

**NOTICE OF PUBLIC MEETING
PHOENIX AVIATION ADVISORY BOARD
BUSINESS AND DEVELOPMENT SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX AVIATION ADVISORY BOARD, BUSINESS AND DEVELOPMENT SUBCOMMITTEE** and to the general public, that the **BUSINESS AND DEVELOPMENT SUBCOMMITTEE** will hold a meeting open to the public on **Thursday, May 1, 2025 at 2:30 p.m.** located at the **City of Phoenix Aviation Department, PAAB Conference Room, 2485 E. Buckeye Road, Phoenix, Arizona 85034**, or via WebEx teleconference.

Meeting Attendance Options:

- **Watch the meeting virtually using the WebEx link provided below.**
<https://cityofphoenix.webex.com/weblink/register/rdf8ab7a23370a91c58cb1c07deeadf19>
- **Call-in to listen to the meeting**, dial 602-666-0783 and Enter Meeting ID 2347 771 2505 # Press # again when prompted for attendee ID.
- **Attend the meeting in person at the Aviation Headquarters.**

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 1, 2025. 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.

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

MINUTES OF MEETING

1. **For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on March 3, 2025**

CONSENT ACTION (ITEM 2)

2. **Passenger Boarding Bridge Ownership Transfer Between American Airlines and the City of Phoenix**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract to transfer ownership of certain Passenger Boarding Bridges between American Airlines and the Aviation Department.

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEMS 3 - 5)

3. Wi-Fi Service Provider Concessions Lease Agreement Contract Extension

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to extend Contract No. 152010 with BOINGO Wireless, Inc. to provide public wireless internet service at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

4. Video Surveillance System Licensing, Maintenance and Repair Services Award Recommendation

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Wilson Electric Services Corporation doing business as Netsian Technologies Group to provide cameras, licensing, installation, maintenance and repair services for the Video Surveillance System and the Passenger Emergency Duress System for the Aviation Department.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION

INFORMATION AND DISCUSSION (ITEM 5)

5. Employee Parking Overview

This report provides the Business and Development Subcommittee with an overview of the employee parking program at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

SUBCOMMITTEE 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 related to 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 Business and Development Subcommittee meeting is scheduled to take place Thursday, August 7, 2025.



**PHOENIX AVIATION ADVISORY BOARD
BUSINESS & DEVELOPMENT SUBCOMMITTEE
SUMMARY MINUTES**

April 3, 2025

Meeting held in person and via WebEx

Subcommittee Members Present

Andrew Cohn
Annette Musa- Chairperson
Stephanie Cherny
Sharon Hwang

Subcommittee Members Absent

Staff Present

Abbe Slade
Amy Turner
Andrew Durket
Austin Parker
Cadle Collins
Chris Baranowski
Cindy Lizarraga
Clifton Looper
Floyd Johnson
Gabriel Nevarez
Greg Huchko
Greg Roybal
Heather Shelbrack
Ivy Huang
John Ojeda

Kelly Garrett
Kelly Scali
Ken Boudreau
Ken Cook
Kimberly Brown
Kimberly Whetstone
Kristina Pylant
Latasha Crawford McLaughlin
Lisa Madison
Linda Duarte
Mara Kelly
Maria Wagar
Marshall Kain
MaryHelen Martinez
Matt Becker

Matthew Heil
Michael O'Shaughnessy
Mike Pluff
Pearl Meza
Rebecca Godley
Richard Graham
Robert Hawes
Roxann Favors
Ryan Hartnett
Sarah Demory
Sean Larkin
Teresa Chavez
Venessa Singleton
William Robinson

Members of the Public Present

Shane Sykes
Shawna Kushner

CALL TO ORDER

Ms. Musa called the meeting to order at **2:31 p.m.**

MINUTES OF MEETING

- 1. For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on February 6, 2025.**

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

No public comments.
The motion carried.

