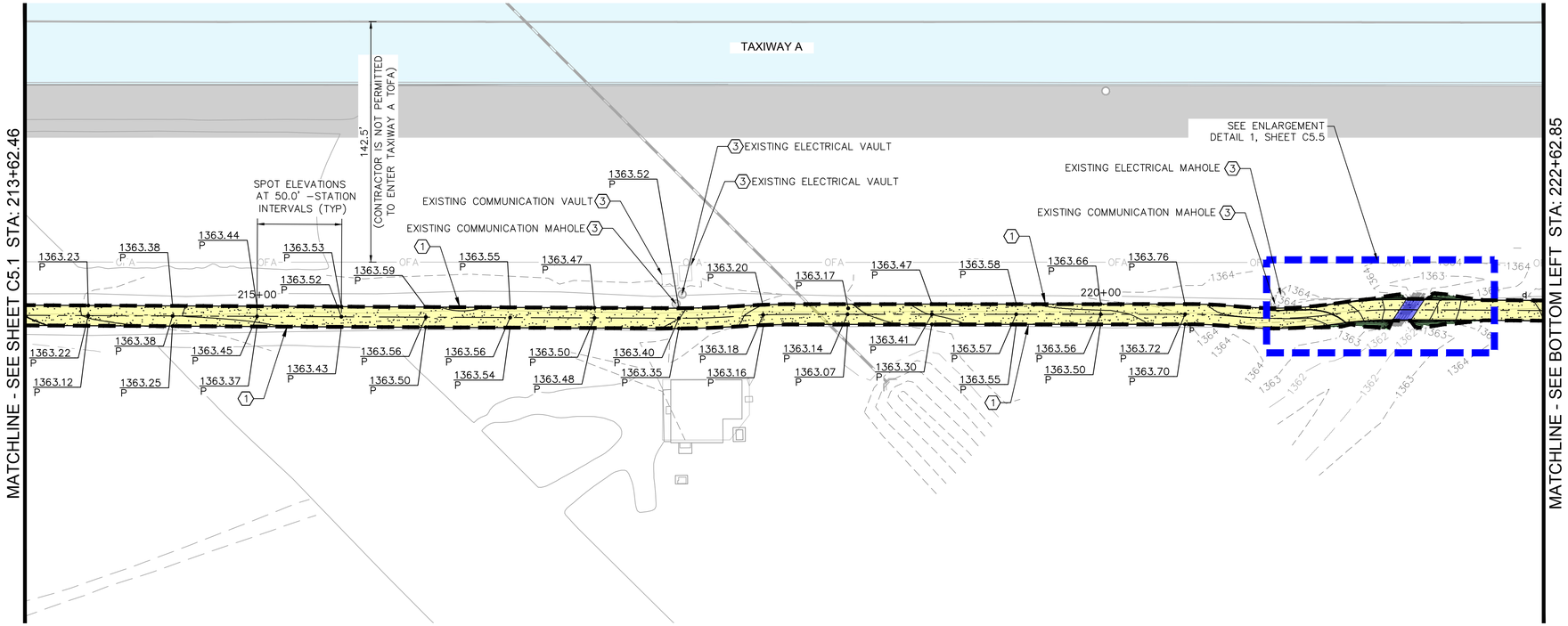

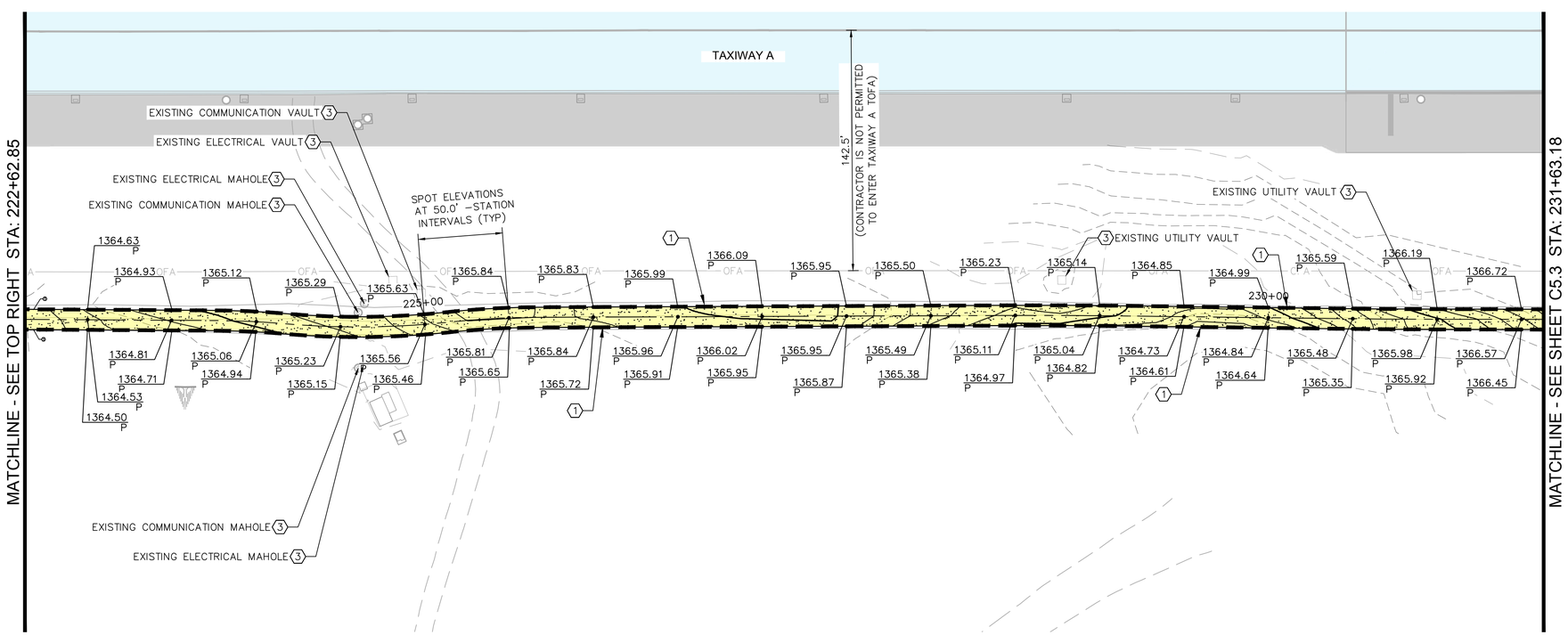

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
- GRADING AND DRAINAGE TRANSITION AREA (MAG 205 AND MAG 211)
- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- 1350 — EXISTING CONTOUR
- 1350 — PROPOSED CONTOUR
- ??? — FLOW DIRECTION
- FLOW LINE
- GRADING LIMITS
- GRADING BREAK
- ENLARGEMENT DETAIL AREA
- XXX P — PAVEMENT SPOT ELEVATION
- XXX ME — MATCH EXISTING SPOT ELEVATION
- XXX CC — CONCRETE CAP SPOT ELEVATION
- XXX ML — AC MILLINGS SPOT ELEVATION

GENERAL NOTES:

1. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
2. REFER TO C1.5 FOR HORIZONTAL CONTROL.
3. DESIGN CONTOURS REPRESENT FINISHED SURFACE.
4. CONTRACTOR SHALL MATCH EXISTING PAVEMENT ELEVATIONS AS SHOWN ON PLAN. IF EXISTING ELEVATIONS DIFFER FROM THOSE SHOWN, THE CONTRACTOR SHALL NOTIFY THE ENGINEER IMMEDIATELY.

