

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, August 17, 2023 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:

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

<https://cityofphoenix.webex.com/cityofphoenix/j.php?MTID=m90a832340fcafd27cfd770782746c48f>

- 2. Call-in to listen to the meeting, dial 602-666-0783 and Enter Meeting ID 2634 058 3621 # Press # again when prompted for attendee ID.**

Public Comment: If you wish to provide a written comment or speak at the meeting virtually or by phone, please submit a request to pearl.meza@phoenix.gov no later than 10 a.m. on Thursday, August 17, 2023. The email should include your first and last name, email address, the item number(s) and whether you would like your comment read into the record or if you wish to speak. Those who wish to attend in person may submit a request to speak by completing a speaker card at the registration desk at the beginning of the meeting.

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

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

MINUTES OF MEETING

2. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on May 18, 2023

CONSENT ACTION (ITEM 3 - 4)

3. **Environmental Remediation Services**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award a contract to provide environmental remediation services to Geosyntec Consultants.

THIS ITEM IS FOR CONSENT ACTION.

4. **Airport Towing Service and Minor Auto Assistance Contract Award Request**

This report requests the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award a contract for airport towing and minor auto assistance to Priority Towing, LLC.

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEM 5 - 9)

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

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Mr. Seth Scott to the position of Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

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

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Ms. Sandra Ferniza to the position of Vice-Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

7. Airport Financial Consulting Services

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a contract with LeighFisher, Inc. to provide airport financial consulting services.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

8. Terminal 4 South 1 Food and Beverage Concessions Phase II Award Recommendation

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with PHX S1 Restaurant Partners, LLC for the development, operation, and management of food and beverage concessions in the Terminal 4 South 1 Concourse at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

9. Terminal 4 South 1 Retail Concessions Phase II Award Recommendation

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with Paradies Lagardere @ PHX 2022 LLC dba Paradies Lagardere for the development, operation, and management of retail concessions in the Terminal 4 South 1 Concourse at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

CALL TO THE PUBLIC

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

ADJOURNMENT

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

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

The next Phoenix Aviation Advisory Board meeting is scheduled to take place Thursday, September 21, 2023.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
May 18, 2023**

Meeting held via WebEx

Board Members Present

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

Board Members Absent

Stephanie Cherny
Ron Price

Staff Present

Abbe Slade
Andrew Durket
Bradley Hagen
Carolina Potts
Cindy Lizarraga
Cliff Looper
Heather Shelbrack
Jay DeWitt
Jennifer Holland
Jordan Feld
Julie Rodriguez

Laura Hernandez
Mario Brown
Marshall Kain
MaryHelen Martinez
Matthew Becker
Matthew Heil
Mike O'Shaughnessy
Michael Hughes
Moe Yacut
Monica Gonzalez
Ola Lukan

Pawan Khera
Pearl Meza
Richard Graham
Roxann Favors
Sarah Demory
Sonja Costello
Tim Spahr
Tom Sawyer
Sean Larkin
Valerie Churchwell
William Robinson

Members of the Public Present

Kyle Moyer
Lilly Osborne
Mark Carlisle
Michael Salerno

Claude Mattox
Jerry Davis
Jessica NG
Ken Roth

Joel Ericson
Josh Hansma
Karen Ratliff

CALL TO ORDER

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

SUMMARY OF CURRENT EVENTS

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

Mr. Makovsky welcomed the board members and thanked the Deer Valley Airport team for hosting the board.

Mr. Makovsky then discussed operations at the Phoenix airport system, including Sky Harbor's passenger traffic for March. With a record 4.6+ million passengers, March was busiest month ever at Sky Harbor. He then shared that the first quarter of the year was also the busiest quarter of any year.

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

He also noted that Condor is resuming service to Frankfurt, Germany, three times a week, and that Allegiant Airlines has opened a new route to Asheville, North Carolina. Asheville is a new market for Phoenix.

He also shared that Uber awarded Sky Harbor its Experienced Obsessed Award. The Ground Transportation team works hard to provide each ground transportation operator the space needed to successfully operate. This award acknowledges the collaboration between Phoenix and Uber and is a token of appreciation for the work done to enhance the passenger and driver experience.

Mr. Makovsky also discussed the expansion of Waymo. Previously their coverage was only in specific areas of the valley, and they are now expanding service to connect those areas. They are also expanding airport coverage by offering service to the 24th Street Sky Train Station.

