

NOTICE OF PUBLIC MEETING PHOENIX AVIATION ADVISORY BOARD

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX AVIATION ADVISORY BOARD**, and to the general public, that the **PHOENIX AVIATION ADVISORY BOARD** will hold a meeting open to the public on **Thursday, May 18, 2023 at 3:00 p.m. located at Deer Valley Airport, 702 W Deer Valley Rd, Phoenix, AZ 85027, or via WebEx teleconference.**

OPTIONS TO ACCESS THIS MEETING:

- 1. Watch the meeting virtually using the WebEx link provided below.**

<https://cityofphoenix.webex.com/cityofphoenix/onstage/g.php?MTID=ed323265f883bfdef78c639dba87c87da>

- 2. Call-in to listen to the meeting, dial 602-666-0783 and Enter Meeting ID 2634 951 0117# Press # again when prompted for attendee ID.**

Public Comment: If you wish to provide a written comment or speak at the meeting virtually or by phone, please submit a request to pearl.meza@phoenix.gov no later than 10 a.m. on Thursday, May 18, 2023. The email should include your first and last name, email address, the item number(s) and whether you would like your comment read into the record or if you wish to speak. Those who wish to attend in person may submit a request to speak by completing a speaker card at the registration desk at the beginning of the meeting.

Pursuant to Arizona Revised Statutes, Section 38-431.02B, notice is given that the Phoenix Aviation Advisory Board may vote to go into Executive Session, or Sessions, for discussion or consultation, for legal advice with the attorney or attorneys of the public body for any agenda items listed below, as authorized by Arizona Revised Statutes, Section 38-431.03 (A)(3) or for discussion of records and/or information that is exempted by law from public disclosure, as authorized by Arizona Revised Statutes, Section 38-431.03(A)(2). If authorized by a majority vote of the Phoenix Aviation Advisory Board, the Executive Session will be held immediately after the vote and will not be open to the public. If a decision is requested, the Phoenix Aviation Advisory Board may decide the matter in the public meeting or defer the decision to a later date. The agenda items that may be subject to an Executive Session pursuant to Arizona Revised Statutes, Sections 38-431.03 (A) (2) and 38-431.03 (A) (3) are as follows: Items 4, 5, 6, 7, 8, 9, 10, 11 & 12.

One or more board members may participate via teleconference. Agenda items may be taken out of order.

The agenda for the meeting is as follows:

CALL TO ORDER

SUMMARY OF CURRENT EVENTS

1. Summary of Current Events by the Director of Aviation Services
2. Summary of Current Events by the Airline Station Manager

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on April 20, 2023

INFORMATION ONLY (ITEM 4)

4. **Monthly Concessions Update**

This report provides the Phoenix Aviation Advisory Board with an update on concessions activity at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION ONLY.

CONSENT ACTION (ITEMS 5 - 7)

5. **AerSale, Inc. Amended & Restated Lease, New Ground Lease, and Aircraft Storage Agreement at Phoenix Goodyear Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend and restate Hangar Lease No. 75812, enter into a new ground lease for construction of a new hangar, and enter into a new ground lease for aircraft storage with AerSale, Inc. at Phoenix Goodyear Airport.

THIS ITEM IS FOR CONSENT ACTION.

6. **Arizona Aviation Partners, LLC Ground Lease at Phoenix Goodyear Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to execute a ground lease with Arizona Aviation Partners at Phoenix Goodyear Airport.

THIS ITEM IS FOR CONSENT ACTION.

7. **Derek Engineering, Inc. Ground Lease**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Derek Engineering, Inc. at Phoenix Sky Harbor International Airport, Phoenix, Arizona.

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEM 8)

8. Expedited Screening and Enrollment Services Lease

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with AIClear, LLC (dba Clear) for expedited queuing, screening and enrollment services at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

INFORMATION AND DISCUSSION (ITEMS 9 – 12)

9. Deer Valley Land Use Plan

This report provides the Phoenix Aviation Advisory Board an update on the Phoenix Deer Valley Airport Land Use Plan.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

10. Strategic Plan Update

This item provides the Phoenix Aviation Advisory Board an update on the Aviation Department's strategic planning process.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

11. Phoenix Deer Valley Airport Update

This report provides the Phoenix Aviation Advisory Board with an update on Phoenix Deer Valley Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

12. Board Engagement & Development Activities

This report provides the Phoenix Aviation Advisory Board information on potential board engagement and development activities for members.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

CALL TO THE PUBLIC

This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. Section 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later time.

