

**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, September 15, 2022 at 3:00 p.m. via WebEx.**

**OPTIONS TO ACCESS THIS MEETING**

- **Call-in to listen to the meeting.** Dial 602-666-0783 and Enter Meeting ID 2458 192 9560# Press # again when prompted for attendee ID.
  
- **View the meeting as an attendee.** Click on this link at the time of the meeting and join the WebEx to listen and view presentations:

<https://cityofphoenix.webex.com/cityofphoenix/onstage/g.php?MTID=ef53438d41daba78e1c2aaa9a93a8f1e3>

- **Speak during a meeting.** If you wish to provide a written comment or speak at the meeting, please submit a request to [pearl.meza@phoenix.gov](mailto:pearl.meza@phoenix.gov) with as much advance notice as possible to ensure there is sufficient time to distribute the written comments and provide information on how to participate. Requests to speak during the meetings may be taken as late as 10 a.m. on Thursday, September 15, 2022. The email should include your first and last name, email address, the item number(s) and whether you wish to speak.

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

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 August 18, 2022**

### **CONSENT ACTION (ITEMS 4-6)**

- 4. Request to award Ground Lease with Fairmount Corp. at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Fairmount Corp. Real Estate and Investments for land located at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR CONSENT ACTION.**

- 5. Request to amend Lease 145025 with Westwind School of Aeronautics at Phoenix Goodyear Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Westwind School of Aeronautics, Phoenix LLC lease No. 145025 to add additional land for two parking lots at Phoenix Goodyear Airport.

**THIS ITEM IS FOR CONSENT ACTION.**

- 6. Request to amend Executive Hangar Lease 152807 with Salt River Project at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Executive Hangar Lease 152807 with Salt River Project Agricultural Improvement and Power District to add Executive Hangar 10 to the premises at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR CONSENT ACTION.**

## **DISCUSSION AND POSSIBLE ACTION (ITEMS 7-8)**

### **7. Request to Issue Revenue Contract Solicitation for PHX Northwest Air Cargo Development at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to issue PHX Northwest Air Cargo Development Revenue Contract Solicitation to solicit a developer to redevelop approximately 1,219,680 square feet (approximately 28 acres) within the northwest corner of Phoenix Sky Harbor International Airport into an air cargo development.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

### **8. Request to award a contract for Airport Bus Fleet Operations & Maintenance**

This report requests the Phoenix Aviation Advisory Board's recommendation to the Phoenix City Council to award an Airport Bus Fleet Operations & Maintenance contract to Transdev, Inc, for the Operations & Maintenance of the airport's bus fleet at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

## **INFORMATION AND DISCUSSION (ITEMS 9-10)**

### **9. Air Service Development Update**

This report provides the Phoenix Aviation Advisory Board an update on air service activities at Phoenix Sky Harbor International Airport including new routes, markets, airlines, and service reinstatements.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION ONLY.**

### **10. Airport Concessions Update**

This report provides the Phoenix Aviation Advisory Board with an update on concession contract hours, enforcement, and compliance.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION ONLY.**

## **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](http://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, October 20, 2022



**PHOENIX AVIATION ADVISORY BOARD  
SUMMARY MINUTES  
August 18, 2022**

***Meeting held via WebEx***

Board Members Present

Andrew Cohn  
Camilo Henao – Ex-Officio  
Ron Price  
Ruben Alonzo  
Sandra Ferniza  
Seth Scott  
Stephanie Cherny -  
Chairperson  
Valencia Fisker  
Verma Pastor – Vice-  
Chairperson

Board Members Absent

Brian Foster

Staff Present

Abbe Slade  
Alexandria Pierce  
Alice Bimrose  
Carolina Potts  
Chad Makovsky  
Clif Looper  
Corrine Ulmer  
Craig Doyle  
Courtney Carter  
Daver Malik  
David Uriarte  
Eva Olivas  
Greg Roybal  
Ira McCullough  
Jason Gitkin