CONSENT ACTION (ITEMS 2 - 4)

- 2. New Executive Hangar Agreement with RSW Group, LLC at Phoenix Deer Valley Airport**
- 3. New Facility Lease with Worldwide Flight Service Inc.**
- 4. Jet Fuel Remediation Contract Award**

A motion was made by Ms. Cherny, seconded by Mr. Cohn, that these items be approved.

The motion carried.

DISCUSSION AND POSSIBLE ACTION (ITEMS 5 - 8)

5. Taxicab Meter Rate Increase

Mr. Michael O'Shaughnessy presented this item. He described how taxicab services are provided at Phoenix Sky Harbor International Airport.

Mr. O'Shaughnessy explained the current taxicab rates are governed by Phoenix City Code 4-83, and that rates have not been updated in over ten years.

He noted that a recent review by staff indicated that the current rates are approximately 19% lower than the average for similar airports, and a rate review was appropriate given new competitors in the ground transportation sector.

Mr. O'Shaughnessy discussed the decline in taxi demand due to the rise in competing forms of transportation, like ride-sharing services. While there has been some recovery, taxi volumes remain lower than pre-pandemic levels.

Mr. O'Shaughnessy explained that taxi service remains valuable to customers despite a decline in market share. He noted that some passengers prefer traditional taxi services for their predictability and familiar vehicles. However, the industry is currently grappling with inflation affecting leasing and fuel costs, complicating profitability for companies and drivers.

He stated that to address these challenges for the taxicab companies, staff is proposing rate increases to ensure competitive pricing. He then detailed the

proposed new rates. He shared that, as required by law, public notice of these proposed rate increases has been initiated.

Mr. O'Shaughnessy concluded by sharing the timeline for approval if the PAAB recommended the changes to the City Council. If approved by the City Council, the meter rate increases are scheduled to take effect on or about June 4.

Mr. Moher Abdulahad, a member of the public, commented that he has been driving a cab for a long time, and they need a little raise because prices of everything have gone up.

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

The motion carried.

6. Taxicab Request to Issue Revenue Contract Solicitation

Mr. Michael O'Shaughnessy presented this item. He explained the airport's current contracts for taxicab services and the proposed new contract structure, with two large and two small taxi companies, and their contract requirements.

Mr. O'Shaughnessy continued explaining that the airport aims to increase the total cab fleet from 165 to 200 vehicles to enhance service during peak times, and aims to increase the percentage of wheelchair-accessible vehicles from 5% to 10%. He also stated that all vehicles must meet specific criteria, including being mid-sized or larger, equipped with a public safety monitoring system, and no older than five years at contract commencement, with a maximum age of eight years at any time.

Additionally, Mr. O'Shaughnessy stated he aims to ensure a new contract aligns with the airport's sustainability goals by increasing the number of electric and hybrid vehicles, with the requirement to transition more vehicles to electric over time as the airport develops enhanced charging infrastructure.

He continued by explaining the evaluation criteria for the solicitation, and he noted that the contract term will be for five years, with an option for a two-year extension. The contract is projected to generate revenue exceeding \$700,000 annually.

Finally he noted that the contract award is anticipated at the beginning of 2026, with the contract commencing on or about May 1, 2026.

Ms. Hwang asked if the increase in the number of cabs was in response to an increase in demand or future demand.

Mr. O'Shaughnessy stated it is in part due to volume increases during peak times, and the necessity of maintaining 90% availability during peak demand.

Ms. Hwang asked if the requirement takes into consideration the future of alternative transportation services.

Mr. O'Shaughnessy stated yes, they have considered it and still anticipate taxicabs having a large market share and a need for a service that will not keep passengers waiting for transportation.

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

No public comments.

The motion carried.

7. Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services Request to Award

Mr. Gabriel Nevarez presented this item. He provided a high level overview of how Phoenix Sky Harbor's baggage handling system functions. He noted that the baggage handling is comprised of six distinct systems, some managed by the city and others by airlines like Southwest and American. The system processes approximately 30,000 bags daily.

Mr. Nevarez explained that the current approach integrates mechanical systems and automated controls to ensure smooth operations and timely handling of all bags, thus maintaining passenger satisfaction and compliance with Transportation Security Administration regulations.