ADJOURNMENT

For further information, please call Pearl Meza, Management Assistant II, Aviation Department at 602-273-3382. For further documentation on this meeting, please visit skyharbor.com.

Persons with a disability may request a reasonable accommodation, please contact Pearl Meza, Management Assistant II, Aviation Department at 602-273-3382. Or 7-1-1 friendly.

The next Phoenix Aviation Advisory Board meeting is scheduled to take place Thursday, August 17, 2023.



PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
April 20, 2023
Meeting held via WebEx

Board Members Present

Valencia Fisker – Chairperson
Seth Scott – Vice-Chairperson
Ruben Alonzo
Stephanie Cherny
Sandra Ferniza
Andrew Cohn
Brian Foster
Chad Makovsky – Ex-Officio
Camilo Henao – Ex-Officio

Board Members Absent

Verma Pastor
Ron Price

Staff Present

Abbe Slade
Andrew Durket
Brian Basten
Carolina Potts
Gary Lovgren
Heather Shelbrack
Jamie Ritchie
Jason Gitkin
Jay DeWitt
Jelena Stevanovic
Jordan Feld

Julie Rodriguez
Kim Brown
Mario Brown
Marshall Kain
MaryHelen Martinez
Matthew Becker
Matthew Heil
Michael Hughes
Moe Yacut
Monica Gonzalez

Nicole Donathan
Pearl Meza
Richard Graham
Roxann Favors
Sarah Asta
Sarah Demory
Shawna Larson
Tom Sawyer
Valerie Churchwell
William Robinson

Members of the Public Present

Eric Domingo
Tim Berger
Dana Donati

CALL TO ORDER

Chairperson Fisker called the meeting to order at **3:04 p.m.**

SUMMARY OF CURRENT EVENTS

1. Summary of Current Events from the Director of Aviation Services

Mr. Makovsky welcomed the board members and thanked the Lux Air team and owner Tim Berger for hosting the board meeting in their hangar at Goodyear Airport. Additionally, Mr. Makovsky provided a brief history of fixed based operations at Goodyear along with the current status and future plans.

Mr. Makovsky then discussed operations at the Phoenix airport system, including Sky Harbor's passenger traffic for February, with a record 3.8+ million passengers coming through the airport.

Mr. Makovsky then highlighted air service development and discussed how Spirit and Frontier Airlines are both creating market competition by adding nonstop flights to eastern parts of the US.

He also shared that IDC Smart Cities nominated Sky Harbor as a finalist for an award in Digital Equity and Accessibility. The Aviation Department was nominated for its implementation of hearing loop technology throughout the terminals and implementing free Aira service to provide people with low vision a new tool to navigate the airport. In addition to the airport being named a finalist, the city of Phoenix was also named a finalist in several other categories.

Mr. Makovsky also discussed Sky Harbor's recent "A Night at the Museum" event. This event showcased an art exhibit based on collaborations between nine artists and scientists to showcase their individual areas of study.

He continued by noting that the NCAA Final Four will be coming to Phoenix. Sky Harbor marked the news by unveiling a countdown clock to the Final Four in Terminal 4 with Governor Katie Hobbs, Mayor Kate Gallego, members of the City Council and the Final Four host committee.

Mr. Makovsky concluded by noting that the Phoenix Rising soccer team played its first game of the season at their new temporary location at the site of the former greyhound racetrack. He praised the hard work and collaboration between many airport staff and other city departments to manage the relocation in time for the first game of the season.

2. Summary of Current Events by the Airline Station Manager

Mr. Henao noted that Frontier Airlines has paused operation of three routes due to the start of the summer season. He also noted that they are still offering nonstop service to the most destinations ever during their time at Sky Harbor.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on March 16, 2023

A motion was made by Ms. Cherny, seconded by Ms. Ferniza that this item be approved.

No public comments.

The motion carried.

DISCUSSION AND POSSIBLE ACTION (ITEMS 4 - 5)

4. Custodial and Floor Care Services

Ms. Kim Brown presented this item. She reviewed the specific custodial duties that a provider must perform at Aviation facilities.

