

**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, February 19, 2026 at 3:00 p.m. located at the City of Phoenix Aviation Department, PAAB Conference Room, 2485 E. Buckeye Road, Phoenix, Arizona 85034, or via WebEx teleconference.**

**OPTIONS TO ACCESS THIS MEETING:**

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

<https://cityofphoenix.webex.com/weblink/register/r42dfda5643274f9a40782fefefdaeb68>

**Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2342 768 3286 #. 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](mailto:pearl.meza@phoenix.gov) no later than 10 a.m. on Thursday, February 19, 2026. The email should include your first and last name, email address, the item number(s), and whether you would like your comment entered 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.

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 Aviation Director**
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 December 18, 2025**

## **CONSENT ACTION (ITEM 4)**

4. **New Ground Lease with The Galloway Group, Inc. 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 The Galloway Group, Inc. for three years with two one-year options to extend the term.

**THIS ITEM IS FOR CONSENT ACTION.**

## **INFORMATION AND DISCUSSION (ITEMS 5-6)**

5. **Aviation Department Five-Year Capital Improvement Program**

This report summarizes the Aviation Department's five-year Capital Improvement Program (CIP) budget for Fiscal Year 2027-31. The CIP aligns with the department's goals of enhancing airport safety, security, capacity, customer service, and asset preservation.

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

6. **Airport Employee Parking Program Update**

This report provides the Phoenix Aviation Advisory Board with an update on planned changes to a supplemental employee parking amenity that permits employees to park in public parking facilities at a discount at Phoenix Sky Harbor International Airport.

**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 only discuss items that are 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 documentation on this meeting, please visit [skyharbor.com](http://skyharbor.com).



**PHOENIX AVIATION ADVISORY BOARD  
SUMMARY MINUTES  
December 18, 2025**

*Meeting held in person and via WebEx*

**Board Members Present**

Ron Price - Chairperson  
Annette Musa - Vice-Chairperson  
Sandra Ferniza  
Sharon Hwang  
Cynthia Aragon  
Ruben Alonzo  
David Shilliday  
Stephanie Cherny  
Chad Makovsky – Ex-Officio  
Dan Brownlee – Ex-Officio

**Board Members Absent**

Verma Pastor

**Staff Present**

Candace Huff  
Carolina Potts  
Christy Gomez  
Cindy Lizarraga  
Corrine Harbaugh  
Daver Malik  
Heather Shelbrack  
Jamie Ritchie  
Janet Lee

Joel Navarro  
John Ojeda  
Kimberly Brown  
Kimberly Whetstone  
Kyle Brack  
Lea Cons  
Marshall Kain  
Matthew Becker  
Matthew Heil

Michael McKelvey  
Michael O'Shaughnessy  
Mike Pluff  
Moe Yacut  
Pearl Meza  
Robert Hawes  
Ryan Hartnett  
Sean Larkin

**Members of the Public Present**

Brian Love  
Felisha Morton

Joel Ericson  
Karen Ratliff

Michael Workman  
Scott Sikel

**CALL TO ORDER**

Chairperson Price called the meeting to order at **3:00 p.m.**

## **SUMMARY OF CURRENT EVENTS**

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

Aviation Director Chad Makovsky provided a comprehensive operational update. Passenger activity for October totaled 4.55 million passengers, reflecting a 0.5% decline year-over-year, while year-to-date passenger totals of 42.65 million are 1.4% below 2024 levels.

Mr. Makovsky emphasized that performance remained strong given market disruptions, including the federal government shutdown earlier this year. International traffic is down approximately 3.5% year-to-date, driven by continued softening in Canadian travel, while at the same time, Air France has added capacity in the market.

He explained that aircraft operations at Sky Harbor were down 3.5% for the month, but up year-to-date, reflecting continued airline fleet up-gauging. Deer Valley Airport remains very busy and is on pace to exceed Sky Harbor in total operations, while Phoenix Goodyear continues to see decreased activity due to reductions in training operations at United Aviate Academy.

Mr. Makovsky responded to prior Board questions regarding how changes in passenger totals affect key non-aeronautical revenues. He reported that airport concessions, parking, and rental car revenues all demonstrate continued strength, with transactional spending increasing despite reduced passenger numbers.