He noted that the current baggage handling system involves two separate contracts for controls and maintenance, which can lead to coordination challenges. The proposed contract consolidates these services, enhancing communication, accountability, and system reliability.

Mr. Nevarez stated the awarded contract will have an initial term of five years with two potential one-year extensions. Minimum qualifications included five years of experience in BHS operations at large- or medium-hub airports, handling at least three million outbound bags annually, and an onsite manager with two years of relevant experience.

Two responsive proposals were received and evaluated by a panel. Evaluation criteria included method of approach, fee schedule, firm qualifications, and onsite manager qualifications. JSM Airports Services LLC, was selected as the successful proposer based on its strong performance and positive reference checks.

Mr. Nevarez then stated that on November 7, 2024, the incumbent contractor protested the contract award, challenging the decision. Upon review staff determined that the firm had violated the city's transparency policy.

Mr. Navarez noted that the Aviation Department reviewed both the disqualification and award recommendation protests, and they were both ultimately denied.

He continued to explain that the vendor then pursued an appeal through the appeals process. After a comprehensive evaluation, the City Manager denied the appeals, determining there were no legal or factual grounds for reversal.

Ms. Cherny asked what the length of the contract term would be.

Mr. Nevarez stated it is a 5-year contract with two one-year options to extend.

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

No public comments.
The motion carried.

8. Airport Childcare Provider

Mr. Matthew Heil presented this item. He provided background on how the childcare project is funded, noting the City Council allocated \$5 million in American Rescue Plan Act funds to support airport childcare programs.

He explained that the new facility, under construction near the employee parking area at the 44th Street Sky Train Station, will accommodate approximately 100 children.

Mr. Heil stated the procurement process for selecting an operator began on January 10, 2024, focusing on adherence to state regulations and best childcare practices. Proposals were evaluated based on qualifications, management strategies, and facility design.

He stated that the procurement process faced delays due to two protests, one resulting from incorrect submissions of affidavits by multiple proposers, necessitating a partial granting of the protest. All proposers were requested to resubmit the affidavits, and a new panel was convened to review the proposals again. This led to one proposer being disqualified after contacting the other proposers, resulting in another protest that was appealed but later upheld.

Mr. Heil continued by explaining that the evaluation panel then reviewed the two remaining proposals. An award recommendation was posted and the remaining unsuccessful proposer also protested the decision. The protest was reviewed and denied, and this protester filed an appeal that is currently under review. Staff is recommending KinderCare Education at Work for the contract, as the highest scoring proposer.

Mr. Heil explained key elements of KinderCare's proposal included a robust staffing plan featuring 25 employees, an effective curriculum supporting advanced learning, and competitive tuition rates ranging from \$366 for infants to \$297 for preschoolers.

Mr. Heil stated that KinderCare plans a capital investment of approximately \$325 per square foot for the facility's development, and discussed the lease requirements.

He continued stating that to facilitate the successful establishment of a client base, the Aviation Department will waive rent through the fifth year of the contract. Subsequently, starting from year six, the lease will require an annual payment of \$134,620.

Mr. Shane Sykes provided comment on behalf of KinderCare and stated that the company is excited for this project, and the opportunity and privilege to serve airport families and children.

Ms. Shawna Kushner provided comment on behalf of KinderCare and the opportunity to partner with the airport.

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

The motion carried.

SUBCOMMITTEE INFORMATION AND FOLLOW-UP REQUESTS

None.

CALL TO THE PUBLIC

None.

ADJOURNMENT

The meeting adjourned at **3:16 p.m.**

BUSINESS DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Passenger Boarding Bridge Ownership Transfer Between American Airlines and the City of Phoenix

Description

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract to transfer ownership of certain Passenger Boarding Bridges between American Airlines and the Aviation Department.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

One of the key passenger facilities at Phoenix Sky Harbor International Airport are passenger boarding bridges. Boarding bridges, which connect passenger planes to the concourses, can be owned by airlines or the airport.