He continued by noting that the enterprise agreement between Sky Harbor and the American Association of Airport Executives has resulted in growth in participation by airport employees. The agreement also provides educational opportunities, which help employees to gain a deeper understanding of how airports work.

Mr. Makovsky then provided an update on the City of Tempe special election, which allowed Tempe residents to vote on the Tempe Entertainment District. Preliminary results indicate the three proposed measures did not pass.

Ms. Ferniza asked if the lawsuit currently in the court system would continue, to ensure that the 1994 agreement between the cities would be upheld.

Mr. Makovsky confirmed that the lawsuit would continue to ensure that any development of the land in question would proceed in a manner compatible to airport operations.

Mr. Makovsky concluded with a recognition to Julie Rodriguez regarding her upcoming retirement. He noted that Ms. Rodriguez has served the airport as the Deputy Director of Public Relations. Through her years of service, she has literally become the voice of the airport, helping to navigate many challenging situations.

Chairperson Fisker recognized Mr. Makovsky for being awarded Airport Executive of the Year by the Arizona Airports Association.

2. Summary of Current Events by the Airline Station Manager

Mr. Henao thanked his fellow board members and shared that he is leaving Frontier Airlines and is accepting a position with the airport as a Project Manager of Airline Affairs.

MINUTES OF MEETING

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

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

No public comments.
The motion carried.

INFORMATION ONLY (ITEM 4)

4. Monthly Concessions Update

Chairperson Fisker noted that this informational item in the packet was a Board follow-up request from last meeting and that no presentation was scheduled to be given.

CONSENT ACTION (ITEMS 5-7)

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

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

7. Derek Engineering, Inc. Ground Lease

A motion was made by Ms. Pastor, seconded by Ms. Ferniza that consent items 5 - 7 be approved.

No public comments.
The motion carried.

DISCUSSION AND POSSIBLE ACTION (ITEM 8)

8. Expedited Screening and Enrollment Services Lease

Ms. Corrine Ulmer presented this item. She began with an overview of TSA's Trusted Traveler Program and its benefit to passengers, and described the incumbent, ALLCLEAR (Clear), provides these services at Sky Harbor.

She continued by providing information on Clear, how their services are offered, how they automate the process, and that they are the only TSA authorized provider for these services.

Ms. Ulmer then explained the process that Clear uses to ensure proper passenger screening, and how the process coexists with the standard TSA screening process and TSA PreCheck.

She noted that the current lease for expedited screening enrollment services is set to expire later this year. To ensure there is no lapse in service a Request for Information was issued; Clear was the only respondent. Clear is also the only entity currently authorized by TSA to provide these services

Ms. Ulmer then explained the terms of the new proposed lease.

Ms. Ferniza asked how someone applies for the service.

Ms. Ulmer responded that there are several enrollment options which include at the airport and online.

Mr. Foster asked for clarity on how the screening process occurs.

Ms. Ulmer explained that after a person's ID is verified they would then be escorted to the front of the line for final TSA screening.

Mr. Foster then asked how the lease was determined, and if it was based on the ground space their lane was using.

Ms. Favors responded that there is no lease in the traditional sense. Instead of Clear paying for space used, the airport generates revenue through a percentage of the subscription fee that Clear charges.

Mr. Foster asked if in previous years revenue has exceeded or fallen below the minimum annual guarantee.

Ms. Ulmer replied that the minimum annual guarantee has always been exceeded and that subscriptions continue to grow.

Mr. Cohn asked when revenue is collected.

Ms. Ulmer replied that revenue is collected on a monthly basis.

Chairperson Fisker asked for clarity on which enrollments generate revenue.

Ms. Ulmer explained that the airport receives revenue based on enrollments as the enrollment relates to Sky Harbor.

Chairperson Fisker asked for clarity on how passengers with Clear, general boarding, and PreCheck all pass-through TSA screening.

Ms. Ulmer explained that once a person's identity has been verified through Clear, then that person is allowed to use a dedicated line that takes the individual to a point where the general and PreCheck queues converge. At that point the three lines "zipper" in a single line to be TSA screened.

Mr. Makovsky explained that once Clear has verified a person's identity, they then determine if you the person is eligible for PreCheck. If not, then the individual is taken to general line, if eligibility is determined, then the person is taken to the PreCheck line.

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

No public comments.
The motion carried.

INFORMATION AND DISCUSSION (ITEMS 9 - 12)

9. Deer Valley Land Use Plan

Mr. Jordan Feld presented this item. He began his presentation with an overview of the stakeholder involvement process, and a map from the 2015 Deer Valley Airport Land Use Plan.