Jay DeWitt  
Jennifer Maples  
Jordan Feld  
Julie Rodriguez  
Karl Kaseoru  
Kelly Scali  
Lawrence Hein  
Leisha Walker  
Lisa Madison  
Mark Carlisle  
Marshall Kain  
Matthew Becker  
Matthew Heil  
Michael Billingsley  
Michael Hughes

Michael O'Shaughnessy  
Moe Yacut  
Monica Gonzalez  
Nathan Wright  
Ola Lukan  
Pearl Meza  
Prasan DeSilva  
Rebecca McCarthy  
Roxann Favors  
Sarah Asta  
Sarah Demory  
Sarah Moratto  
Tamra Ingersoll  
Tim Spahr  
Tom Sawyer

Members of the Public  
Present

Joel Ericson  
Russ Sanders

Karen Ratliff  
Dennis Groark

Mitch Tanamachi

## **CALL TO ORDER**

Chairperson Cherny called the meeting to order at **3:01 p.m.**

## **SUMMARY OF CURRENT EVENTS**

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

Mr. Chad Makovsky, Aviation Director, opened his presentation by giving three months of 2022 passenger traffic statistics and comparing those months to the same months in 2021 and 2019. He further acknowledged that despite current passenger traffic being lower than pre-pandemic levels, Sky Harbor's global rankings climbed higher than in previous years.

Mr. Makovsky provided an air service update, explaining that three new non-stop destinations have been added, one new direct route flight, and four Canadian cities with expanded service.

On June 17, the Terminal 4 S1 was opened. This concourse will expand Southwest Airlines ability to service Sky Harbor. The event was well attended by airport executives, elected officials and other VIPs.

The airport received the Spirit of Service award for the Compassion Corner and the Compassion Cacti Lanyard program. Mr. Makovsky gave an overview of the programs.

The airport welcomed several hundred veterans with disabilities in July for the National Veterans Wheelchair Games. Mr. Makovsky gave a brief description of the games and thanked airport staff for their efforts in welcoming the participants.

Over the summer, all three airports received their 2022 recertification from the Global Biorisk Advisory Council. Mr. Makovsky delivered his appreciation to all airport staff for doing their part in keeping the airport a place where people can feel safe.

Mr. Makovsky presented the results from three summer job fairs. He explained that they were well attended by employers and job seekers alike.

The airport worker child care scholarship program was officially launched on July 25<sup>th</sup>. With the help of the United Way, Valley of Sun, First Things First Arizona, and our City Council, it was explained that this program was developed to help lower barriers to entry into the airport workforce.

In a continued effort to be involved in the community, aviation staff participated in a back-to-school event at the Sunnyslope Community Center.

Aira has officially launched in the airport. Mr. Makovsky explained how this service/app assists people with blindness or low vision maneuver throughout the airport by using their phone's camera.

Over the summer, Aviation's public relations team and volunteer Navigators conducted a fun outreach campaign, giving out lip balm to travelers landing at Sky Harbor. This campaign was so well-received a similar one will soon be implemented.

Mr. Makovsky updated the Board on the Tempe Entertainment District. During the June 2 special meeting of the Tempe City Council, the Council decided to move ahead with development negotiations advising that their approval to negotiate does not indicate approval of incompatible land uses at this time.

The Board was also updated on the disbursement of relief funds to Sky Harbor concessionaires and the food and beverage contract awarded at the Rental Car Center concession.

Mr. Makovsky introduced two new assistant directors, Jay DeWitt and Roxann Favors.

Lastly, Mr. Makovsky acknowledged that the Board would be voting on a new Chair and Vice-Chair. He thanked the current Chair and Vice-Chair for their work over the past year with the various issues affecting the airport.

## **2. Summary of Current Events by the Airline Station Manager**

Mr. Camilo Henao spoke about a new Delta direct route to Boston. Additionally, Spirit is adding more arrivals and departures in November, and Frontier is opening a crew base on Nov. 1.

Mr. Henao thanked the Aviation Department for its participation in the job fairs and acknowledged the positive impact they play on keeping flights staffed.