She also discussed the challenges that custodial contractors have had during and after the COVID-19 pandemic, particularly due to staffing shortages. Ms. Brown noted that as the airport has modernized its facilities, there has been an increase in stainless steel, glass and terrazzo flooring and requires technically skilled staff.

Ms. Brown shared the scope of work for this RFP process which includes more detailed staffing schedules, on-call stand-by services, and enhanced customer service across all three airports.

She discussed the RFP's three contracting opportunities, two for large companies and one for a small company. The large companies would be responsible for floor care and custodial services, and the small company would be responsible for custodial service at outlying facilities.

She then discussed the procurement timeline, the qualifications required for proposers, and related rating criteria.

Mr. Cohn stated that due to the increase in passenger traffic and the cost of the facilities that this is an important contract.

Ms. Cherny stated it was a wise approach to split up the floor and custodial needs.

A motion was made by Ms. Cherny, seconded by Mr. Cohn that this item be approved.

No public comments.
The motion carried.

5. Noise and Operations Management System

Mr. Jordan Feld presented this item. He provided a brief description of what a noise and flight tracking system is and how it is used by both the general public and Aviation staff.

He provided an overview of the current contractor and the current software interface used to track flight data.

Mr. Feld then discussed the staff review of proposals and the chosen vendor, Casper.

Chairperson Fisker asked if the current system Aviation uses is the system Casper will use.

Mr. Feld responded that the noise monitoring hardware will remain the same, however the user interface will change to leverage Casper's enhanced software.

Chairperson Fisker asked if there were details on how frequently the public accessed the portal.

Mr. Feld responded that the system is accessed approximately 10,000 times per year, and that it is primarily accessed by people curious about flight tracking.

Chairperson Fisker asked if the information collected is shared with Tempe under the 1994 IGA.

Mr. Feld responded that yes, we do share the information.

Mr. Makovsky added that the City of Tempe was invited and did participate in the process of evaluating the proposers.

A motion was made by Ms. Cherny, seconded by Mr. Foster that this item be approved.

No public comments.
The motion carried.

INFORMATION AND DISCUSSION (ITEMS 6 - 7)

6. Campus Electric Vehicle Plan

Mr. Jordan Feld presented the item. He began by reviewing the objectives of the electric vehicle campus study, and the stakeholder outreach conducted to develop the plan.

He then provided a summary of Sky Harbor's current charging infrastructure, and the grant funds currently available to build additional EV infrastructure.

Mr. Feld also discussed the policies in place that the state and city adopted prior to the airport conducting this study. These policies call for using EVs to replace light duty city fleet vehicles and expand the EV charging infrastructure to support the private sector.

A component of the study revealed that across the aviation industry, 5% of total parking stalls are being converted to EV charging stalls. Mr. Feld then displayed a map showing the locations of Aviation owned parking lots and how the 5% of EV stalls would be distributed among all the lots.

Mr. Feld further discussed the different types of chargers (levels 1-3) and their allocation throughout the airport campus.

He also spoke about the importance to plan beyond the initial 5% conversion and stated that the infrastructure installed will be able to hold a capacity of up to 15% EV charging stalls campuswide.

Reviewing the potential budget for the plan, Mr. Feld shared that while there is a high cost to the phasing plan, it is imperative that these high-level details be included on grant applications to increase the chances of being awarded necessary funds.

Ms. Cherny asked if the airport will charge customers for EV charging and what those fees would support.

Mr. Feld replied that the initial study did not focus on revenue collection and that it was possible that grants could have restrictions on profiting from the EV stall. He noted that certain EV charging facilities could be used to collect revenue.

Mr. Cohn asked what employee and customer charging stations the airport would need.

Mr. Feld responded that there would be about 1,200 stations for customer use and 279 for employees.

No public comments.

7. Phoenix Goodyear Airport and United Aviate Academy Update

Mr. Hagen presented this item. He began his presentation by providing a brief history of Phoenix Goodyear Airport, its operations, the number of based aircraft, and the increase in flight operations over the past few years.

He noted that the recent increase in airport operations is a result of three main businesses: flight schools, aircraft maintenance, and FBOs, with flight training contributing the most.

Mr. Hagen noted that much of the development is logistics-centered and is compatible with airport operations. He also discussed the development outlook for the next three years with anticipated investments from both the private sector and public sector. These investments will not only expand the airport's capacity, but also provide for increased operations.