CONSTRUCTION NOTES:

1. MATCH EXISTING GRADE
2. INSTALL 6" CONCRETE COVER PER DETAIL 1, SHEET C6.1
3. PROTECT IN PLACE
4. CONTRACTOR SHALL GRADE SWALE ALONG ROADWAY PER DETAIL 4, SHEET C6.1

GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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In Maricopa County (602) 263-1100

NO.	REVISION	BY	DATE

FIRMS NAME
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1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

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Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 40'
Vert. ____
Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport
PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GRADING AND DRAINAGE PLAN
SHEET 2 OF 7

PROJECT NO.
091134067
FILE NO.
091134067GD
C5.2
SHEET 17 of 24

K:\eov_ovation\091134067 - ver Improvements\CADD\091134067GD.dwg Nov 13, 2024 Kcd.Day
XREFS: x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134054-EX (Taxiway Connectors) x091134067-VF x091134067-TB x091134067-NTGD x091134067-BM x291470002-BM-Landside x09113054-VA x091134067-HT-EX
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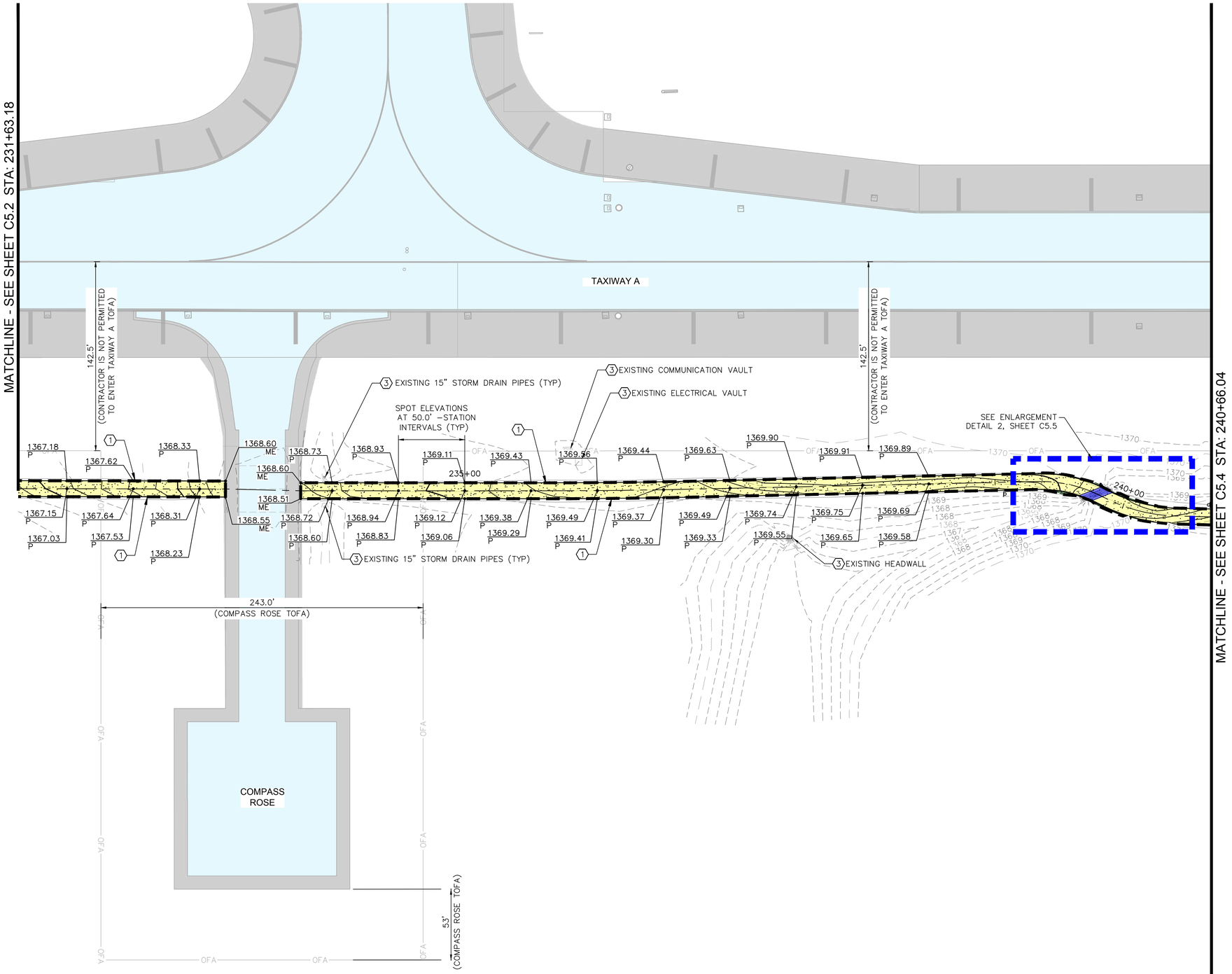

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
- GRADING AND DRAINAGE TRANSITION AREA (MAG 205 AND MAG 211)
- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
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- 1350 PROPOSED CONTOUR
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- FLOW LINE
- GRADING LIMITS
- GRADING BREAK
- ENLARGEMENT DETAIL AREA
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- XXX ME MATCH EXISTING SPOT ELEVATION
- XXX CC CONCRETE CAP SPOT ELEVATION
- XXX ML AC MILLINGS SPOT ELEVATION

GENERAL NOTES:

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CONSTRUCTION NOTES:

1. MATCH EXISTING GRADE
2. INSTALL 6" CONCRETE COVER PER DETAIL 1, SHEET C6.1
3. PROTECT IN PLACE
4. CONTRACTOR SHALL GRADE SWALE ALONG ROADWAY PER DETAIL 4, SHEET C6.1

GRAPHIC SCALE
40 0 20 40 80
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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GRADING AND DRAINAGE
SHEET 3 OF 7