Mr. Feld also provided a chart that displayed development trends for the Deer Valley submarket and explained that the local industrial submarket around the airport was experiencing high absorption and low vacancy rates. Additionally, he shared that market studies showed a quadrupling of jet activity at Deer Valley over the next twenty years.

Mr. Feld then shared an updated map of the Deer Valley Airport anticipated land-use plan. Throughout the more than 100 acres of developable land around the airport, staff has identified a combination of corporate hangars, aero-manufacturing, t-hangers, support and repair, and aero-innovation as uses identified to support the airport.

Mr. Feld explained that with help from stakeholders and consultants, marketing material is being created to advertise potential development opportunities being created within the updated land use plan. Additionally, to help speed up the development timeline, Aviation staff is working with the FAA for any needed NEPA studies, and approval for the ALP amendment.

Ms. Ferniza asked who specifically the airport would be working with for the marketing of the available land at Deer Valley Airport.

Mr. Feld replied that the Greater Phoenix Economic Council, the city's Community Economic Development Department and the Arizona Commerce Authority have all been involved with the marketing process.

Public Comment:

Mr. Ken Roth shared his appreciation for the Aviation leadership team with the work done at all three airports. He also stated his support for compatible land development of Deer Valley Airport.

Mr. Roth also described where his land interest lay in relation to the proposed airport development plans and asked that Aviation staff consider adjusting their corporate hanger position plan to be closer in proximity to his corporate facilities.

10. Strategic Plan Update

Mr. Matthew Heil presented this item. He detailed the steps taken to understand the current airport environment and factors impacting the Phoenix airport system.

Mr. Heil then discussed the work staff had done with a consultant to conduct an internal and external stakeholder involvement process, and the feedback and key takeaways from this process.

Mr. Heil shared the Aviation Department's mission statement from its 2012 strategic plan. He pointed out several key elements that the airport has done well and then shared the new vision that has been created for the airport. He then shared the department's updated vision and mission statements:

Vision – Extraordinary airports for a thriving Phoenix.

Mission – We welcome the world to Phoenix through ambitious, sustainable airports that everyone loves.

He concluded by outlining the next steps that leadership plans to take to ensure all Aviation staff know and understand the new direction for the Phoenix airport system.

Mr. Cohn congratulated the team on their work with the plan and asked for the timeframe that this process took.

Mr. Heil replied that the beginning steps took place in October 2022.

Mr. Cohn asked what the budget was to support elements identified in the project.

Mr. Makovsky replied that with minor exceptions, the budget for major elements of this project would fall under the ongoing Capital Budget.

Mr. Cohn asked if there was pushback from any of the outlying communities regarding too much focus on Phoenix.

Mr. Heil replied that other communities were not consulted during the process as the strategic plan is intended to be an internal guide for airport staff.

Chairperson Fisker asked if the consultant's work is complete.

Mr. Heil replied that while his work is officially complete he is still checking in to help the team through conversations about implementation.

Chairperson Fisker asked if the consultant prepared a final report.

Mr. Heil responded that a final report was not prepared, but through a series of strategic plan meetings the vision and mission statements and related templates were crafted.

Mr. Foster asked for clarity on how each division and section would roll out their plans to be consistent with the overarching Aviation plan.

Mr. Heil responded that strategic objectives would be developed and then staff would work on how each division would implement tactics to support those objectives.

No public comments.

11. Phoenix Deer Valley Airport Update

Mr. Faron presented this item. He began with an overview of the history of and statistics about the airport.

He continued by sharing the primary business segments of the airport and how over the past two years there has been a shift away from flight school traffic and an increase in business aircraft operations.

He also provided an overview of the main business partners of the airport.

Mr. Faron then discussed recent private corporate hangar investments from companies like Cutter and Sky Harbour. Both companies are catering to business aircraft and will be able to accommodate large private jets.

Mr. Faron concluded with an update about the new restaurant, Barrio Brewing, at the terminal building. He shared progress details, conceptual finished photos, and an anticipated completion timeline.

Mr. Cohn asked if any preleasing has occurred for any of the newly constructed hangars.

Mr. Faron responded that a company has been engaged to assist with preleasing hangar space. While there is a high level of interest, the selection process is quite stringent.

Mr. Cohn asked if there were any “outside the fence” opportunities that could come in to lease, or if it would all be ground leases.