Chairperson Fisker asked how upcoming public investments would disrupt airport operations.

Mr. Hagen replied that disruptions would be based primarily on the type of construction occurring. For example, the runway sealcoating would close the entire runway, while other investments may restrict aircraft based on size.

Ms. Dana Donati of United Aviate Academy then presented an update on the history of the Academy at Goodyear Airport and discussed the school's strategic partnerships and plans for future growth.

She also discussed the Academy's flight training program for students and their certification programs. She noted that once students graduate, they can complete other programs to earn flight time and can in about two years start flying commercially.

Ms. Donati discussed plans to expand the Academy's maintenance program along with expanding their campus footprint through additional dormitory space.

Chairperson Fisker asked how long it would take a student to earn all seven certifications the Academy provides.

Ms. Donati responded that the goal is about 12 months, but due to certain personnel shortages it can take 15-18 months.

Chairperson asked how the fees for staying in the dormitories compared to local rental prices.

Ms. Donati responded that dormitory living is cheaper than off-campus living but is only practical for those who are single or without pets.

No public comments.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

CALL TO THE PUBLIC

No public comment.

ADJOURNMENT

Meeting end at **3:54 p.m.**

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Monthly Concessions Update

Description

This report provides the Phoenix Aviation Advisory Board with an update on concessions activity at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION ONLY.

Report Summary

The Aviation Department has observed a vast improvement of concessions compliance over the last few months. As of May 2023, terminal food and beverage and retail concessions are 97% open. An open concession is defined as staffed and fully operational based on hours set forth by the Aviation Department.

Starting in November 2022, the Aviation Department in collaboration with the concessionaires established the following operational hours for each concession category:

Food and Beverage

For each Prime Concessionaire, the units located in the pre and post security area in each terminal are required to have a staffed 24-hour location.

For each Prime Concessionaire, at least one outlet on each concourse in each terminal is required to be open 90 minutes before first-flight departure and 30 minutes last-flight departure. The other remaining outlets on each concourse in each terminal have minimum operating hours from 6 AM to 10 PM daily.

News, Gift & Convenience

For each unit located on a concourse in each terminal and in Terminal 4 lobby, outlets are required to be open 90 minutes before first-flight departure and 30 minutes after last-flight arrival.

Specialty Retail

For each unit located on a concourse in each terminal and in Terminal 4 lobby, outlets have minimum operating hours from 6 AM to 9 PM.

Although passenger traffic has increased, some outlets continue to struggle to comply with the established minimum operating hours. Airport concessionaires cite the lack of staffing, callouts, and employees working fewer hours per week as primary reasons for noncompliance. Airport concessionaires are looking to expand their operation hours beyond the minimum operating hours where possible as staffing levels increase and stabilize.

Concessionaires not operating within their contractual hours were assessed liquidated damages in the past. The previous liquidated damages were paid by the non-compliant concessionaires. As a part of the collaboration with concessionaires on the establishing minimum operating hours, Aviation paused liquidated damages assessment from November 2022 – February 2023. Liquidated damage assessment resumed in March 2023. The concessions team continues to monitor the operational hours and track non-compliant tenants. Non-compliant tenants are notified and assessed liquidated damages accordingly.

The concessions team is also working closely with concessionaires to ensure full food & beverage menu offerings are available. Concessionaires committed to restoring the offering of children's menu options as well as a variety of dietary offerings at their outlets effective mid-April. Aviation staff is verifying the menus with onsite inspections and will notify non-compliant concessionaires accordingly.

Location

Phoenix Sky Harbor International Airport – 2485 E. Buckeye Road

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	AerSale, Inc. Amended & Restated Lease, New Ground Lease, and Aircraft Storage Agreement at Phoenix Goodyear Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend and restate ground leases for AerSale, Inc. at Phoenix Goodyear Airport.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

AerSale and its predecessor—Aeroturbine, have operated a Maintenance, Repair, and Overhaul (MRO) business at Phoenix Goodyear Airport (GYR) under Hangar Lease No. 75812 since 1996, and Hangar Lease No. 136123 since 2013. Both leases are scheduled to expire in 2026.

AerSale's total footprint at GYR is approximately 90.5 acres, which includes both hangars, apron, aircraft storage, parts storage, and automobile parking. AerSale has requested terms for an amended and restated lease and the new ground lease for forty (40) years. AerSale also wants to construct a new hangar capable of supporting three 737 aircraft with an investment of approximately \$40 million on land currently used for parts storage.