He stated that parking revenues are up 6% year-to-date with no associated rate increases, and rental car revenues are modestly up as well, demonstrating the resiliency of the airport's business model and strong financial health.

Mr. Makovsky then highlighted a historic milestone for Phoenix Sky Harbor with the launch of China Airlines' nonstop service to Taipei on December 3, marking the first-ever nonstop service between Phoenix and Asia. The route operates three times weekly using Airbus A350-900 aircraft. Makovsky provided an overview of the opening celebrations, strong community support, and subsequent outbound inaugural festivities.

He also previewed the upcoming launch of STARLUX service in January and estimated that the combined Asia service will generate approximately \$178 million annually in regional economic impact, significantly benefiting the local workforce and regional partners including TSMC and its supply chain.

Mr. Makovsky also provided an update on Waymo autonomous vehicle operations, noting growth from initial testing in 2022 to more than 44,000 monthly airport trips today.

Mr. Makovsky also shared highlights from the airport's annual Days of Gratitude passenger appreciation campaign, launch of the Amelia AI digital passenger assistant tool, the airport's employee winter celebration, and recent strong results of the annual FAA Part 139 airport certification inspection.

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

Mr. Dan Brownlee provided an airline update, reporting strong holiday travel demand and confirming robust booking levels for the peak travel period.

He noted that Southwest is extremely pleased with the start of China Airlines service and is preparing for the planned January launch of interline connectivity with the airline.

He expressed appreciation to airport leadership and staff for their partnership during a year marked by significant passenger activity and challenging weather events.

**MINUTES OF MEETING**

**3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on November 20, 2025**

**A motion was made by Ms. Cherny, seconded by Ms. Ferniza, to approve agenda item 3.**

No public comments.  
The motion carried.

**DISCUSSION AND POSSIBLE ACTION (ITEMS 4 - 5)**

**4. Amended & Restated FBO Lease 94042 with Jackson Jet Center Phoenix, LLC at Phoenix Sky Harbor International Airport**

Mr. Robert Hawes presented the request to amend and restate the Fixed-Base Operator ground lease with Jackson Jet Center LLC, extending its lease term and aligning the agreement with modern industry and airport leasing standards.

He stated that Jackson Jet Center currently operates a full-service FBO on approximately 20.5 acres at Phoenix Sky Harbor International Airport, offering aircraft storage, fueling, maintenance, parts, and ground handling under a lease scheduled to expire October 31, 2028.

The proposal extends the lease for up to 25 years, through October 31, 2053, contingent upon Jackson Jet Center investing at least \$12 million in site improvements within 36 months of the amended lease becoming effective.

Mr. Hawes explained that the 25-year term is conditional on the construction of two new hangars, and the term will be reduced to 15 years if the hangars aren't developed according to the lease terms. Jackson Jet Center will also provide a \$600,000 performance guarantee deposit to ensure the timely delivery of proposed capital investments. Additional potential investments include expanded hangar facilities, office expansion, parking upgrades, and solar energy and other resiliency improvements.

The amended lease converts the financial model from a Minimum Annual Guarantee structure to a ground rent model beginning at approximately \$312,000 annually, with defined escalation steps and periodic market rent appraisals.

Jackson Jet Center will continue to pay fuel flow fees and associated airport charges in accordance with the airport's approved FAA Minimum Standards. First-year revenues under the new lease are projected to be approximately \$1.01 million, with a total 25-year revenue stream expected to exceed \$33 million.

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

No public comments.  
The motion carried.

**5. Information Technology Project Management Services Award Recommendation**

Mr. Jamie Ritchie presented and noted that this contract focuses solely on professional project management leadership to plan, manage, and execute complex airport IT projects.

He described the department's extensive IT portfolio, including more than 120 business systems, two data centers, 5,000 end-user devices, over 25,000 miles of fiber, 800 terabytes of data storage, and millions of daily digital interactions.