The Aviation Department owns 31 bridges and American Airlines owns 28 bridges in the north concourses of Terminal 4. The Aviation Department currently leases 25 bridges to American Airlines on an exclusive use gate basis under a Jetway Use Agreement (JUA). The nature of this exclusive use restricts the Aviation Department's ability to support common use gate activity at these gates for other airlines.

The Aviation Department seeks to acquire 20 American-owned bridges to convert to common-use. By installing common use technology, the Aviation Department will gain the flexibility to use these gates for other air carriers. As part of the proposed agreement, the Aviation Department would allow American to retain preferential use of these gates for their operations, and the Aviation Department would transfer ownership of City-owned PBBs to American Airlines for their exclusive use.

To accomplish this transaction, American would transfer ownership of a total of 20 American-owned bridges, valued at approximately \$9.4 million to the City, and the City would transfer ownership of 23 City-owned bridges, valued at approximately \$5.4 million, to American. The difference in asset value of approximately \$4 million will be remitted by the City to American in the form of rent credits.

Contract Term

American Airlines' existing JUA will continue on a month-to-month basis.

Financial Impact

If approved, the City will remit approximately \$4 million to American Airlines in the form of rent credits. Annual revenue from American Airlines' JUA would be reduced by approximately \$124K due to the reduced number of City-owned PBBs leased to American. This loss of revenue will be offset by fees generated from common use gate usage by other air carriers, resulting in minimal change in revenue to the City.

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

Recommendation

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract to transfer ownership of certain Passenger Boarding Bridges between American Airlines and the Aviation Department.

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BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Wi-Fi Service Provider Concessions Lease Agreement Contract Extension

Description

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to extend Contract No. 152010 with BOINGO Wireless, Inc. to provide public wireless internet service at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

Fast and free Wi-Fi is an essential amenity for the thousands of passengers that visit Phoenix Sky Harbor (PHX) every single day. On average, more than 37,000 users connect to the public Wi-Fi service daily. In 2024, more than 13.7 million passengers accessed the public Wi-Fi service at PHX.

The Aviation Department (Aviation) provides public Wi-Fi service at the following airport locations: all public access areas of Terminal 3 including curbsides; all public access areas of Terminal 4 including curbsides; and the Rental Car Center.

The current revenue contract is due to expire on July 31, 2025. The contractor has advised Aviation that due to the changing market for Wi-Fi services, it will no longer be able to support a revenue contract model in a future solicitation. As a result, Aviation has determined it will be most cost effective to transition Wi-Fi services to be supported in-house. Aviation is requesting to extend the term of the current contract until such time the services can be transitioned in-house.

Contract Term

The term of the extension will be one year, effective August 1, 2025, and continuing thereafter month-to-month until the date the Wi-Fi service is fully transitioned to the City.

Financial Impact

The financial terms of the contract will not change during the extension period. The provider will continue to pay rent to the City in the amount of the Minimum Annual Guarantee or 35% of gross sales earned, whichever is greater.

Location

Phoenix Sky Harbor International Airport, 2485 E Buckeye Road,

Recommendation

Request that the Business Development Subcommittee recommend to the Phoenix Aviation Advisory Board to extend Contract No. 152010, WiFi Service Provider Concessions Lease Agreement, by one year from August 1, 2025, through July 31, 2026, continuing thereafter month-to-month until the date the public Wi-Fi service and equipment is fully transitioned to the City.

BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Video Surveillance System (VSS) Licensing, Maintenance and Repair Services Award Recommendation

Description

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Wilson Electric Services Corporation doing business as Netsian Technologies Group to provide cameras, licensing, installation, maintenance and repair services for the Video Surveillance System (VSS) and the Passenger Emergency Duress System (PEDS) for the Aviation Department.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Aviation Department owns and operates a networked VSS with approximately 2,300 cameras throughout facilities at Phoenix Sky Harbor, Phoenix Deer Valley and Phoenix Goodyear airports. The VSS provides staff the ability to monitor, record, store, playback and retrieve video of activities as required. Additionally, the Aviation Department is responsible for securing the collected video/data from unauthorized access. Multiple City departments utilize the same contract for their VSS needs.