PROJECT NO.
091134067
FILE NO.
091134067GD
C5.3
SHEET 18 of 24

K:\env_aviation\091134067 - ver improvements\CADD\091134067GD.dwg Nov 13, 2024 Koa.Day
XREFS: x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134054-EX (Taxiway Connectors) x091134054-VA x091134067-HT-EX x091134067-VF x091134067-TB x091134067-NTGD x091134067-BM x291470002-BM-Landside
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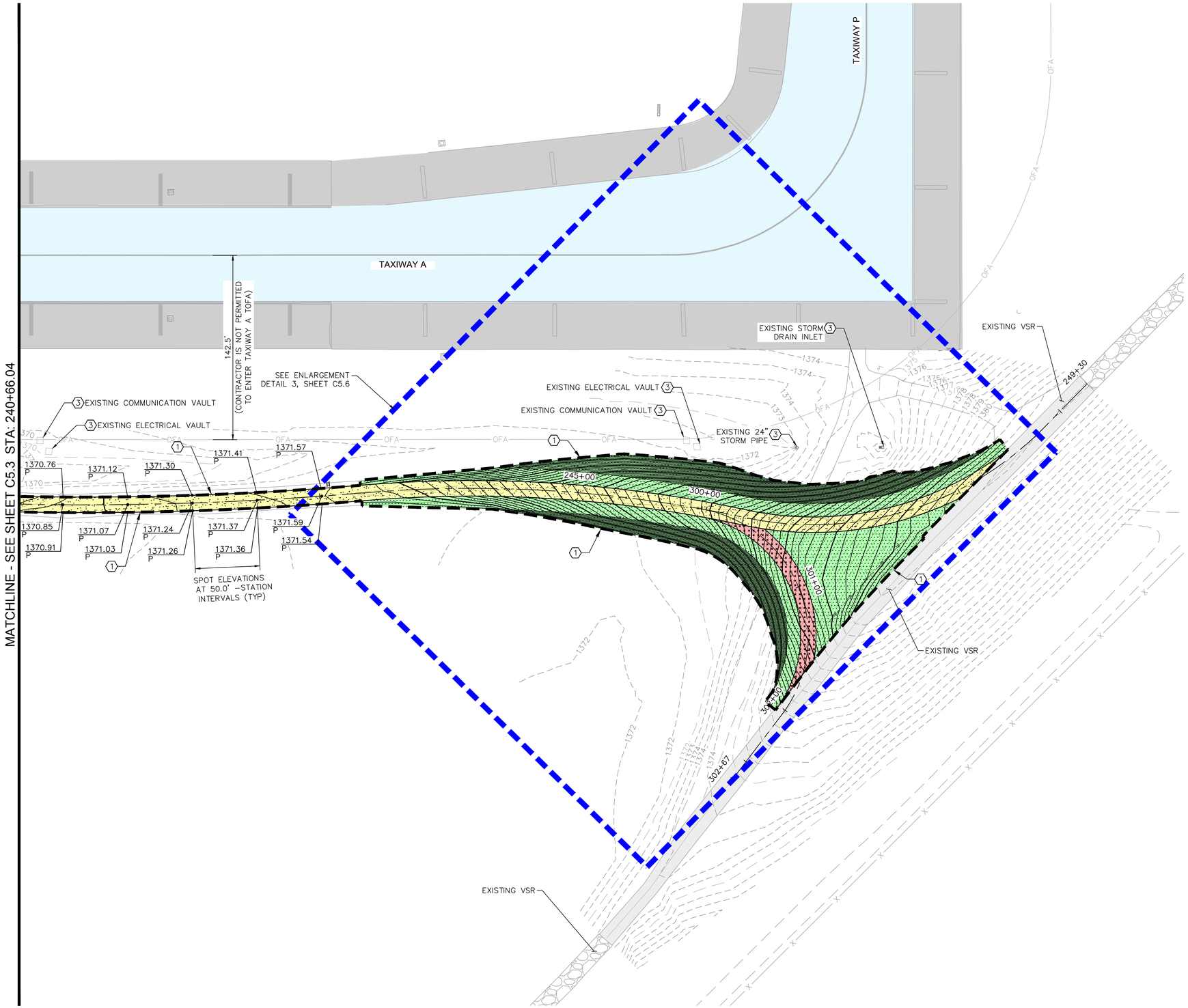

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
- GRADING AND DRAINAGE TRANSITION AREA (MAG 205 AND MAG 211)
- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
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- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
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- 1350 — PROPOSED CONTOUR
- ??? — FLOW DIRECTION
- FLOW LINE
- GRADING LIMITS
- GRADING BREAK
- ENLARGEMENT DETAIL AREA
- XXX P — PAVEMENT SPOT ELEVATION
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CONSTRUCTION NOTES:

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2. INSTALL 6" CONCRETE COVER PER DETAIL 1, SHEET C6.1
3. PROTECT IN PLACE
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GRAPHIC SCALE
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(IN FEET)

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PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 40'
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GRADING AND DRAINAGE PLAN
SHEET 4 OF 7

PROJECT NO.
091134067

FILE NO.
091134067GD

C5.4

SHEET 19 of 24

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XREFS: x134022VS - VF Temp x091134033-BM-2 (Taxiway C Phase 2) x091134033-BM-3 (Taxiway C Phase 3) x091134054-BM (Taxiway Connectors) x091134054-EX (Taxiway Connectors) x091134067-VF x091134067-TB x091134067-NTGD x091134067-BM x291470002-BM-Landside x09113054-VA x091134067-HT-EX
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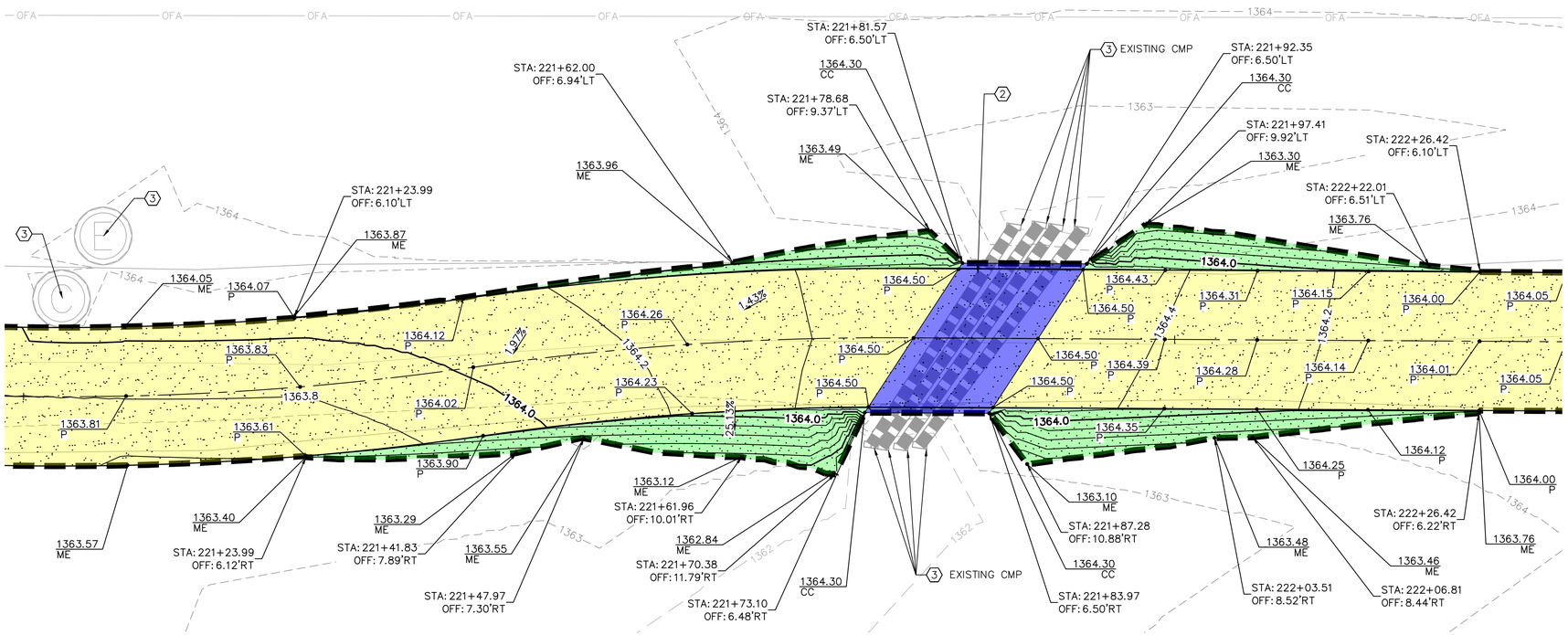
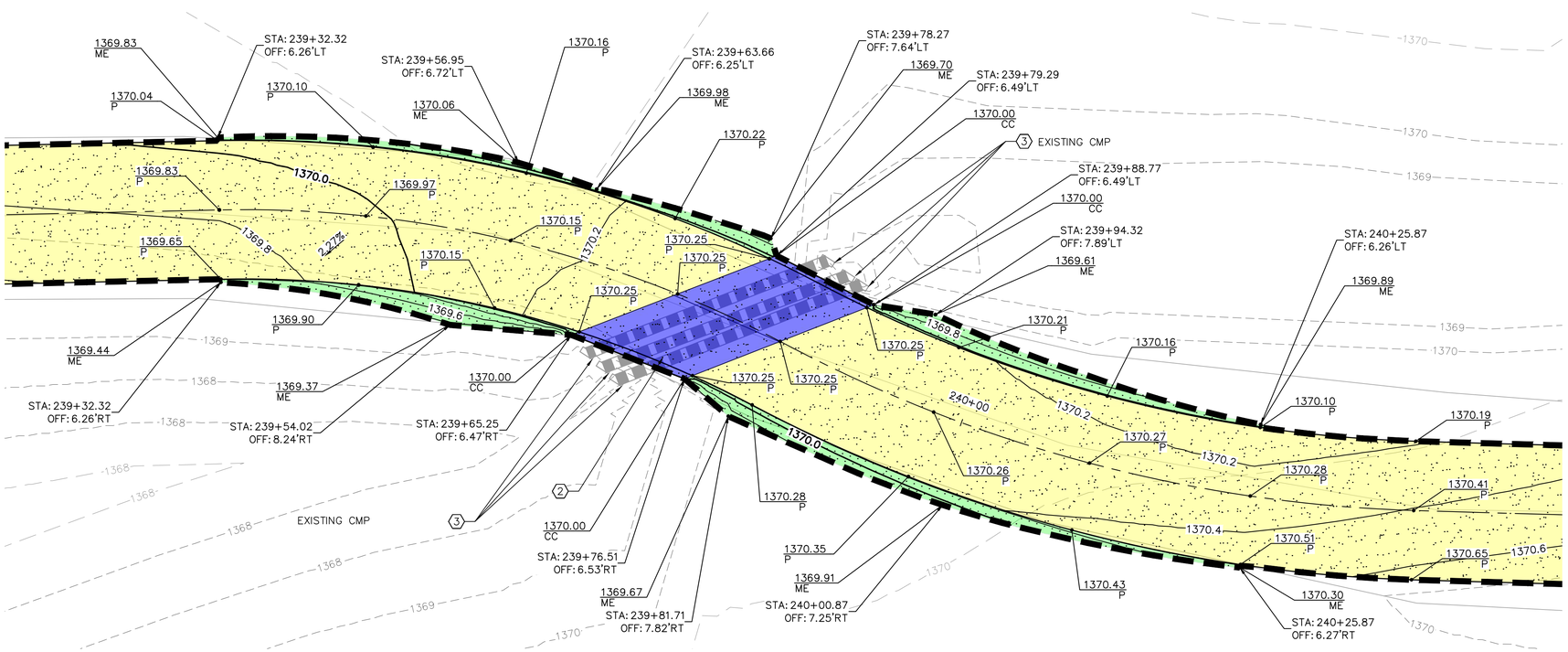


