

COUNCIL MINUTES

January 14, 2021

The City Council of the City of Mesa met in a Study Session Meeting via a virtual format streamed into the lower level meeting room of the Council Chambers, on January 14, 2021 at 7:30 a.m.

COUNCIL PRESENT

John Giles*
Jennifer Duff*
Mark Freeman*
Francisco Heredia*
David Luna*
Julie Spilsbury*
Kevin Thompson*

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Council participated in the meeting through the use of video conference equipment.)

Mayor Giles conducted a roll call.

1-a. Hear a presentation by Phoenix-Mesa Gateway Airport staff and discuss the economic development of the airport, including the new air traffic control tower and the proposed development of Gateway East.

City Manager Christopher Brady introduced Brian O'Neill, Executive Director/CEO of Phoenix-Mesa Gateway Airport, who displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. O'Neill stated Phoenix-Mesa Gateway Airport (Gateway) is unique in that it is a thriving regional airport, as well as a 3,000-acre economic development project. He described that Gateway is home to two pilot training schools, the U.S. Forest Service has a base at the airport, and there are a growing number of corporate aircraft utilizing the airport. (See Page 2 of Attachment 1)

Mr. O'Neill identified Allegiant, Swoop, and WestJet are the current commercial air service companies that fly out of Gateway, although WestJet has been shut down due to COVID and the trans-border restrictions. He announced in February Allegiant will begin service to Houston, Texas and Traverse City, Michigan, and on June 2 will begin seasonal service to Jackson Hole, Wyoming. (See Page 3 of Attachment 1)

Mr. O'Neill explained that Gateway is one of the few airports that is leading the way in passenger recovery. He elaborated that like every other airport, Gateway was down 93% for commercial passengers in April, but over the past several months have rebounded to only being down approximately 30%; whereas most other airports across the country are still down between 70% to 80%. (See Page 4 of Attachment 1)

Mr. O'Neill mentioned that along with the increasing passenger demand, there has been an increase in demand for better food, beverage, and retail concessions. He listed O.H.S.O. Brewery, Saguaro Mercantile, Panera Bread, and Macayo's as new editions to the terminal. (See Page 5 of Attachment 1)

In response to a question from Councilmember Thompson regarding whether non-ticketed individuals will have access to the restaurants, Mr. O'Neill advised implementation of that program stopped when COVID hit, but as soon as the vaccine is distributed those plans will be revisited to allow non-ticketed individuals the opportunity to enjoy the new restaurants coming to the terminal. He highlighted the improved branding of establishments, as well as the new additions, will meet the growing needs of passengers. He mentioned the goal is to have the new establishments open by the end of 2021.

Mr. O'Neill discussed the significant amount of private investment occurring at the airport, which includes the 50,000 square foot (sf) Able Aerospace expansion, the 187,000 sf Gateway Executive Airpark hangar, and the master development SkyBridge project. (See Pages 6 through 8 of Attachment 1)

Mr. O'Neill commented that SkyBridge has gone through the master planning process and the environmental process with the Federal Aviation Administration (FAA) and now have several buildings up and operational. He highlighted the 53,000 sf flex industrial building that has been built and are in the process of negotiating with several possible tenants, the 82,500 sf hangar which has a tenant and large corporate aircraft lined up, and the groundbreaking for a new hotel that will have a portion of the rooms available for one-night visitors and a portion for extended stay. (See Pages 9 through 11)

Mr. O'Neill indicated companies like Aviation Performance Solutions (APS) and Wetta Ventures both have built hangars and are investing in the airport which will help meet the needs of the larger corporate tenants. (See Pages 12 and 13 of Attachment 1)

Mr. O'Neill described Gateway East as a 400-acre, non-aeronautical, mixed-use development which is located adjacent to Ellsworth Road, the expanding State Route (SR) 24, and the Loop 202 San Tan Freeway. He mentioned later today 500 people will be attending a virtual promotional event to introduce the project to large-scale, non-aeronautical developers across the country that will assist in selecting the new master developer for the project. (See Page 14 of Attachment 1)

Mr. O'Neill played a video highlighting the Gateway East Development. He commented the project will be a strategic mix of first-class, high-end office, corporate retail, and industrial. He mentioned after talking with the residents of Eastmark and Cadence, there is a desire to stay within the neighborhood to work and play which opens up the opportunity for commercial retail along Ellsworth Road and a demand for high-end office availability. He outlined the timeline between the virtual event to the selection process. He stated upon full build-out, depending on the product mix, there is going to be approximately 10 million sf of additional development that will create high-wage jobs. (See Page 15 of Attachment 1)

Councilmember Thompson commented this project is a perfect piece of the puzzle for the District 6 vision. He stated not only is the project important for the airport but will be a huge revenue generator for the City and will make Gateway a destination location.