## **MINUTES OF MEETING**

### **3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on May 19, 2022**

**A motion was made by Mr. Scott, seconded by Mr. Cohn that this item be approved.**

The motion carried by the following vote:

**Yes:** 8 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

**No:** 0

#### **INFORMATION ONLY (ITEM 4)**

4. Chairperson Cherny conveyed to the rest of the Board that their individual binders had pertinent information regarding the follow-up items.

#### **CONSENT ACTION (ITEMS 5-8)**

5. **Amendment to Extend Term for Arizona Game & Fish Lease at Phoenix Deer Valley Airport**
6. **Arizona Fueling Facilities Hydrant Fuel System Modification**
7. **Certificate of Insurance Monitoring Contract Award**
8. **Sky Train Bus Contingency – Qualified Vendor List Award**

**A motion was made by Ms. Fisker, seconded by Mr. Alonzo that these items be approved.**

The motion carried by the following vote:

**Yes:** 8 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

**No:** 0

#### **DISCUSSION AND POSSIBLE ACTION (ITEMS 9-10)**

9. **Election of a New Chairperson for the Phoenix Aviation Advisory Board**

Chairperson Cherny shared the Nominating Committee's recommendation for Board Chair as Ms. Lindy Fisker.

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

The motion carried by the following vote:

**Yes:** 8 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

**No:** 0



**10. Election of a New Vice-Chairperson for the Phoenix Aviation Advisory Board**

Chairperson Cherny shared the Nominating Committee's recommendation for Vice-Chair as Mr. Seth Scott.

**A motion was made by Ms. Pastor, seconded by Mr. Price that this item be approved.**

The motion carried by the following vote:

**Yes:** 8 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

**No:** 0

**INFORMATION AND DISCUSSION (ITEMS 11-14)**

**11. PHX Land Reuse Strategy Oversight Taskforce**

Mr. Jordan Feld began by introducing his co-presenters, and co-chairs of the Land Reuse Strategy Oversight Taskforce, Courtney Carter, Program Manager with Community and Economic Development, and Eva Olivas, Executive Director and CEO of the Phoenix Revitalization Corporation.

Mr. Feld gave a background on the Land Reuse planning area.

Mr. Feld then gave a history of noise abatement and mitigation surrounding the airport through the Community Noise Reduction Program. This program involved buying certain properties, sound insulating homes and moving residents to homes outside of the high noise area.

Mr. Feld explained that by 2012 the FAA recognized that many airports owned noise land property which were not being developed into compatible uses, thus economic potential was not being realized. To address this, FAA started a pilot grant program in 2014 to study development and planning for noise land surrounding the airport.

Over the course of two years, numerous community meetings were held to develop a community-driven redevelopment plan, which was ultimately submitted to the FAA for review and approved.

Following approval in 2019, staff began working on the second phase of the plan which focused on detailed design guidelines for redevelopment, a cultural

corridor and the recommendation to form a task force for long-term implementation oversight following the planning process.

Finally, Feld explained the FAA's Section 163 process. Pending FAA's review, certain stipulations for redeveloping the land may not be required and could allow land parcels to be brought to market much quicker.

**[This item was temporarily suspended pending the arrival of a speaker. The item was reconvened and discussion continued following Item 13.]**

Mr. Carter opened by introducing himself as the Program Manager who is focused on the redevelopment of Aviation land that is off the airport. He then introduced Eva Olivas. Mr. Carter proceeded to give a thorough background on the history of the Land Reuse Strategy Oversight Taskforce and its guiding goals and principles.

Ms. Olivas presented the structure of the Taskforce. Diversity was a leading goal in addition to a strong neighborhood presence. The mission of the Taskforce is to reinvest, revitalize, and redevelop the impacted areas.

Mr. Carter presented on the key objectives of the Taskforce, which included implementation tools to identify, fund, and develop land. The toolkit developed is meant to help guide entities participating in the redevelopment plan.