He highlighted several significant projects successfully delivered under the existing contract, including the 2019 Ground Transportation System update, implementation of campus-wide Distributed Antenna Service, the Environmental Management System, FAA Part 139 inspection modernization, biometric exit deployment with U.S. Customs and Border Protection, aviation website redesigns, and a major airport-wide access control upgrade.

He noted that the current contract expires May 4, 2026, and a Request for Proposal (RFP) was issued in July 2025. The RFP resulted in nine submissions, of which four were found responsive. Proposals were evaluated on qualifications, firm capability, and pricing. The evaluation panel recommended award to Barich

Incorporated, the incumbent contractor, with a five-year contract valued at approximately \$9.75 million.

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

No public comments.  
The motion carried.

## **INFORMATION AND DISCUSSION (ITEMS 6 - 7)**

### **6. Update on Terminal 4 Concessions Reconcepting Plans at Phoenix Sky Harbor International Airport**

Ms. Roxann Favors provided an update on the Terminal 4 concessions re-concepting initiative, describing it as one of the most significant airport customer experience reinvestment efforts in recent history.

She outlined the City Council-approved strategy that provided eight-year lease extensions to eligible concessionaires in exchange for substantial capital reinvestment, store upgrades, enhanced operational standards, strengthened small-business participation, and modernization of business and financial terms.

She reviewed the framework under which 15 concession contracts were eligible, noting that nearly all food and beverage agreements and the vast majority of retail contracts have executed their amendments. Each concessionaire is required to reinvest 10–15 percent of audited 2024 gross revenues into their concession program, including store refreshes and brand re-concepting. To ensure operational balance and avoid wholesale turnover, concessions are allowed to re-concept no more than 30 percent of their locations.

She highlighted the strategic removal of minimum annual guarantees in favor of percentage-rent structures based on store type and location, as well as new lease provisions that incentivize 24-hour operations and support small-business partnerships.

Ms. Favors discussed several new locally focused restaurant brands entering Terminal 4, including Common Ground Culinary's The Macintosh and The Collins Small Batch Kitchen, Chef Joey Maggiore's The Mexicano, Chef Mark Tarbell's Cactus & Cow Burger Bar, The Farm at South Mountain, Greenwood Brewery, and neighborhood favorite TC Eggington's, reflecting strong local representation and chef-driven innovation.

Retail concessionaires will also be refreshing store environments. Some of the new concepts include All Marketplace Mercantile, Camelback Provisions Express, and new culturally reflective retail branding.

She emphasized that a carefully phased construction and implementation strategy will be coordinated with all other airport capital projects to minimize operational disruption.

She also highlighted strengthened compliance enforcement tools, including more rigorous operating-hour requirements, escalated liquidated damages, and the city's authority to reclaim underperforming concession spaces if necessary. Additional commitments include meaningful sustainability participation, financial participation in airport marketing initiatives, workforce support planning, value-meal offerings for airport employees, and annual operational performance reviews.

Board members praised the program's strategic vision, protection of customer choice, retention of proven concession partners, and integration of new local brands.

No public comments.

## **7. Childcare Program Update**

Mr. Matthew Heil provided an update on the Aviation Department's childcare initiatives, reporting that the tuition scholarship program has benefited 135 children to date.

He explained that, with support from First Things First, program funding has now been extended through June 2026, helping bridge the transition period until a permanent on-campus childcare facility becomes operational.

Mr. Heil then provided a construction and implementation update on the planned Sky Train 44th Street childcare facility. He noted that KinderCare has executed the facility lease agreement and is currently advancing architectural design, permitting, and build-out planning.

He noted that considerable outreach will be conducted ahead of opening to ensure employees understand eligibility, enrollment timing, anticipated capacity, and available tuition support.

Board members expressed appreciation that the Aviation Department continues to prioritize workforce well-being alongside airport operational excellence.

No public comments.

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

None

**CALL TO THE PUBLIC**

None

**ADJOURNMENT**

The meeting ended at **4:17 p.m.**

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Ground Lease with The Galloway Group, Inc. 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 new ground lease with The Galloway Group, Inc. (Galloway) for three years with two one-year options to extend the term.

THIS ITEM IS FOR CONSENT ACTION.