Mr. O'Neill identified another important and exciting project for Phoenix-Mesa Gateway Airport is the new air traffic control tower. He explained the project is underway and the new tower is 55%

larger than the current one with eight controller positions. He remarked the new tower will eliminate any obstructions on the airfield and gives the controllers better views of approaching aircraft. He said the project will be completed in the summer of 2022. (See Page 16 of Attachment 1)

Councilmember Freeman reminisced about Williams Air Force Base. He applauded Mr. O'Neil and his staff for helping to create this hub for economic development which will be a legacy for the City of Mesa.

Councilmember Luna thanked Mr. O'Neill for his leadership in the process. He pointed out that even during the pandemic the airport has continued to flourish. He inquired what the magic formula is to attract developers even during the pandemic.

Mr. O'Neill stated when looking at the growth in the greater Phoenix area, a large percentage is in the East Valley. He mentioned the airport has an incredible team of talented workers, as well as tremendous regional support.

In response to a question from Vice Mayor Duff regarding how SR 24 feeds into the airport, Mr. O'Neill advised the City of Mesa has been a very active and supportive partner in the design of the infrastructure necessary to unlock this project. He stated there will be a Williams Field Road exit off the SR 24 heading east which will serve as the front door to Gateway East.

In response to a question posed by Vice Mayor Duff regarding the timing of the SR 24 completion, Deputy City Manager Scott Butler announced SR 24 kicked off construction several months ago and there is an 18 to 24 month build time before completion.

Mayor Giles pointed out it has been fun to watch this development unfold since the City became involved 25 years ago. He said the jobs and economic activity will be an anchor for the community and the quality of life for the residents of southeast Mesa. He added the airport will have one of the best infrastructures in the country with three runways and a new state-of-the-art tower.

Mr. O'Neill extended an offer to Council to come to the airport for a tour to see the exciting progress.

Mayor Giles thanked Mr. O'Neill for the presentation.

2. Current events summary including meetings and conferences attended.

Councilmember Luna – Falcon Field Q&A session

Councilmember Luna, Vice Mayor Duff, and Mayor Giles attended a regional Free Application for Federal Student Aid (FAFSA) drive-through event at the Mesa Convention Center.

Mayor Giles remarked there are resources available to help with FAFSA. He suggested reaching out to Mesa Counts on College and other resources at the City of Mesa for assistance in filling out the form. He continued by saying this is an important part of Mesa Counts on College to help get Mesa high school students into Mesa Community College or other colleges.

3. Scheduling of meetings.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Thursday, January 21, 2021, 7:30 a.m. – Study Session

6. Adjournment.

Without objection, the Study Session adjourned at 8:10 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 14th day of January 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(Attachments – 1)