Within the land reuse sites, Mr. Carter identified three main types, Spark areas, Block Plans, and Quick Hits and specific types of development opportunities within each of these areas.

Mr. Carter went on to describe that the Spark Areas are large contiguous parcels of noise land. These areas are intended to be mixed-use, transit-orientated designs, that are quite walkable.

Next, Mr. Carter detailed how Block Plans are similar to Spark Areas but are smaller in size. Much of the redevelopment in these areas are going to be mostly infill development.

Eva Olivas explained how the Quick Hit areas are spots for greenifying neighborhoods, making quick hit areas, expanding lawns, and other ideas.

Mr. Carter explained that there are 29 Quick Hit areas. These areas are expensive to upkeep and through their quick activation, the airport would be able to save money.

Concerning the Cultural Corridor, Mr. Carter explained that by building this area, tourism could expand, and the community could also honor its rich history.

Mr. Cohn asked for clarity on what was been meant by the terms “deals” and “structures”? Mr. Carter explained that there isn’t anything definitive in place for redevelopment. Mr. Makovsky added that it was understood by the FAA that the airport would maintain control over purchased parcels so that compatible uses would be required adjacent to the airport. Typically, airports are encouraged through the FAA to maintain control of land closest to the airport via long-term land leases.

Mr. Cohn stated it seemed like redevelopment under existing zoning would be difficult. Mr. Feld responded that the LRS plans anticipated the development of an overlay zone or similar relief like a PUD to address these issues.

Ms. Olivas continued by elaborating on the Top 6 priorities of the Taskforce moving forward.

Mr. Carter expounded on the urban farming aspect of the Top 6 by speaking about the large development happening on the banks of the Rio Salado, named AZ Fresh. This development will have a large focus on fresh food.

Ms. Olivas shared that Taskforce accomplishments include priority programs and projects selected, potential funding sources identified, public/private partnerships identified, a funded home rehab pilot program, and negotiations for the redevelopment of Spark Area 1.

Chairperson Cherny asked about the mission of the oversight entity after the taskforce ends. Mr. Carter confirmed that the mission would continue to be to work with community and city stakeholders.

## **12. Airport Worker Child Care Program Update**

Mr. Matt Heil presented by first giving a background on program funding. Mr. Heil continued by providing an overview of scholarship eligibility criteria and the application process for applicants.

Mr. Heil also reviewed work to identify a potential site for a childcare facility. He shared that staff is currently reviewing the potential of the 44th Street Sky Train station.

Mr. Heil also shared that the next steps for a facility are gathering estimates for the build-out, bids from operators, and identify addition funding sources.

Mr. Cohn asked about the budget for a potential facility. Mr. Heil noted that costs have been estimated to be around \$8 million. Mr. Cohn asked that for a follow-up item, he would like to see an itemized budget for what the facility is expected to cost, and also for the operations of the facility.

### **13. Concessions Update**

Mr. Prasan DeSilva presented and opened by sharing the present state of opened concessions at the terminals. He continued by showing a steady climb from May 2022 – July 2022 in the number of food and beverage, retail, and service locations which are open, Mr. Prasan emphasized that staff is focused on improving hours of operation especially early morning and late night.

He continued by sharing revenues for the past three years and projected revenue for the remaining part of the year.

Mr. DeSilva discussed the positive impacts that the job fairs have had on concession hours and gave an overview of the success of the job fairs.

Mr. DeSilva showed how the concessionaires have adopted technology to deal with low employment and to provide enhanced customer service. These solutions range from self-checkout machines, to fully automated kiosks. He also shared that three areas within Terminal 3 are getting redesigned concepts.

Next, Mr. DeSilva updated the Board on the status of concepts opening in T4S1.

For Phase 2, there are two retail outlets and two news outlets, these are still being reviewed.

Ms. Fisker asked for clarification on what opened meant, and whether they are full contractual hours, or some limited level of service. Mr. DeSilva answered that it is a mixture of the two. Ms. Fisker then asked if the penalties for not meeting contractual hours had started. Mr. DeSilva answered that penalties are being assessed.