**Report Summary**

Galloway is seeking to enter into a ground lease for four contiguous Aviation owned properties located at 3218 E. Madison Street and 117 South 32<sup>nd</sup> Street. The combined premises total approximately 25,743 square feet of vacant land. The properties are located across the street from Galloway’s existing business.

Galloway’s business location is insufficient to accommodate the storage of the company’s equipment and materials. The company intends to use the leased Aviation properties for outdoor storage of fiber rolls, trailers, and related items.

**Contract Term**

The proposed lease term will be three years, with two one-year options to extend at the sole discretion of the Aviation Director. The lease term is anticipated to commence on May 14, 2026.

**Financial Impact**

The annual rent for the first year is anticipated to be approximately \$36,040.20, based on a rental rate of \$1.40 per square foot. Rent will be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index or three percent, whichever is greater. Total anticipated revenue over the duration of the lease agreement, if all renewal options are exercised, will be approximately \$180,201.

**Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

**Recommendation**

Request the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new ground lease with The Galloway Group, Inc. for three years, with two one-year options to extend at Phoenix Sky Harbor International Airport.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Aviation Department Five-Year Capital Improvement Program

### **Description**

This report summarizes the Aviation Department's five-year Capital Improvement Program (CIP) budget for FY2027-31. The CIP aligns with the department's goals of enhancing airport safety, security, capacity, customer service, and asset preservation.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

### **Report Summary**

The proposed FY 2027-31 CIP includes 107 projects totaling \$2.1 billion. The total CIP, including the current FY 2025-26 estimate, is \$3.63 billion. The CIP includes projects for Phoenix Sky Harbor International Airport (PHX), Phoenix Goodyear Airport (GYR) and Phoenix Deer Valley Airport (DVT), and aligns with available financial resources.

Major projects include:

- Taxiway Uniform and enabling projects.
- Terminal 3 North 2 Concourse and enabling projects.
- Terminal 3 North 2 new apron.
- Terminal 3 Processor Improvement and Baggage Handling Systems upgrades.
- Rental Car Center Vertical Transportation Modernization.
- Terminal 4 Infrastructure - Vertical and Horizontal Transportation Modernization.
- Terminal 4 Infrastructure - Central Plant Modernization.
- Facilities & Services Tonto Lot Campus Phase 1.
- West Terminal Enabling Projects and Planning.
- Terminal 4 Baggage Handling System Upgrades.
- Deer Valley Airport Taxiways and Connectors Rehabilitation.
- Goodyear Airport Apron Rehabilitation.

### Taxiway Uniform

This project scope includes construction of a new Crossfield Taxiway Uniform and enabling work that will relocate and modify existing facilities and infrastructure impacted by the project. The construction of a new crossfield taxiway is a major airfield project necessary to improve aircraft movement between the north and south sides of PHX. The main enabling elements of the project include modifications to the existing City-owned Facilities and Services Complex, Air Cargo apron and building modifications, modifications to the sections of the existing roadway impacted by Taxiway Uniform, utility modifications, as well as modifications to aprons impacted by Taxiway Uniform. The project scope also includes grading, drainage, striping, lighting, and electrical and signage improvements. The estimated total project cost is \$292.8 million, of which \$6.2 million is budgeted in the FY 2027-31 Five-Year CIP.

### Terminal 3 North 2 Concourse

This project is a necessary expansion of Terminal 3 and includes six new gates. The new concourse will allow for additional and newer facilities to enhance customer service and support long-term airline growth. The estimated total project cost is \$465.9 million, of which \$27.9 million is budgeted in the FY 2027-31 Five-Year CIP.

### Terminal 3 North 2 New Apron

The project is part of the expansion of Terminal 3. The new concourse requires a new aircraft apron. The estimated total project cost is \$26.7 million, of which \$4.2 million is budgeted in the FY 2027-31 Five-Year CIP.

### Terminal 3 Processor Improvement and Baggage Handling Systems Upgrades

This project is part of the expansion of Terminal 3. The addition of the new six-gate concourse requires improvements to the processor within the check-in area, bag handling system and security checkpoint to accommodate additional travelers and reduce passenger queue times at Terminal 3. The estimated total project cost is \$163.9 million, of which \$67.4 million is budgeted in the FY 2027-31 CIP.