Mesa City Council

January 14, 2021

mesa.az

Phoenix-Mesa Gateway Airport



Phoenix-Mesa
Gateway
Airport



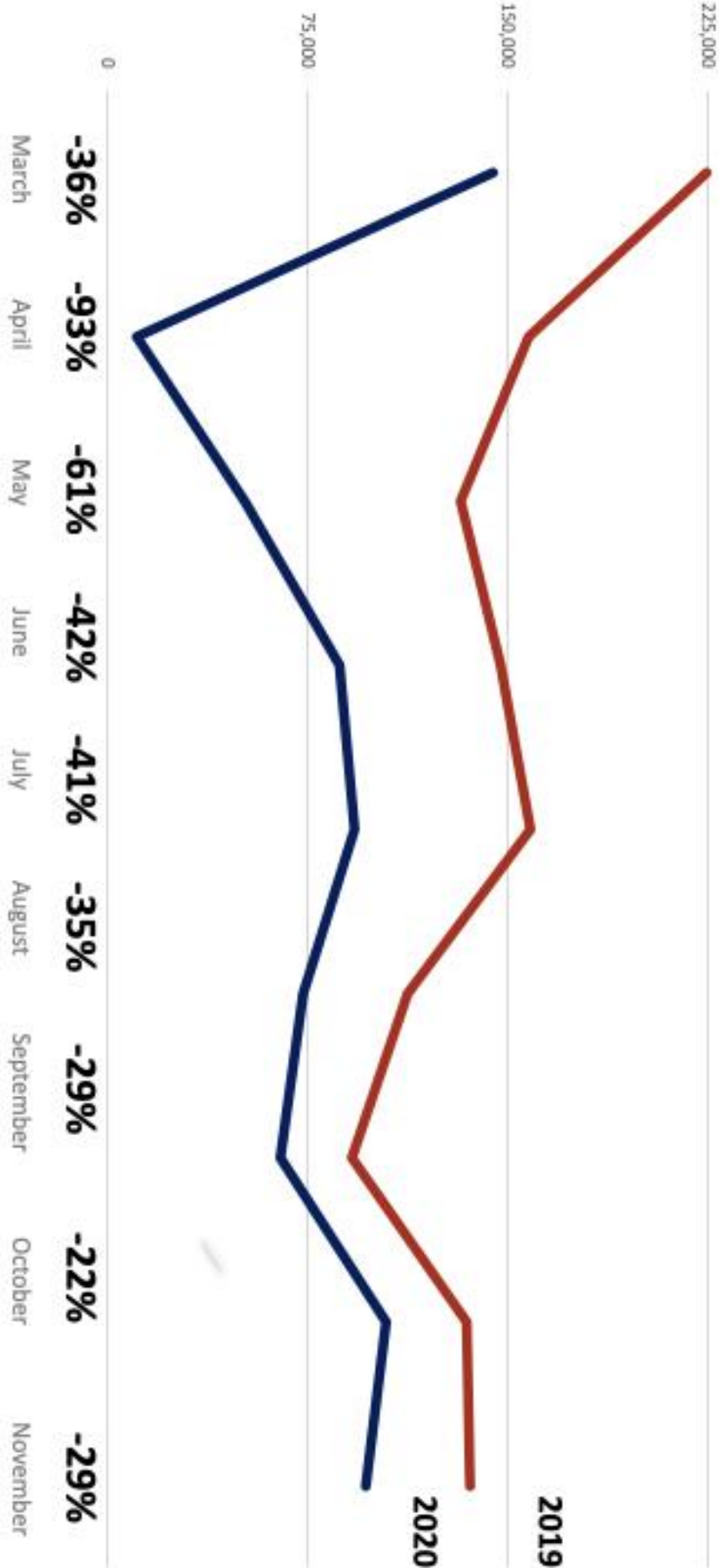
Nonstop Route Map

Phoenix-Mesa
Gateway
Airport

Commercial Passenger Recovery



Total Commercial Passengers
(March – November)



Terminal Food, Beverage & Retail Concessions Program



Able Aerospace Services 50,000 SF Expansion



Gateway Executive Airpark's 187,000 SF Hangar



SkyBridge Arizona



SkyBridge Arizona 53,000 SF Flex Industrial Building



SkyBridge Arizona 82,500 SF Hangar



Phoenix-Mesa
Gateway
Airport



SkyBridge Arizona Hotel



APS 65,000 SF Hangar/ Corp. HQ



Wetta Ventures 50,000 SF Hangar



GatewayEast Development



**400-acre non-aeronautical mixed-use
development opportunity**



GATEWAY EAST

GatewayEast Development



Please join us to learn more about GatewayEast, a 400-acre mixed-use development opportunity located at the intersection of two major freeways in the Phoenix East Valley. Phoenix-Mesa Gateway Airport Authority will be partnering with a master developer on this exciting commercial development project.

SPEAKERS

			
CHRIS CANABARRO GATEWAYEAST ECONOMIC COUNCIL	MAYOR JOHN GALT CITY OF MESA	B. BRIAN O'NEILL PHOENIX-MESA GATEWAY AIRPORT AUTHORITY	BELA ZSOKORA PHOENIX-MESA GATEWAY AIRPORT AUTHORITY

- State and Regional Economic Trends
- Phoenix-Mesa Gateway Airport Today and Tomorrow
- Detailed Overview of the GatewayEast Master Developer Opportunity
- Live Q&A Session

- Zoom Webinar - Live will be posted to registrants
- Thursday, January 14, 2021
- 12PM PST / 3PM MST / 5PM EDT
- Register at ChooseGatewayPhoenix.com/GatewayEast



- **January 14, 2021 virtual event**
 - State and regional economic trends
 - Phoenix-Mesa Gateway Airport
 - Overview of the GatewayEast master developer opportunity
 - Live Q&A session
- **Request For Qualifications (1/21/2021)**
- **Request For Proposals (5/3/2021)**
- **Interviews**
- **Selection (before 12/31/2021)**

Air Traffic Control Tower



Thank You.

Any Questions?