Mr. Cohn asked as a follow-up item to see the unit store sales. He said that just because a place may not be open for contractual hours does not mean they are not generating the required gross sales numbers.

Mr. Scott asked to see information on the number of outlets versus the number of hours open during peak times.

He then went on to ask about how many jobs needed to be filled so the concessionaires could operate at full capacity. Mr. DeSilva said those would be provided. Mr. Scott then asked if employee retention is improving based on the incentives offered to work. Mr. DeSilva said the incentive program has helped and that there are other ideas planned.

Chairperson Cherney agreed that the numbers would be helpful for the entire board and asked for regular updates on concessions.

#### **14. Peer-to-Peer Car Sharing Update**

Mr. Craig Doyle presented the overview of the pilot program structure with two separate businesses running two separate models. He explained that one company, Avail, uses an off-airport model and their contract commenced February 20, 2022. The other company, Turo, uses both on-airport and off-airport models and has access to the Sky Train for on airport uses. Their contract commenced June 1, 2022.

Mr. Doyle gave an overview of each company's results from contract commencement to present. The results included average transactions, gross revenue, and market share in Phoenix.

The expectation for car sharing is that it will follow the same seasonal cycles as the rental car business.

Lastly, Mr. Doyle presented the future plans for the peer-to-peer car sharing industry at Sky Harbor. Business & Properties plans to take a recommendation to City Council to finalize a structure for a permanent program in early 2023.

Chairperson Cherny asked if there was a guaranteed number of parking spots given to Turo. Mr. Doyle responded that there isn't a set number of spots, nor a designated area for Turo. However, Turo customers are not turned away during high occupancy times.

#### **ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS**

None.

#### **CALL TO THE PUBLIC**

#### **ADJOURNMENT**

**A motion was made by Mr. Scott, seconded by Chairperson Cherny, that this item be approved.**

The motion carried by the following vote:

**Yes:** 7 – Mr. Alonzo, Mr. Cohn, Ms. Fisker, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

**No:** 0

Meeting end at **4:28 p.m.**



<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request to award Ground Lease with Fairmount Corp. at Phoenix Sky Harbor International Airport

### **Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Fairmount Corp. Real Estate and Investments (Fairmount) for land located at Phoenix Sky Harbor International Airport (PHX).

THIS ITEM IS FOR CONSENT ACTION.

### **Report Summary**

Fairmount owns land to the west of PHX that surrounds an Aviation parcel located at 1520 E. Apache Street on three sides. Fairmount wishes to lease approximately 6,893 square feet of land to increase available automobile parking for their property.

### **Contract Term**

The term is proposed to be three years plus two, one-year options to extend for an aggregate five-year contract term.

### **Financial Impact**

Annual rent for the first year will be \$7,238 (\$1.05 per square foot) and will increase annually per the Phoenix-Mesa-Scottsdale Consumer Price Index. Total revenue for the lease for the aggregate five years will be approximately \$36,190.

### **Concurrence/Previous Board Action**

This item was recommended for approval by the Business and Development Subcommittee on September 1, 2022, by a vote of 2-0.

### **Location**

Phoenix Sky Harbor International Airport – 1520 E. Apache Street

### **Recommendation**

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Fairmount for land located at PHX.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request to amend Lease 145025 with Westwind School of Aeronautics at Phoenix Goodyear Airport

**Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Westwind School of Aeronautics, Phoenix LLC (Westwind) lease no. 145025 to add additional land for two parking lots at Phoenix Goodyear Airport (GYR).

THIS ITEM IS FOR CONSENT ACTION.

**Report Summary**

Westwind operates a pilot training facility at GYR. The company is increasing the number of students enrolled in the flight training program and Westwind needs additional automobile parking to accommodate more students. The additional parking will be located on two vacant lots that are contiguous with the Westwind campus. Together, the two lots are approximately 91,626 square feet.

**Contract Term**

The amendment will add the parking lots to Westwind lease no. 145025 for the remaining term of the lease which expires on February 29, 2032. The lease includes one five-year option that extends the lease to February 28, 2037.