ENLARGEMENT DETAIL 1



ENLARGEMENT DETAIL 2

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
- GRADING AND DRAINAGE TRANSITION AREA (MAG 205 AND MAG 211)
- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
- CONCRETE CAP PER DETAIL 1, SHEET C6.1
- 2.5" ASPHALT OVERLAY, OVER RELOCATED (OR NEW) COMPACTED AC MILLINGS
- 1350 — EXISTING CONTOUR
- 1350 — PROPOSED CONTOUR
- ??? — FLOW DIRECTION
- FLOW LINE
- GRADING LIMITS
- GRADING BREAK
- ENLARGEMENT DETAIL AREA
- XXX P — PAVEMENT SPOT ELEVATION
- XXX ME — MATCH EXISTING SPOT ELEVATION
- XXX CC — CONCRETE CAP SPOT ELEVATION
- XXX ML — AC MILLINGS SPOT ELEVATION

GENERAL NOTES:

1. REFER TO SHEET C6.2 FOR TYPICAL SECTIONS.
2. REFER TO C1.5 FOR HORIZONTAL CONTROL.
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CONSTRUCTION NOTES:

1. MATCH EXISTING GRADE
2. INSTALL 6" CONCRETE COVER PER DETAIL 1, SHEET C6.1
3. PROTECT IN PLACE
4. CONTRACTOR SHALL GRADE SWALE ALONG ROADWAY PER DETAIL 4, SHEET C6.1

GRAPHIC SCALE
10 0 5 10 20
(IN FEET)

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PE NO. 61804 DATE 11/13

SCALE
Horiz. 1" = 6'
Vert. ____

Date 11/13/2024
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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS
GRADING AND DRAINAGE PLAN
SHEET 5 OF 7

PROJECT NO. 091134067
FILE NO. 091134067GD
C5.5
SHEET 20 of 24

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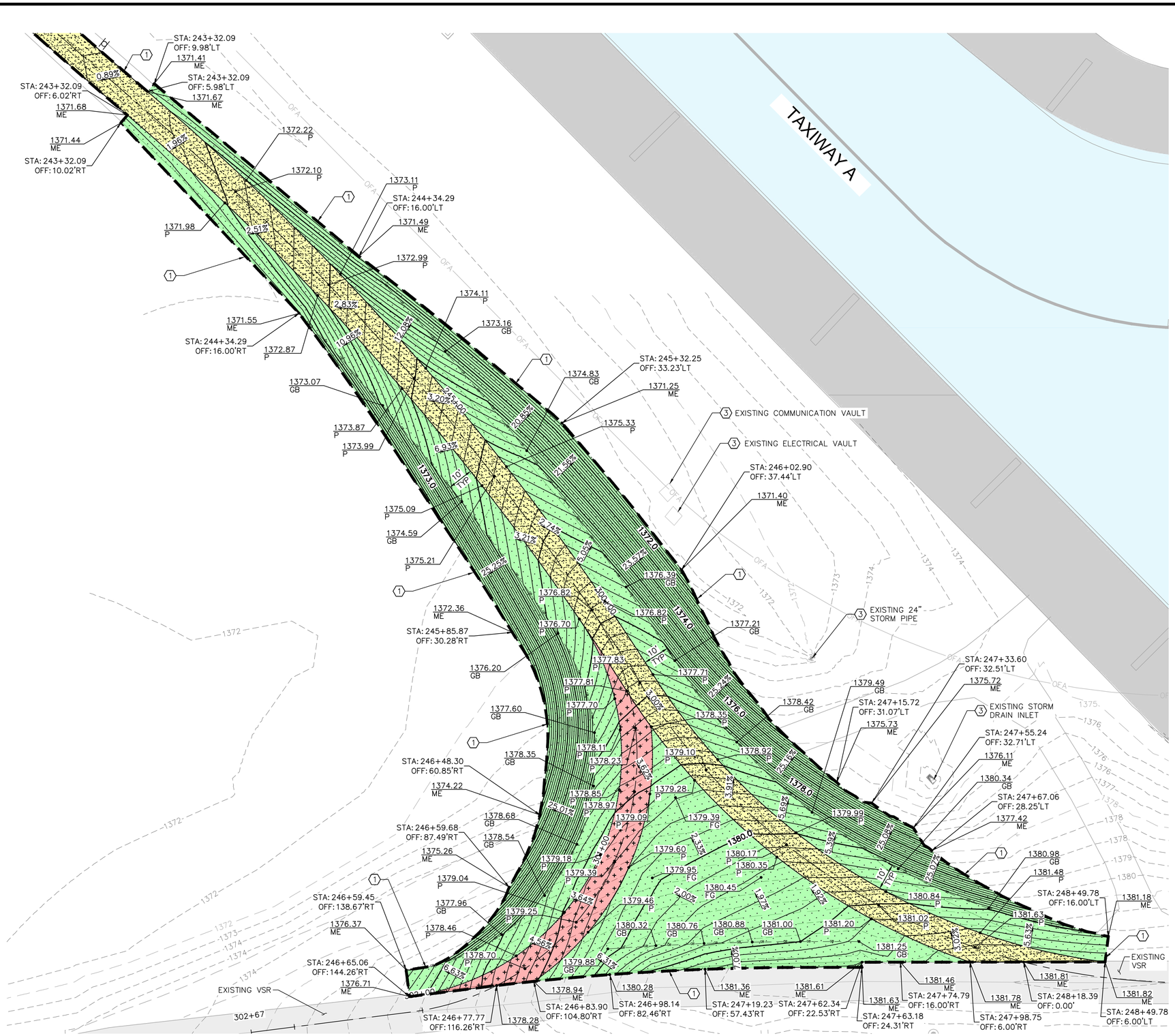