### Rental Car Center Vertical Transportation Modernization

This project will modernize numerous elevators and escalators at the Rental Car Center at PHX that have exceeded their useful life. The estimated total project cost is \$75 million, of which \$62.5 million is budgeted in the FY 2027-31 Five-Year CIP.

### Terminal 4 Infrastructure - Vertical and Horizontal Transportation Modernization

This project is being completed in two phases and includes the modernization of numerous elevators, escalators, and moving walkways in Terminal 4 that have exceeded their useful life. The estimated total project cost is \$90 million.

### Terminal 4 Infrastructure - Central Plant Modernization

This project will replace critical heating, ventilation, and air conditioning equipment associated with the central air distribution system within Terminal 4 that is approaching the end of its useful life. Major components of this project include upgrades to the air distribution system, chillers, chilled water lines, air handler and fan coil units, and duct sealing. The estimated total project cost is \$146 million, of which \$11 million is budgeted in FY 2027-31 Five-Year CIP.

### Facilities & Services Tonto Lot Campus Phase I

This is a multi-year development project to build out the Tonto Lot on the western side of PHX and redevelop 35 acres in the northwest corner of PHX. This phase includes development of new facilities that will consolidate various Facilities & Services field functions and the Phoenix Police Department Airport Bureau's K9 Unit. The estimated project cost of this phase is \$26 million.

### West Terminal Enabling Projects and Planning

The Aviation Department is in the planning stages of developing a new West Terminal, the first phase of which is intended to be opened in late 2033 in order to meet airline

growth projections. In order to meet this deadline, the department must concurrently complete a number of enabling projects to clear the property where the new West Terminal will be built. This CIP includes 11 enabling projects as well as allocation of funds for planning and design. The estimated total of all these related projects is \$463.7 million in the FY 2027-31 Five-Year CIP.

#### Terminal 4 Baggage Handling System Upgrades

As the Aviation Department continues to update the aging baggage handling system at Terminal 4, three additional sub-projects are being planned: International Inbound, International Outbound, and Electrical Service Entrance Sections. These projects are considered critical to maintain a fully operational system. Project scopes are still being developed in consultation with the airlines, and fully vetted cost estimates and time frames are not currently available. Current CIP budget allocations are estimates based on recently completed work, and will be refined upon completion of scoping.

#### Deer Valley Taxiways and Connectors Reconstruction

The critical safety and capacity enhancement project in DVT's CIP is for the reconstruction of multiple taxiway connectors, including connectors C4-C10. This project includes demolishing existing connectors and reconfiguring and reconstructing connectors to conform to FAA design standards. The estimated total project cost is \$22.3 million, of which \$13.8 million is budgeted in the FY 2027-31 Five-Year CIP.

#### Goodyear Apron Rehabilitation

The critical capacity enhancement project in GYR's CIP is the construction of a new apron. Most of the existing apron at GYR is leased and there are limited areas that can accommodate critical design aircraft. The project scope includes the design and construction of a new apron and taxiway connector, as well as grading, drainage, striping, signage, area lighting, and relocating groundwater monitoring wells. The estimated total project cost is \$25.2 million, of which \$21.2 million is budgeted in the FY 2027-31 Five-Year CIP.

### **Financial Impact**

The Aviation Department has sufficient financial resources available to fund the proposed FY 2026-31 Six-Year CIP budget totaling \$3.63 billion. The financial resources planned for this program includes \$1.559 billion of Aviation Revenues, \$995.4 million of federal and state grants, \$614.6 million of bonds, and \$459 million of Passenger Facility Charges and Customer Facility Charges.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road  
Phoenix Deer Valley Airport, 702 W. Deer Valley Road  
Phoenix Goodyear Airport, 1658 S. Litchfield Road, Goodyear, AZ

### **Recommendation**

This is for information and discussion.

<b>Phoenix Aviation Advisory Board</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Airport Employee Parking Program Update

### **Description**

This report provides the Phoenix Aviation Advisory Board with an update on planned changes to a supplemental employee parking amenity that permits employees to park in public parking facilities at a discount at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

### **Report Summary**

The Aviation Department intends to revise the Airport Employee Parking Program effective March 1, 2026. The changes are necessary to address employee use of public parking facilities.