Staff has offered to amend and restate Lease No. 75812 to include both existing hangars, including apron and automobile parking; enter into a new ground lease for construction of the new hangar; and enter into a ten-year new ground lease to store aircraft. Staff is seeking permission to apply rent credits for the relocation of utilities that conflict with the development site in an amount not to exceed \$1.5 million, and an additional rent credit for the replacement of an outdated fire suppression system that serves both existing hangars as well as the airport Fixed Based Operator, Lux Air, hangar facility in an amount not to exceed \$2 million.

Contract Term

The term of the amended and restated Lease No. 75812, and ground lease for the new hangar will be forty (40) years. The term of the new ground lease for aircraft storage will be ten (10) years with one 5-year option to extend at sole discretion of the Director of Aviation Services.

Financial Impact

Rent paid by AerSale under the current leases is approximately \$1,115,000 per year. The new leases will increase revenue to the City to approximately \$1,474,000 per year; and the increased revenue is the result of adjusting existing rates under the current leases to reflect current market rates to be applied in the new agreements. All rents will be subject to the greater of annual Consumer Price Index adjustments per the Phoenix-Mesa-Scottsdale index or three (3%) percent. Total revenue estimated over the combined lease terms will be approximately \$54.5 million.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on May 4, 2023 by a vote of 3-0.

Location

Phoenix Goodyear Airport - 1658 S. Litchfield Road, Goodyear, Arizona.

Recommendation

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend and restate Hangar Lease 75812, enter into a new ground lease, and enter into an aircraft storage agreement with AerSale, Inc.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Arizona Aviation Partners, LLC Ground Lease at Phoenix Goodyear Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Arizona Aviation Partners (AZ Partners) at Phoenix Goodyear Airport.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

AZ Partners has requested to enter a ground lease to develop hangars, apron space, automobile parking, and an access road on approximately 32 acres at Goodyear Airport. AZ Partners intends to market the hangars under individual sublease agreements approved by the City.

Construction will be completed in two phases: Phase 1 will be located on approximately 16.1 acres of vacant land and AZ Partners will have an option to build Phase 2 on approximately 16.5 acres of vacant land. AZ Partners will have 24 months to build the Phase 1 hangars and 48 months to build the Phase 2 hangars. Improvements will include a road that will provide access for AZ Partners and their sublessees as well as a new corporate hangar complex to be constructed by the current Fixed Base Operator Lux Air. Construction will require the relocation of utilities, including an eight-inch natural gas pipeline, which is estimated to cost \$1.4 million that is proposed to be reimbursed through rent credits.

Contract Term

The Primary Term of the ground lease will be thirty (30) years, which will be preceded by a 24-month Development Term to complete the Phase 1 improvements. AZ Partners will have 48 months to complete the Phase 2 improvements. The lease will include one ten-year option to extend at the sole discretion of the Director of Aviation Services.

Financial Impact

First year rent for the Primary Term of the Phase 1 parcel is anticipated to be approximately \$252,474 per year and \$258,746 per year for the Primary Term of Phase 2 parcel.

AZ Partners will pay annual rent of \$38,812 per year on the Phase 2 Parcel until construction on the Phase 2 Parcel commences, or the 48-month option term expires, whichever occurs first. Total estimated revenue over the 30-year lease term and 10-year option will be approximately \$20.5 million. All rents are subject to annual increases based on the Phoenix-Mesa Scottsdale Consumer Price Index.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on May 4, 2023 by a vote of 3-0.

Location

Phoenix Goodyear Airport - 1658 S. Litchfield Road, Goodyear, Arizona.

Recommendation

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Arizona Aviation Partners, LLC.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Derek Engineering, Inc. Ground Lease

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Derek Engineering, Inc. at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Derek Engineering, Inc., is requesting to enter into a ground lease on four separate parcels located at 1121, 1125, 1133, and 1135 East Watkins Street (Maricopa County Assessor Parcel Numbers 115-47-034C, 115-47-034D, 115-47-035A, and 115-47-036B) for the sole purpose of temporarily parking employee vehicles while developing the un-addressed eighteen acres adjacent to the west for Prologis. Derek Engineering had a temporary six-month license for parking which expired on April 30, 2023 and is currently operating month to month until the new lease is approved.