LEGEND

- 2.5" ASPHALT OVERLAY (MAG 321)
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- PLACE AND COMPACT RELOCATED AC MILLINGS (MAG 525)
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CONSTRUCTION NOTES:

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GRAPHIC SCALE

20 0 10 20 40

(IN FEET)

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ROAD IMROVEMENTS

GRADING AND DRAINAGE PLAN
SHEET 6 OF 7

PROJECT NO.
091134067

FILE NO.
091134067GD

C5.6

SHEET 21 of 24

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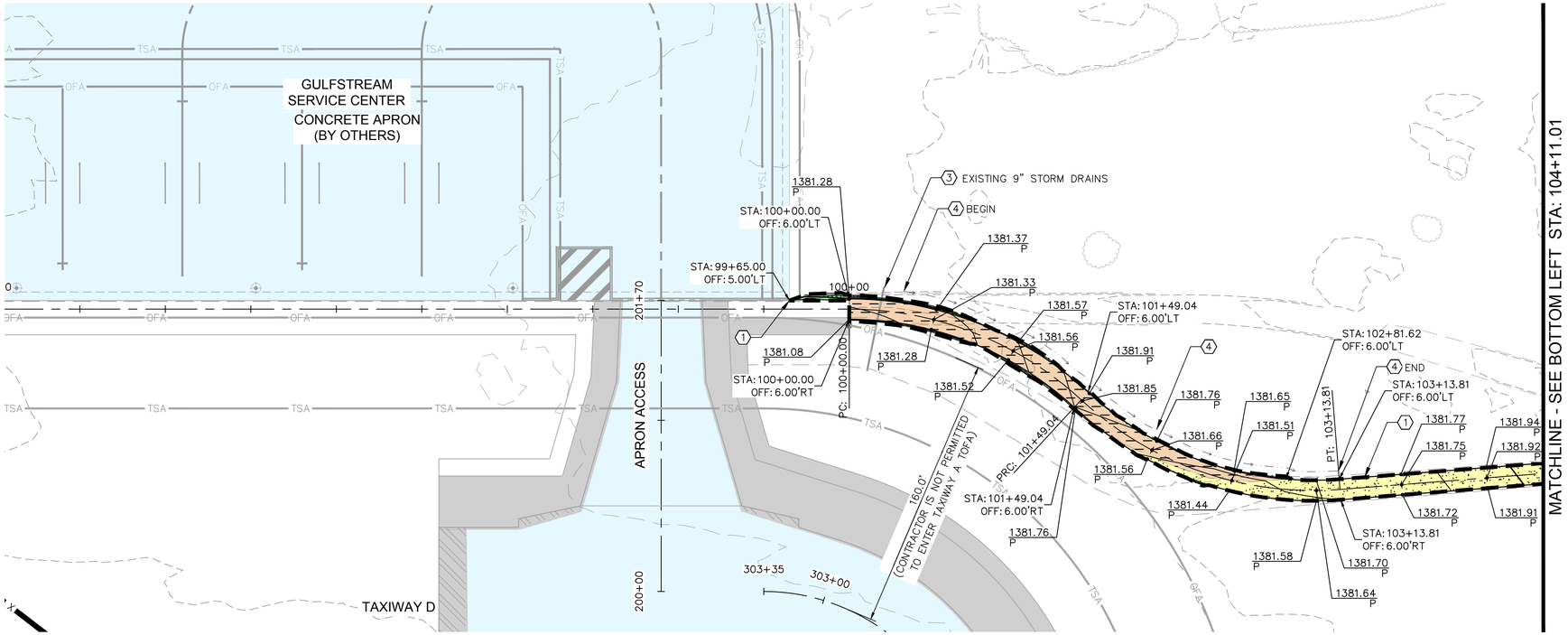

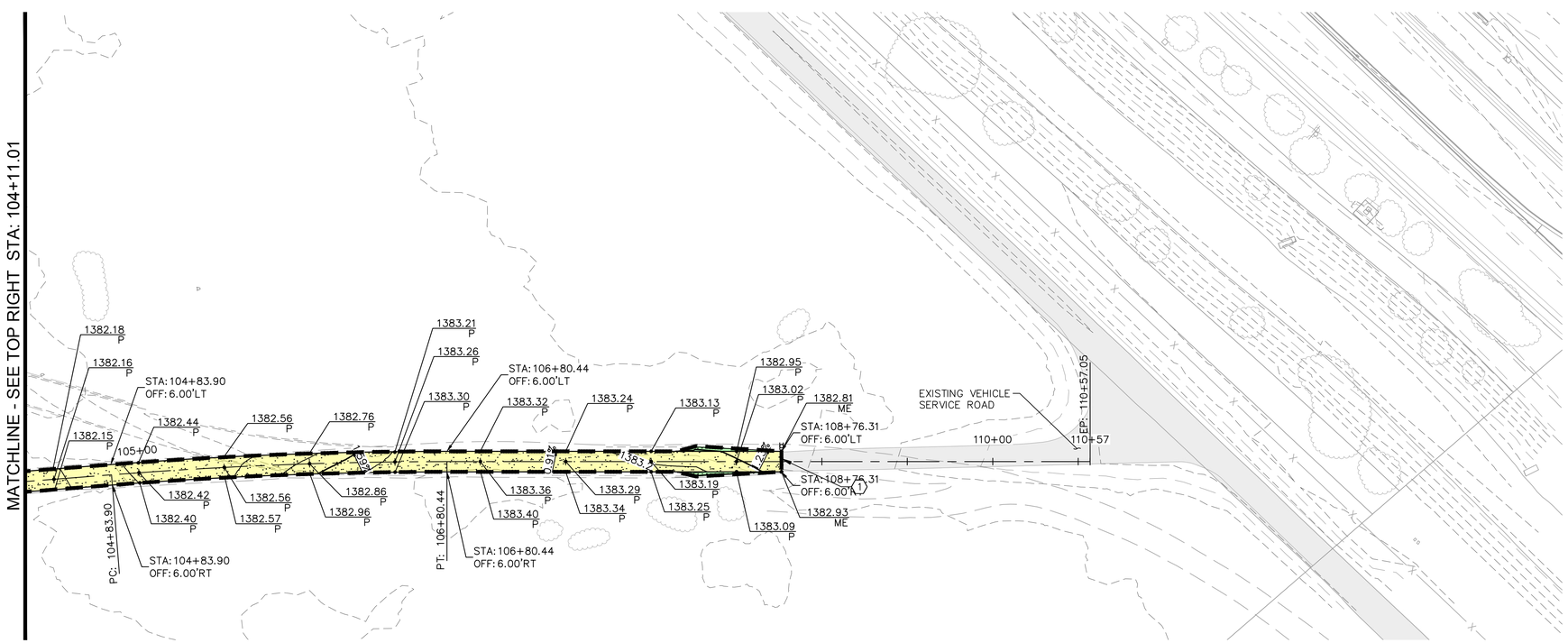

LEGEND

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GRAPHIC SCALE
40 0 20 40 80
(IN FEET)