These changes will:

- Preserve public parking facility capacity for intended uses – the traveling public.
- Encourage employees to utilize the dedicated employee parking facilities.
- Balance employee parking needs with public demand during peak periods.

### Current Program Overview

Phoenix Sky Harbor International Airport (PHX) offers an Airport Employee Parking Program for employees who are based at and work at PHX. This program distinguishes between two employee categories:

- PHX-based employees: Those employees whose primary work location is at PHX, consisting of Phoenix-based airline employees and all tenant employees. These employees are eligible to participate in the monthly parking program at dedicated employee parking facilities. Fees for this parking category are currently paid by each employee's company.
- Non-PHX-based airline employees: Company employees with primary work locations in cities other than Phoenix. These employees primarily use the airport to commute to another work location and are not eligible for the monthly employee parking program.

The airport employee parking program provides:

- Monthly business-related parking access to assigned dedicated employee-only facilities at the 44th Street lot, Level 2 of the West Economy Garage, or cargo warehouse parking areas for PHX-based employees.
- At the sole discretion of the Aviation Director, an optional daily discounted parking rate is also available for both categories of employees (excluding City of Phoenix employees and City contractors) to park in public parking facilities.

### Current Program Growth and Capacity Challenges

PHX has experienced significant growth in public parking demand in recent years. Alongside this growth, Aviation staff have observed greater employee use of the daily discount option in public parking facilities. Employee utilization of these public parking facilities has significantly constrained parking availability to the traveling public during regular travel periods and has required temporary closures during peak travel periods.

To manage facility closures during peak demand, the Aviation Department leased an off-airport parking facility to provide overflow capacity and, when necessary, redirected public parkers to underutilized employee-only facilities.

### Factors Driving Program Adjustments

The daily discount rate of ~50% creates a financial incentive for employees to park in premium public facilities rather than their assigned employee lots. This pricing dynamic has led to:

- PHX-based employees are choosing more convenient terminal and economy public parking facilities over assigned employee facilities.
- A significant number of Non-PHX-based airline employees are utilizing the supplemental program.

This growth in employee use is now significantly constraining the intended purpose of these premium facilities: to serve the traveling public.

### **Planned Program Modifications**

The PHX employee parking discount was established in February 2015 as an optional employee amenity. While the Aviation Director has the authority to implement discount parking programs and adjust their terms, including the discount rate, the program has never been adjusted since its inception.

In December 2025, the Aviation Department announced its intention to adjust the terms of the discount parking program:

- PHX-based employees enrolled in the Airport Employee Parking Program: The discount rate for parking in public facilities is proposed to be adjusted to approximately 10% off published parking rates.
- Non-PHX-based airline employees: These employees will be eligible to join a separate corporate parking program to receive discounts and other benefits.
- Seasonal Blackout Dates: Employees will not be eligible for parking discounts on certain published blackout dates that correspond to periods of peak passenger travel.

All proposed changes align with PCC Sec. 4-58 and Airport Rules and Regulations 07-01, which provide the Aviation Director with sole authority to manage employee parking locations, conditions, and rates, including supplemental programs and discount rates.

**Public Outreach**

The Aviation Department posted signage at all exit plazas and employee parking facilities on December 10, 2025. Multiple stakeholder meetings have been held and continue to be scheduled with Parking Representatives from airlines, concessions, retail, and tenant operations, as well as with labor leaders. Flyers are being distributed to employees, and information is available on the employee resources page of the Sky Harbor website about the upcoming changes.

The Aviation Department has received considerable feedback in response to this outreach. The feedback generally falls into three main categories: safety and security, operational and efficiency, and economic. Aviation staff have carefully reviewed this input and have made many adjustments to the employee parking program in response. The Aviation Director intends to implement the Blackout Dates as planned on March 1<sup>st</sup>, and may elect to temporarily defer other changes, including adjustments to the discount fee, for up to 30 days in order to collect additional feedback from this Board and other stakeholders.

**Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road