Contract Term

The lease term is one year, with no options to extend.

Financial Impact

Rent will be approximately \$1,982.98 per month (\$0.70 / square foot). Total anticipated rent from this ground lease over the term will be approximately \$23,795.80.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on May 4, 2023 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport – 2485 E. Buckeye Road.

Recommendation

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Derek Engineering, Inc., for one year with no options to renew at Phoenix Sky Harbor International Airport.

PHOENIX AVIATION ADVISORY BOARD	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Determination for Expedited Screening and Enrollment Services

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with AIClear, LLC (dba Clear) for expedited queuing, screening and enrollment services at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

To improve passenger flow through the security screening process, many airports have entered into direct agreements for expedited identity verification services. The Aviation Department believes that providing expedited queuing, screening, and enrollment services to passengers at Phoenix Sky Harbor Airport will improve the passenger experience by shortening passenger screening times.

Established in 2010, Clear offers a subscription service that allows users to expedite through the security checkpoint and proceed directly to physical screening via their touchless biometric verification technology to validate traveler identity and credentials. Aviation originally contracted with Clear in 2018 to provide screening services at the Airport.

In December 2022, the Transportation Security Administration issued an authority to operate TSA Pre-Check Enrollment by Clear to begin enrolling travelers in TSA Pre-Check.

Procurement Information

To determine the number of potential offerors for Sky Harbor's expedited queuing, screening, and enrollment services, Aviation issued a Request for Information (RFI 23-027). Only one response was received which was submitted by AIClear, LLC.

Clear is the only private trusted-traveler program sanctioned by the TSA. The lease will be entered under a sole-source determination in accordance with City of Phoenix Procurement Code.

Contract Term

The term will be three years with one, two-year option to renew at the sole discretion of the Director of Aviation Services.

Financial Impact

For the term of the lease, Clear will pay a Minimum Annual Guarantee (MAG) or percentage rent equal to 12 percent of gross sales, whichever is greater. MAG for the first full year will be \$500,000. MAG for all years thereafter will be established at 85% of the annual rent owed by Clear during the immediately preceding year. Gross sales are derived from all enrollments to the Clear program originating in the defined catchment area of the State of Arizona.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with AIClear, LLC (dba Clear) for expedited queuing, screening, and enrollment services for Phoenix Sky Harbor International Airport.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Deer Valley Airport Land Use Plan

Description

This report provides the Phoenix Aviation Advisory Board an update on the Phoenix Deer Valley Airport Land Use Plan.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

This report provides an update on the recently completed DVT Land Use Plan. Since the existing plan's adoption in 2015, significant economic changes have occurred (such as the relocation of flight schools and impending TSMC manufacturing facility development) necessitating the updated land use planning. The planning effort heavily focused on regional economic indicators as basis for forecasted future development demand at Deer Valley and included significant stakeholder engagement.

Public Outreach

Staff and consultants facilitated significant internal and external stakeholder outreach.

Location

Phoenix Deer Valley Airport - 702 W. Deer Valley Road

Recommendation

This item is for information and discussion.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Strategic Plan Update

Description

This report provides the Phoenix Aviation Advisory Board an overview of the Aviation Department's strategic planning process.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

In October, 2022, the Aviation Department initiated a new strategic planning process. A steering committee working with Exambela Consulting went through a months-long research process, involving outreach to a variety of stakeholders and employees. The focus of the plan was to provide direction and focus to the department over a five-year timespan, focusing on key areas for business growth, employee development and community engagement.

Staff will provide a summary of the information gathered during the strategic planning process and the implementation process.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

This item is for information and discussion.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Phoenix Deer Valley Airport Update

Description

This report provides the Phoenix Aviation Advisory Board with an update on Phoenix Deer Valley Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Staff will present an update on Deer Valley Airport to include an overview of the airport, as well as recent private investment and development projects.

Location

702 W Deer Valley Rd - Phoenix, AZ 85027

Recommendation

This item is for information and discussion.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Potential Board Engagement & Development Activities

Description

This report provides the Phoenix Aviation Advisory Board information on potential board engagement and development activities for members.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

At the request of the Chair, staff has added this item to the agenda to explore options for potential board engagement and development activities. Staff will provide a summary of potential activities, including possible work study session topics and related activities undertaken by other city departments.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

This item is for information and discussion.