Mr. Faron replied everything is subject to ground leases.

No public comments.

12. Board Engagement & Development Activities

Mr. Heil presented this item. He began by discussing various City of Phoenix boards and commissions and development activities their members had participated in to learn more about the departments they support, and their role on appointed boards.

He continued by presenting potential topics and activities that the PAAB could engage in to learn more about various airport activities and different organizations and stakeholders that interact with the airport.

He concluded by inviting the individual board members to suggest any ideas for board development activities.

Chairperson Fisker elaborated that she felt it was important that as a group, the board should come together and create the time and space to pick a topic concerning aviation and educate themselves about it. This is with the intention that the board is actively striving to take a deeper dive into the aspects which make Phoenix airports function.

Mr. Foster asked what open meeting laws governed this type of official gathering.

Mr. Makovsky replied that Open Meeting laws would be applicable so there would be a public posting and acknowledgement concerning public participation.

Mr. Cohn commented that he felt this would be a great opportunity to learn about any challenges the department is facing.

Ms. Ferniza commented that through her time volunteering in the airport, she felt it would be good to better understand the issues affecting passengers as they arrive or depart the airport.

No public comments.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

CALL TO THE PUBLIC

Mr. Ken Roth commented that while he likes the new strategic plan, he feels that the use of the word sustainable should be used with caution as it is a term widely used in modern society and has lost a certain meaning it once carried.

Mr. Roth continued to discuss that soliciting and accepting a private lease on the Deer Valley terminal building would diminish the value of the airport for the local community. He asked that if the situation arose that the board cautiously review the proposal and consider whether privatizing the terminal would provide for its highest and best use.

ADJOURNMENT

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

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

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award a contract to provide environmental remediation services to Geosyntec Consultants.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

In 2008, the city entered into an agreement (Agreement 124536) with Honeywell International Inc. The agreement sets forth Honeywell's requirements to conduct remediation of fuel Honeywell released on city property. Geosyntec will provide remediation consulting services, identify issues of concern to the city, advise the city on remediation progress, and make recommendations to the city as remediation nears completion for the Honeywell 34th Street facility.

Procurement Information

The Aviation Department conducted a Request for Proposal for this contract. One vendor submitted a proposal and was deemed responsive.

Contract Term

The contract term is five years with no options to extend.

Financial Impact

The aggregate contract value shall not exceed \$250,000 with an estimated annual expenditure of \$50,000. Funds are available in the Aviation Department's budget. Honeywell will reimburse the city for these costs per Agreement 124536.

Concurrence/Previous Board Action

This item was recommended for approval by the Planning and Development Subcommittee on August 1, 2023 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Staff requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award a contract to provide environmental remediation services to Geosyntec Consultants.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Airport Towing Service and Minor Auto Assistance Contract Award Request

Description

This report requests the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to award a contract for airport towing service and minor auto assistance to Priority Towing, LLC.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

The service provider of this contract will perform all towing services at Phoenix Sky Harbor, Deer Valley and Goodyear Airports and will also provide customer service amenities such as battery boost, flat tire assistance, fuel delivery and lockout service for Phoenix Sky Harbor customers. The current contract expires November 30, 2023.

On May 2, 2023, the Aviation Department issued an Invitation for Bid (IFB) to award a new contract for airport towing service and minor auto assistance.

Procurement Information

The Aviation Department received four responsive bids for this contract. The responsive bids were evaluated, and an award recommendation was made based on the lowest cost bid offered.

The lowest cost responsive and responsible bidder is Priority Towing, LLC.

Contract Term

The contract term is five years, with no option to extend.

Financial Impact

The annual cost for services will be \$378,622. The five-year aggregate cost of this contract is approximately \$2,045,000, which includes a 10% contingency to address operational needs and inflation. This contract will be paid from Aviation Department funds.

Concurrence/Previous Board Action

This item was recommended for approval by the Planning and Development Subcommittee on August 1, 2023 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Staff requests that the Phoenix Aviation Advisory Board recommend to the Phoenix city Council to award a contract for airport towing service and minor auto assistance to Priority Towing.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad Makovsky, C.M. Director of Aviation Services
Subject:	Election of a New Chairperson of the Board for the Phoenix Aviation Advisory Board

Description

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Mr. Seth Scott to the position of Chairperson of the Board (Chairperson).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Phoenix Aviation Advisory Board is required to annually elect one of its members to the position of Chairperson for a term of one year. The term of the current Chairperson held by Ms. Valencia Fisker will expire on August 31, 2023. The next Chairperson would serve a one-year term beginning September 1, 2023 and ending August 31, 2024.