**Financial Impact**

Annual rent for the first year will be \$29,320 (\$0.32 per square foot) and will increase annually per the Phoenix-Mesa-Scottsdale Consumer Price Index. Total revenue for the lease of the parking lots over the term if the lease if the extension option is exercised will be approximately \$439,805.

**Concurrence/Previous Board Action**

This item was recommended for approval by the Business and Development Subcommittee on September 1, 2022, by a vote of 2-0.

**Location**

Phoenix Goodyear Airport, 1658 S. Litchfield Road

**Recommendation**

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Westwind lease no. 145025 to add additional land for two additional parking lots.



<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request to amend Executive Hangar Lease 152807 with Salt River Project at Phoenix Sky Harbor International Airport

**Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Executive Hangar Lease 152807 with Salt River Project Agricultural Improvement and Power District (SRP) to add Executive Hangar 10 to the premises at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR CONSENT ACTION.

**Report Summary**

On March 1, 2020 SRP entered into Executive Hangar Lease 152807 for Executive Hangar 11. The term for Executive Hangar Lease 152807 terminates on February 29, 2024. SRP is requesting to lease executive hangar 10 to store a recently purchased helicopter by amending the premises.

**Contract Term**

All other terms and conditions of the lease will remain the same.

**Financial Impact**

Rent for this amendment will increase approximately \$30,364.32 per year (\$2,530.36 per month). Rent will be adjusted annually based on the Consumer Price Index (CPI) for Phoenix-Mesa-Scottsdale. The term for the lease expires February 2024 so occupancy will be 15 months total. The total estimated revenue will be \$37,955.40.

**Concurrence/Previous Board Action**

This item was recommended for approval by the Business and Development Subcommittee on September 1, 2022, by a vote of 2-0.

**Location**

Phoenix Sky Harbor International Airport – 2485 E. Buckeye Road

**Recommendation**

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Executive Hangar Lease 152807 with Salt River Project Agricultural Improvement and Power District (SRP) to add Executive Hangar 10 to the premises at Phoenix Sky Harbor International Airport.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request to Issue Revenue Contract Solicitation for PHX Northwest Air Cargo Development at Phoenix Sky Harbor International Airport

**Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to issue PHX Northwest Air Cargo Development Revenue Contract Solicitation (RCS) to solicit a developer to redevelop approximately 1,219,680 square feet (approximately 28 acres) within the northwest corner of Phoenix Sky Harbor International Airport (PHX) into an air cargo development.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

**Report Summary**

The northwest corner at PHX currently consists of corporate, executive hangars, and t-hangars, covered tie-downs, and other buildings. Most of the buildings in this area are at their end of life, including the aircraft apron/ramp. In October 2021, PHX issued a Request for Information (RFI) to potential users and developers for possible redevelopment ideas for this aging infrastructure and underutilized land in the northwest corner. The RFI received six responses: three for corporate hangars and maintenance, repair and overhaul hangars; and three for air cargo development. PHX has determined air cargo support development is the highest and best use for the land and is now seeking a qualified developer to redevelop approximately 28 acres for air cargo, including air cargo buildings (warehouse), aircraft apron, and supporting structures. The successful respondent will enter into a ground lease with PHX.

**Contract Term**

The term of the ground lease is for 30 years with options to be determined by the amount of investment.

**Financial Impact**

Current rent for undeveloped land at PHX is \$1.05 per square foot. Annual revenue for this ground lease will be approximately \$1,280,664 per year. Rent adjustments to be determined through negotiations with the successful respondent. Total anticipated rent over the term of the ground lease will be approximately \$38,419,920.

**Concurrence/Previous Board Action**

This item was recommended for approval by the Business and Development Subcommittee on September 1, 2022 by a vote of 2-0.