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SHEET 7 OF 7

PROJECT NO. 091134067
FILE NO. 091134067GD
C5.7
SHEET 22 of 24

K:\eov_ovation\091134067 - ver Improvements\CADD\091134067GD.dwg Nov 13, 2024 Kca.Day
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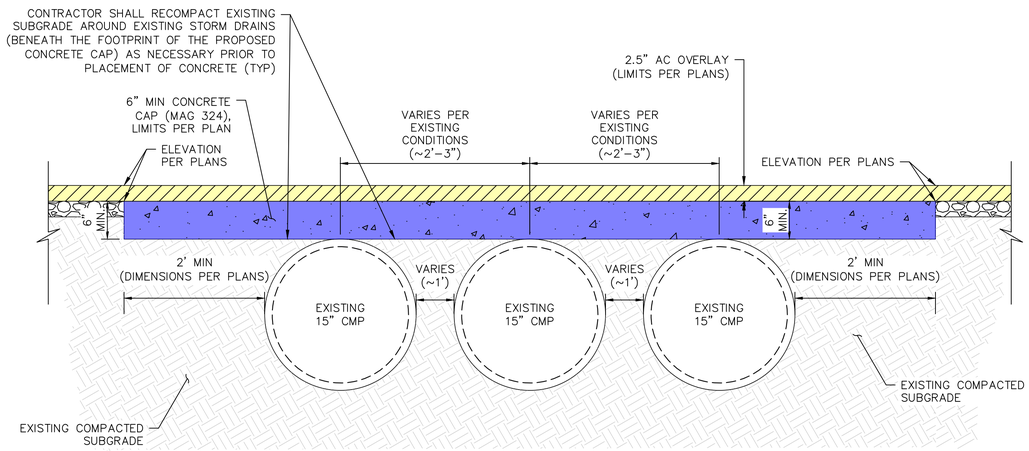
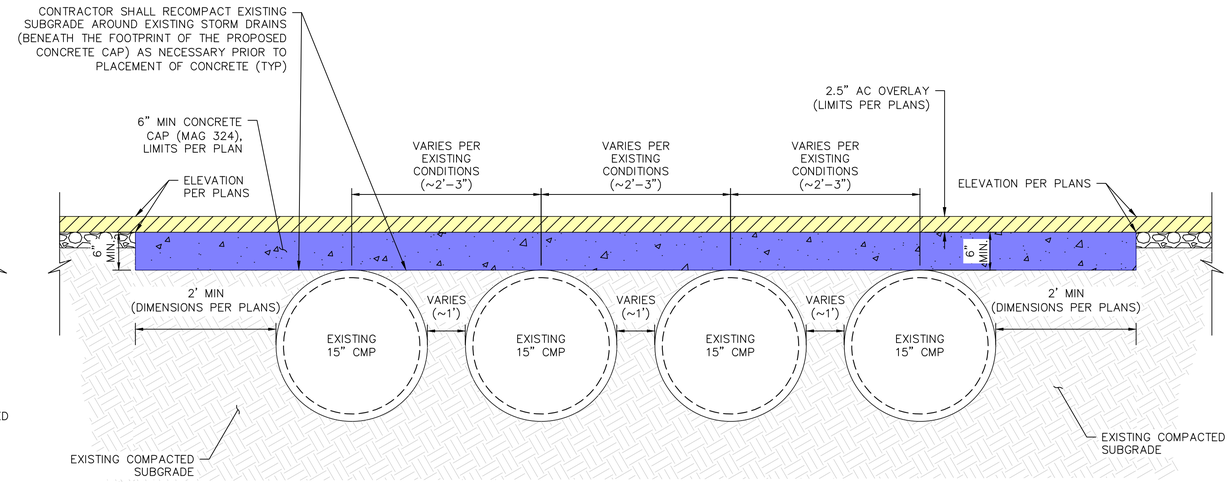


EXISTING TRIPLE 15" CMP STORM DRAIN

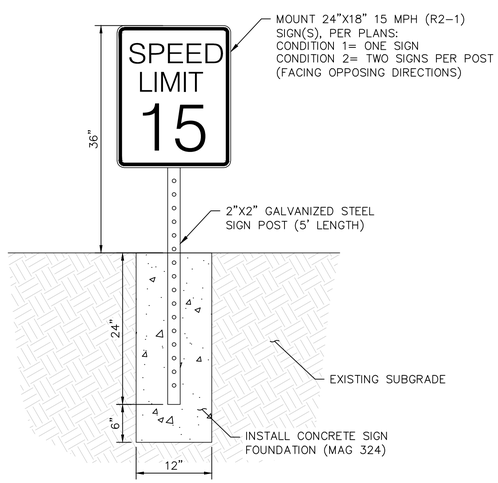


EXISTING TRIPLE 15" CMP STORM DRAIN

EXISTING STORM DRAIN CONCRETE CAP DETAIL (TRIPLE/QUADRUPLE)

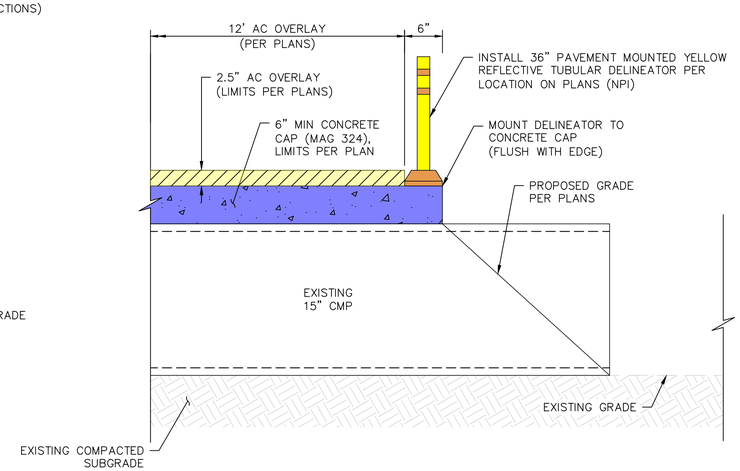
1 / C6.1

N.T.S.



2 / C6.1 ROAD SPEED LIMIT SIGN & POST DETAIL

N.T.S.



3 / C6.1 DELINEATOR MOUNTING DETAIL

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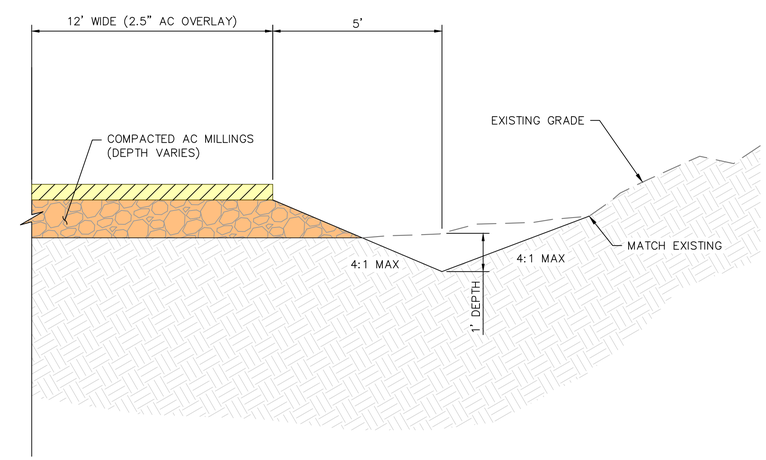

4 / C6.1 POND RELIEVING SWALE DETAIL

N.T.S.

