

## Gateway Airport planning millions in improvements

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The quest by Phoenix-Mesa Gateway Airport to land the bulk of MD Helicopter's operations will cost about \$20 million in infrastructure improvements, most of it to be paid by state and federal grants, airport officials said Monday.

Lynn Kusy, the airport's executive director, said that about \$13 million in future grants will be used to build a taxiway and fire suppression system, install storm drains and extend sewer and water utilities.

That will leave \$7 million from local sources to complete development of the site on the airport's south side, he told the airport's governing board.

Kusy's explanation of the costs this week is first time that city or airport officials have placed a figure on its fight to prevent the helicopter manufacturer from leaving Mesa.

City and airport officials have been making their case to MD's chief executive, Lynn Tilton, as she evaluates offers from three out-of-state sites.

The bids also are being analyzed by Cushman & Wakefield, a real-estate consulting business hired by Tilton, a Wall Street financier and founder of Patriarch Partners, MD's parent.

Last week, city and business leaders announced that Mesa and MD had reached agreement on an amended lease that they hope will keep a portion of the company at Falcon Field Airport in northeast Mesa.

Tilton said that although the deal "inspires us to keep some of our operations at Falcon Field," it does not affect the company's expansion plans and would not prevent the firm from moving.

Airport officials were to appear this week before a state Commerce Department panel to plead for a \$1.3 million grant that would be used for local funding.

"In order to support Gateway's bid and help provide necessary improvements, the airport, with full support from the city of Mesa, is submitting an application to the Commerce and Economic Development Commission," he told the board in a memo.

"A fund source for the remaining \$5.7 million required to complete all improvements has not yet been determined," he said.

Permission to seek the funding came without comment from board members and was one of several resolutions receiving simultaneous board approval as part of a consent agenda.

Mesa is facing intense competition for MD from North Texas Regional Airport in Denison, Texas, Shreveport (La.) Regional Airport and Will Rogers World Airport in Oklahoma City.

The bids to lure the helicopter company away from Mesa include financial incentives that Mesa and Arizona either will not or cannot afford to offer.

Gateway airport's designation as a military reuse zone and its federal trade zone status would benefit MD with thousands of dollars in tax savings, city and airport officials said.

Mesa City Manager Chris Brady has said that it is difficult to compete with such lucrative offers from Texas.

But MD could reap breaks in sales and property taxes through use of the airport's military reuse zone while taking advantage one of the country's best flying climates and a labor pool trained in aviation services at Arizona State University/Polytechnic and Chandler Gilbert Community College on the Gateway airport campus.