As part of its security infrastructure, the Aviation Department also owns and operates a callbox system, the Passenger Emergency Duress System (PEDS) utilizing approximately 240 call boxes throughout parking facilities and terminal buildings at Phoenix Sky Harbor. The function of the PEDS is to provide the public with the ability to call for information or emergency help. Each PEDS unit has an associated VSS camera that is called up when the PEDS button is pushed.

The Aviation Department issued a solicitation to identify a firm to license, maintain and repair both systems, to ensure their reliability and availability.

Procurement Information

An Invitation for Bid (IFB) 20-017 was issued on February 13, 2025, with a submission deadline of March 13, 2025 in accordance with Administrative Regulation 3.10. A total of fifteen offers were received, with ten vendors deemed responsive after evaluation.

Following an evaluation based on price, staff recommends award to Wilson Electric Services Corp, dba Netsian Technologies Group, who is also the incumbent vendor.

Contract Term

The contract will begin on or about July 1, 2025 for a five-year term with no options to extend.

Financial Impact

The aggregate contract value for all participating City departments will be up to \$11,600,000 for the five-year term, of which \$7,200,000 will be allocated to the Aviation Department. Funding is available in the Aviation, Arts and Culture, Housing, Phoenix Convention Center, and Water Services Departments operating budgets.

Public Outreach

This solicitation process included all standard and required outreach efforts, including advertising in Aviation industry publications.

Location

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

Recommendation

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Wilson Electric Services Corporation doing business as Netsian Technologies Group to provide cameras, licensing, installation, maintenance and repair services for the Video Surveillance System (VSS) and the Passenger Emergency Duress System (PEDS) for the Aviation Department.

BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Employee Parking Overview

Description

This report provides the Business and Development Subcommittee with an overview of the employee parking program at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Phoenix Sky Harbor International Airport accommodates employee parking for all airport workers and based airline personnel operating at or from the airport. Recently the airport has experienced significant growth in both public and employee parking demand.

A review of the airport parking program reveals:

- 18,000+ employee parking program participants.
- Employee parking average growth, 1% monthly / 12% annually year over year.
- Public and employee mixed-use parking facilities are experiencing 90% to 99% occupancy during peak demand times, approaching critical capacity limitations.
- Employee-only parking facilities range from 64% to 80% occupancy, suggesting an opportunity for optimizing utilization, with the priority of ensuring designated public parking facilities continue to have capacity to accommodate public parking demand.

Employees enrolled in the PHX monthly employee parking program benefit from two dedicated employee-only parking facilities: 44th Street and West Economy Garage level 2. These facilities utilize an efficient automated validation process with proximity card for access control which minimizes entry/exit times.

Due to parking capacity limitations, PHX does not accommodate parking requests from non-based airline crews. All employees, including non-based airline crews, currently have the option to utilize any public parking facilities (economy and terminal garages) at a significantly discounted daily rate, which contributes to increased demand on these high-occupancy public facilities. The employee discount rate can be adjusted at the sole discretion of the Aviation Director. The current discount process requires employees to manually present an airport-issued badge or airline credential to a parking representative at the exit, who then processes the discount. This manual validation process creates:

- Increased transaction times during peak periods
- Additional staff resource requirements
- Potential for exit lane congestion

The Aviation Department is currently assessing the need to modify or eliminate the public parking facility discount for employees to ensure adequate spaces remain available to accommodate increased public parking demand.

In addition, a comprehensive parking master plan study commenced earlier this year, with expected completion in late 2025. The study scope includes:

- Review of current employee and public parking programs
- Assessment of current and projected employee/public parking needs
- Benchmarking against peer airports of similar size and complexity
- Evaluation of policies and procedures
- Consideration of the development of capacity expansion

Location

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

Recommendation

This item is for information and discussion.