Call at least two full working days before you begin excavation. ARIZONA 811 Arizona Blue Stake, Inc. Dial 8-1-1 or 1-800-STAKE-IT (782-5348) In Maricopa County (602) 263-1100

NO.	REVISION	BY	DATE

FIRMS NAME

Kimley»Horn

KIMLEY-HORN AND ASSOCIATES, INC.
1001 W Southern Ave, Suite 131
Mesa, Arizona 85210 (480) 207-2666

FIRMS SEAL

PRELIMINARY
FOR REVIEW ONLY
NOT FOR CONSTRUCTION
Kimley»Horn
ENGINEER JARRET M.MOORE
PE NO. 61804 DATE 11/13

SCALE
Horiz. ____
Vert. ____

Date 11/13/2024
Designed by JMM
Drawn by KCD
Checked by JMM
Approved by JMM

Phoenix-Mesa Gateway Airport

PHOENIX-MESA GATEWAY AIRPORT AUTHORITY
5835 SOUTH SOSSAMAN ROAD
MESA, ARIZONA 85212
(480) 988-7600
www.phxmesagateway.org

PROJECT NAME

PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

PROJECT DETAILS
SHEET 1 OF 2

PROJECT NO. 091134067

FILE NO. 091134067DT

C6.1

SHEET 23 of 24

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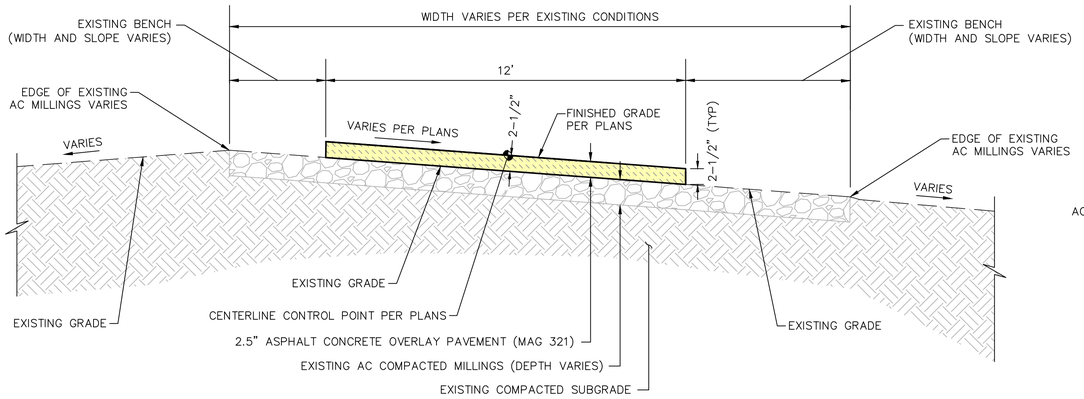

1 C6.2

TYPICAL SECTION

PHASE 1 (AC OVERLAY CONDITION) VEHICLE SERVICE ROAD (UP STATION VIEW)

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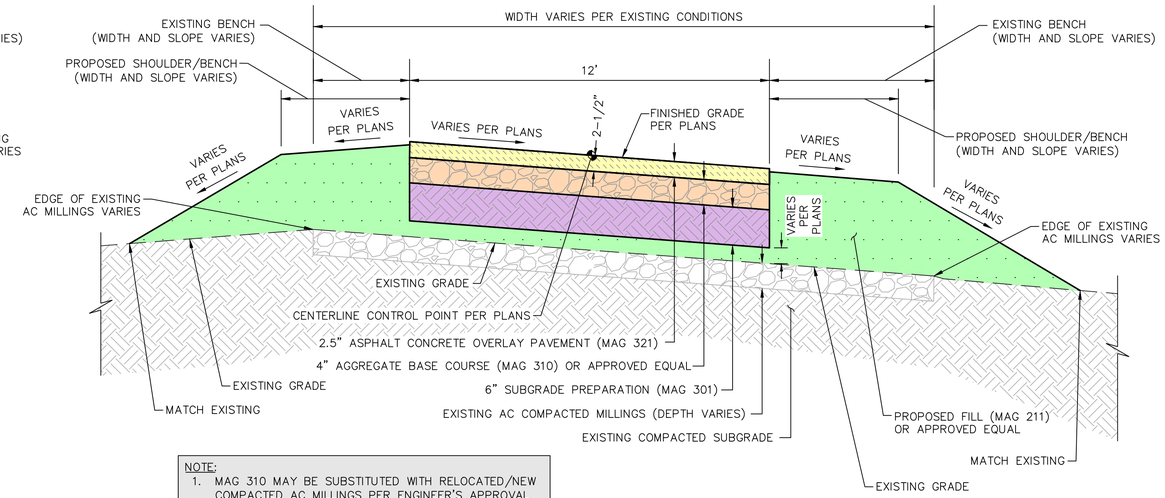

NOTE:
1. MAG 310 MAY BE SUBSTITUTED WITH RELOCATED/NEW COMPACTED AC MILLINGS PER ENGINEER'S APPROVAL.
2. CONTRACTOR MAY PROPOSE AN ALTERNATE TO MAG 211 FOR ENGINEER'S APPROVAL.

2 C6.2

TYPICAL SECTION

PHASE 1 (AC PAVEMENT SECTION CONDITION) VEHICLE SERVICE ROAD (UP STATION VIEW)

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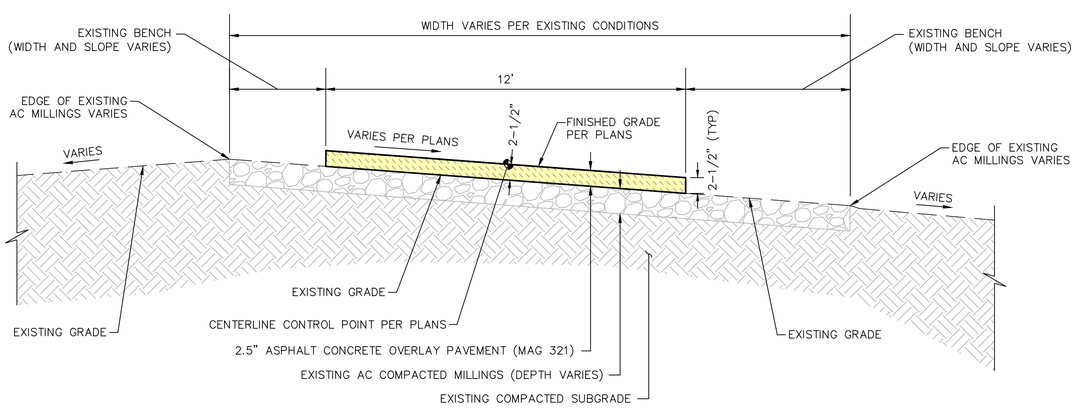

3 C6.2

TYPICAL SECTION

PHASE 2 (AC OVERLAY CONDITION) VEHICLE SERVICE ROAD (UP STATION VIEW)

