



- **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
<b>Operating Income (Before Depreciation)</b>	<b>\$319,677</b>	<b>\$243,620</b>	<b>(\$76,057)</b>	<b>\$1,502,698</b>	<b>\$1,907,072</b>	<b>\$404,374</b>

**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**

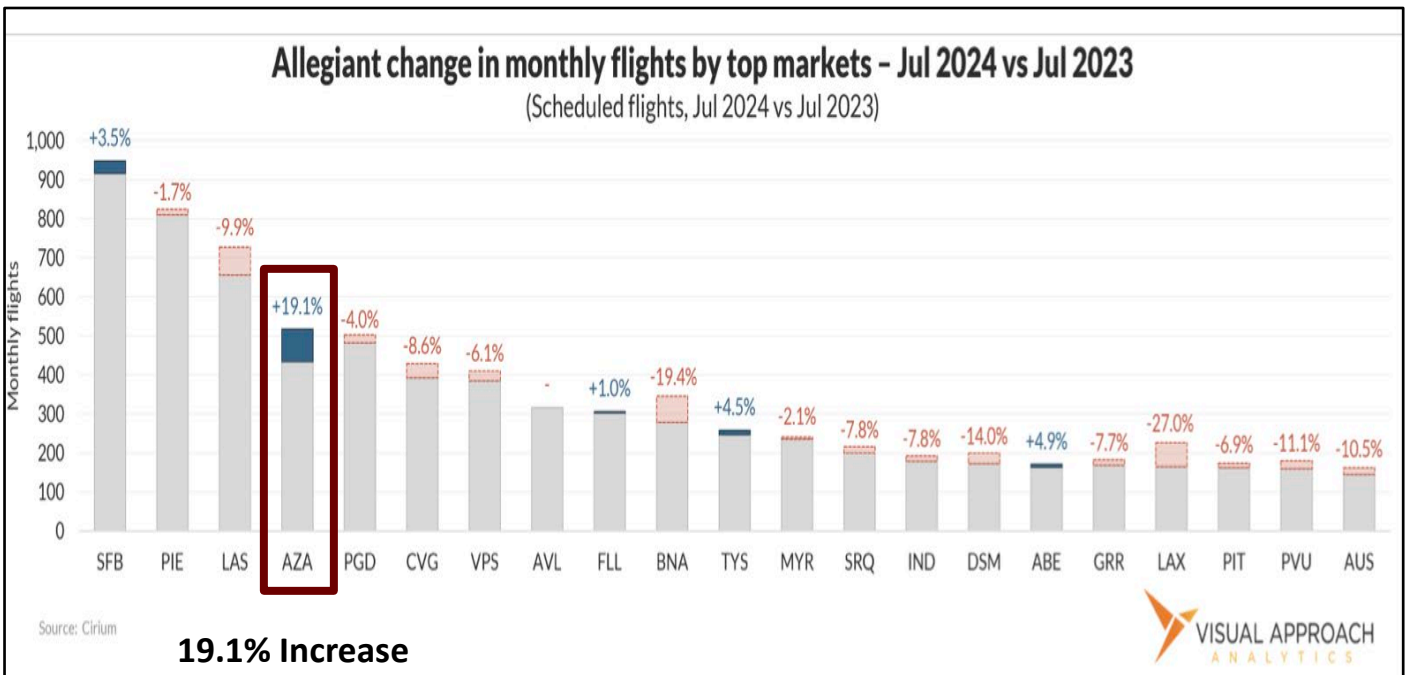
TYPE OF SOLICITATION	Number	Title	Anticipated Contract Award
Request for Qualifications	2024-009-RFQ	CMAR for Demolition of Airport Facilities	February 2024
Invitation for Bid	2024-011-IFB	Defuel/Refuel Cart	March 2024
Request for Qualifications	2024-013-RFQ	Primary Legal Services	April 2024
Request 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%
<b>TOTAL</b>	<b>15,242</b>	<b>20,789</b>	<b>36%</b>	<b>123,888</b>	<b>138,604</b>	<b>12%</b>

## Engineering and Planning

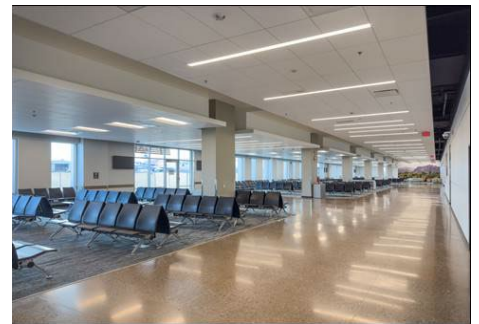
### Five-Gate, 30,000 Sq. Ft. Terminal Addition Opening in February



*Tech Lounge and First Jet Market*



*Lounge Seating*

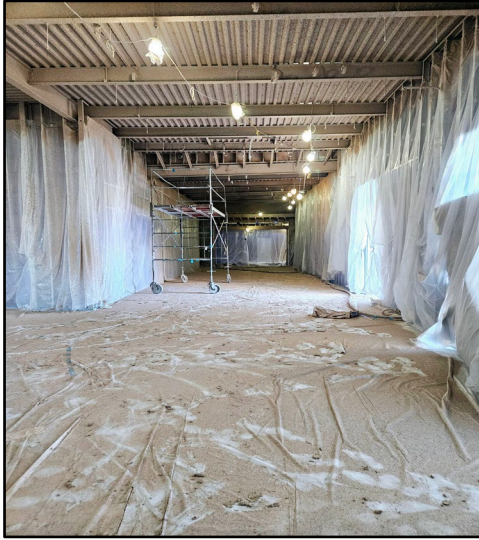


*South Concourse*

On February 20<sup>th</sup>, 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**
- **PMGAA Staff**
- **Federal Aviation Administration**
- **McCarthy Building Companies, Inc.**
- **Arizona State Legislature/ADOT**
- **DWL Architects**
- **PMGAA Board/Member Communities**
- **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%
<b>TOTAL</b>	<b>1,859,483</b>	<b>1,457,353</b>	<b>-22%</b>	<b>8,709,350</b>	<b>8,280,862</b>	<b>-5%</b>

### 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