**Location**

Phoenix Sky Harbor International Airport – 2485 E. Buckeye Road

**Recommendation**

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to issue PHX Northwest Air Cargo Development Revenue Contract Solicitation (RCS) to solicit a developer to redevelop approximately 1,219,680 square feet located at the northwest corner of Phoenix Sky Harbor International Airport into an air cargo development.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request to award a contract for Airport Bus Fleet Operations & Maintenance

### **Description**

This report requests the Phoenix Aviation Advisory Board's recommendation to the Phoenix City Council to award an Operations and Maintenance (O&M) contract to Transdev, Inc, for the Airport's COBUS and Sky Train contingency bus fleets at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

Phase 2 of the PHX Sky Train is expected to be completed and fully operational later this year, eliminating the need for scheduled airport bus circulator services.

The Aviation Department intends to retain six buses for scheduled and unscheduled contingency operations along with a current fleet of six COBUS vehicles for airfield operations including remote aircraft parking and aircraft emergencies. This fleet will continue to require manufacturer recommended O&M.

Transdev, Inc. has provided O&M services at the Airport since 2009 and has a proven history with the airport. Transdev also has extensive knowledge of the airport environment and years of experience transporting Sky Harbor's passengers.

### **Procurement Information**

A Request for Proposal (RFP) 02-225 for contingency O&M was issued in November, 2021 and one vendor was deemed responsive. The vendor's cost submittal exceeded scope and available budget for services.

In March 2022, the department authorized direct negotiations with Transdev Inc., the airport's existing bus O&M provider, for seamless contingency services at a reasonable cost.

Through direct negotiations, the Airport reached an agreement with Transdev, Inc. in late July to provide O&M services for both the Airfield COBUS operations and Sky Train® contingency bus operations.

### **Contract Term**

The contract term is for three years with two, one-year options to extend for an aggregate five year term.

**Financial Impact**

The estimated annual cost is \$1,301,177, with a five-year aggregate estimated cost of \$6,506,885.

Funds for this contract award are available in the department's operating budget.

**Location**

Phoenix Sky Harbor International Airport – 2485 E. Buckeye Road

**Recommendation**

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award an Airport Bus Fleet O&M contract to Transdev, Inc, for the Airport's COBUS and Sky Train contingency bus fleets at Phoenix Sky Harbor International Airport.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Air Service Development Update

**Description**

This report provides the Phoenix Aviation Advisory Board an update on air service activities at Phoenix Sky Harbor International Airport including new routes, markets, airlines, and service reinstatements.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

**Report Summary**

Since 2020, airlines at Phoenix Sky Harbor International Airport have added 70 new routes, including eleven new nonstop destinations not previously served. Four airlines new to the Phoenix market have or will begin service and one airline was relocated back into the airport terminals to provide expanded service.

In addition, nonstop service to nearly all international destinations has resumed. Phoenix has also experienced additional international air service capacity with larger aircraft providing more year-round service to international markets. Similar to other international airports, Sky Harbor has an approved international air service incentive plan that is used to encourage airlines to start new international service and help offset the costs of starting such service.

Staff will provide an update and overview of the recent changes as well as an overview of the international air service incentive plan.

**Recommendation**

This item is for information and discussion.

<b>Phoenix Aviation Advisory Board</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Airport Concessions Update

**Description**

This report provides the Phoenix Aviation Advisory Board with an update on concession contract hours, enforcement, and compliance.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

**Report Summary**

Through the Aviation Department, the city manages several lines of airport business, associated revenues, expenses, and maintains credit to support financing the capital investments of a large-hub commercial airport.

Although passenger traffic has returned to near 2019 enplanement levels, concession outlet hours have not returned to pre-pandemic levels. As of August 2022, 88% of the airport food and beverage and retail concessions are open; however, similar to other large hub airports across the nation, no concessionaires are fully meeting the contractually required hours of operation.

In an effort to meet passenger expectations, all concessionaires were notified, both in person and via email, to return to contractual hours by June 1, 2022 to avoid being assessed liquidated damages.

Staff will provide an update on current concessionaire operations and business recovery efforts.

**Recommendation**

This item is for information and discussion.