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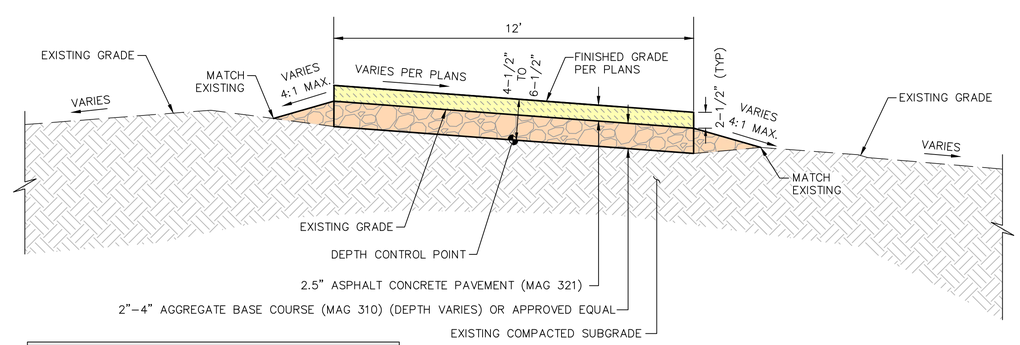

NOTE:
1. MAG 310 MAY BE SUBSTITUTED WITH RELOCATED/NEW COMPACTED AC MILLINGS PER ENGINEER'S APPROVAL.

4 C6.2

TYPICAL SECTION

PHASE 2 (AC OVERLAY ON RELOCATED/NEW AC MILLINGS CONDITION VEHICLE SERVICE ROAD (UP STATION VIEW)

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PROJECT NAME
PHOENIX-MESA GATEWAY
ROAD IMROVEMENTS

PROJECT DETAILS
SHEET 2 OF 2

PROJECT NO. 091134067
FILE NO. 091134067DT
C6.2
SHEET 24 of 24

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Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Chuck Odom, Chief Financial Officer
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: October 2024 Financials
Date: December 17, 2024

Attached is the monthly Financials Report for October 2024.

Phoenix-Mesa Gateway Airport Authority
AIRPORT - All Operations P&L
October, 2024

	Month of October 2024				Y-T-D as of October 2024			
	October FY24 Actual	October FY25 Actual	YOY Variance	B/(W)	YTD FY24 Actual	YTD FY25 Actual	Y-T-D Variance	B/(W)
Aeronautical Operating Revenues								
Aircraft Parking	28,174	30,159	1,985	7%	115,597	143,067	27,470	24%
Fuel Flowage Fees	47,324	58,778	11,454	24%	220,176	197,947	(22,229)	-10%
Landing Fees	130,351	129,227	(1,124)	-1%	516,417	510,146	(6,271)	-1%
Lease Income Aero	328,651	394,571	65,920	20%	1,399,661	1,453,932	54,271	4%
Fuel Sales	620,322	796,455	176,133	28%	2,359,567	2,827,015	467,448	20%
Services Sold - Aero	437,897	524,489	86,592	20%	1,947,840	1,740,701	(207,139)	-11%
Sub-total Aero Operating Revenues	1,592,719	1,933,679	340,960	21%	6,559,259	6,872,808	313,550	5%
Non-Aeronautical Operating Revenues								
Concessions	99,612	106,986	7,374	7%	387,099	444,424	57,325	15%
Lease Income Non-Aero	108,804	122,813	14,009	13%	448,945	463,495	14,550	3%
Parking	491,343	435,632	(55,711)	-11%	1,898,906	1,998,397	99,491	5%
Rental Car Fees	177,306	259,585	82,279	46%	539,415	726,868	187,453	35%
Svcs Sold - Non Aero	2,485	3,056	571	23%	27,147	30,639	3,492	13%
Sub-total Non-Aero Operating Revenues	879,550	928,072	48,522	6%	3,301,511	3,663,823	362,311	11%
Total Operating Revenues	**2,472,269**	**2,861,752**	**389,483**	**16%**	**9,860,770**	**10,536,631**	**675,861**	**7%**
Operating Expenses								
Cost of Goods Sold	387,723	523,617	(135,894)	-35%	1,520,795	1,801,505	(280,710)	-18%
Personnel	878,667	931,112	(52,445)	-6%	3,283,115	3,536,526	(253,411)	-8%
Comm & Utilities	94,925	106,565	(11,640)	-12%	427,339	498,711	(71,372)	-17%
Contractual Services	535,885	625,844	(89,959)	-17%	2,231,547	2,428,719	(197,172)	-9%
Insurance	52,215	57,395	(5,180)	-10%	200,902	231,754	(30,852)	-15%
Other	33,014	20,182	12,832	39%	111,419	98,589	12,830	12%
Repair & Maintenance	175,918	114,346	61,572	35%	305,151	247,510	57,641	19%
Supplies & Materials	62,106	65,259	(3,153)	-5%	261,918	269,337	(7,419)	-3%
Air Service Incentives [2,000,000]	-	-	-	0%	-	-	-	0%
Operating Contingency [3,042,018]	-	-	-	0%	-	-	-	0%
Total Operating Expenses	**2,220,453**	**2,444,321**	**(223,869)**	-10%	**8,342,186**	**9,112,651**	**(770,466)**	-9%
Operating Income (Loss) Before Depreciation	**251,816**	**417,431**	**165,615**	66%	**1,518,584**	**1,423,980**	**(94,604)**	-6%
	10.2%	14.6%			15.4%	13.5%		
Depreciation		1,345,712				5,398,382		

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Management Information Report

To: **Board of Directors**
From: **Chuck Odom, Chief Financial Officer**
Through: **J. Brian O'Neill, A.A.E., Executive Director/CEO**
Re: Solicitation Notification
Date: **December 17, 2024**

This report is to provide notification of the active and upcoming solicitations to help ensure compliance with the Phoenix-Mesa Gateway Airport Authority procurement transparency clause. The active activities include the following:

Active/Pending Solicitations

Type Solicitation	Number	Title	Anticipated Contract Award (Board Action)
Request for Qualifications	2025-003-RFQ	South Apron Aeronautical Redevelopment	March 2025

Future Solicitations

Type Solicitation	Number	Title	Scheduled for Release	Anticipated Contract Award (Board Action)
Invitation for Bid	2025-005-IFB	Fire Tank Valves Replacement	December 2024	February 2025
Request for Proposals	2025-004-RFP	Airport Website Redesign	January 2025	April 2025
Request for Qualifications	2025-006-RFQ	Air Service Development Consulting Services	January 2025	April 2025

Equipment Disposals

Fiscal year totals from sales of decommissioned / nonworking equipment total $66,982.00

If you have any questions about the solicitations or the procurement process, please feel free to contract me at 480-988-7613.

Phoenix-Mesa Gateway Airport Authority
5835 S Sossaman Road
Mesa, Arizona 85212-6014
www.gatewayairport.com

Management Information Report

To: Board of Directors
From: Ryan Smith, Communications & Government Relations
Through: J. Brian O'Neill, A.A.E., Executive Director/CEO
Re: State & Federal Legislative Representation and Consulting Services
Date: December 17, 2024

Phoenix-Mesa Gateway Airport Authority (PMGAA) and the City of Mesa currently share expenses pertaining to State and Federal lobbyist services. The City of Mesa previously contracted with Squire Patton Boggs, LLP for federal professional services, and Policy 48 for state professional services. The City of Mesa has ended the agreement with Squire Patton Boggs, and as of January 1, 2025, Mesa will now contract with Thorn Run Partners for Federal lobbyist services.

PMGAA will continue paying the same contracted amount to the City of Mesa for the remainder of FY25 as was approved in Resolution 24-23 on June 18, 2024. State lobbying services with Policy 48 continue uninterrupted.