The Nominating Committee is the designated body that nominates and recommends a candidate for Chairperson from the current members. On June 14, 2023, the Nominating Committee recommended the Board elect Mr. Seth Scott to serve as Chairperson from September 1, 2023 until August 31, 2024.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Mr. Seth Scott to the position of Chairperson of the Board.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad Makovsky, C.M. Director of Aviation Services
Subject:	Election of a New Vice-Chairperson of the Board for the Phoenix Aviation Advisory Board

Description

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Ms. Sandra Ferniza to the position of Vice-Chairperson of the Board (Vice-Chairperson).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Phoenix Aviation Advisory Board is required to annually elect one of its members to the position of Vice-Chairperson for a term of one year. The term of the current Vice-Chairperson held by Mr. Seth Scott will expire on August 31, 2023. The next Vice-Chairperson would serve a one-year term beginning September 1, 2023 and ending August 31, 2024.

The Nominating Committee is the designated body that nominates and recommends a candidate for Vice-Chairperson from the current members. On June 14, 2023, the Nominating Committee recommended the Board elect Ms. Sandra Ferniza to serve as Vice-Chairperson from September 1, 2023 until August 31, 2024.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Ms. Sandra Ferniza to the position of Vice-Chairperson of the Board.

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

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a contract with LeighFisher, Inc. to provide airport financial consulting services.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Aviation Department must conduct a variety of complex forecasting and financial tasks to ensure effective operation of the Phoenix airport system. These tasks include bond feasibility analyses, passenger forecasts and financial modeling. The department uses the expertise of consulting firms to develop these models and forecasts, and also to assist with passenger facility charge applications, and support the airline rates and charges program.

The technical expertise provided by consulting firms are crucial to the Aviation Department's ability to issue bonds, provide for the capital improvement program, and pursue its business objectives.

To obtain airport financial consulting services, the department issued a Request for Proposals on March 27, 2023. The solicitation process resulted in four responsive and responsible proposals. The evaluation committee met on June 13, 2023 to conduct a preliminary consensus scoring.

The consensus score and ranking for each respondent is shown below:

Respondents	Points
LeighFisher, Inc.	924.75
Ricondo & Associates, Inc.	849.00
ICF Incorporated, LLC	735.00
Unison Consulting, Inc.	729.50

Contract Term

The term will be five years with no options to extend.

Financial Impact

The total aggregate contract value will not exceed \$6 million for the five-year contract term. Funds for these services are available in the Aviation Department budget.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on August 3, 2023 by a vote of 2-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Staff requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a contract with LeighFisher Inc. for airport financial consulting services.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Terminal 4 South 1 Food and Beverage Concessions Phase II Award Recommendation

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with PHX S1 Restaurant Partners, LLC for the development, operation, and management of food and beverage concessions in the Terminal 4 South 1 (T4S1) Concourse at Phoenix Sky Harbor International Airport, for a contract term of ten years, with no option to extend.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

On March 17, 2021, Phoenix City Council authorized the issuance of a Revenue Contract Solicitation for food and beverage concessions in the new T4S1 concourse. This solicitation opportunity was divided into two contract award phases.

The goals of the solicitation were to optimize sales and revenue over the term of the lease, provide quality food and beverage offerings to passengers, emphasize local culture in the design of the facility, and select respondents with experience operating successful food and beverage concessions in the United States and/or abroad.

An evaluation committee was assembled to evaluate the proposals based on the following criteria:

- Proposed concepts and menu plans for each concession space
- Design and quality of tenant improvements
- Management, marketing, operations, and technology plans
- Experience and qualifications of respondent
- Proposed business plan
- Financial return to the city

Procurement Information

Phase 1 was issued on May 27, 2021. Contracts for two food and beverage operations were awarded to The Grove Inc. and Emerging Domestic Market Ventures LLC on December 2, 2021.

Aviation issued Phase 2 of the solicitation on September 21, 2022, with responses due December 9, 2022. Three responses were received, and all responses were deemed responsive and responsible. The evaluation committee met for the initial consensus meeting on February 14, 2023, and respondent interviews were held on March 20, 2023. The evaluation committee's award recommendation was posted on April 11, 2023.

The consensus score and ranking for each respondent is shown below:

<u>Respondents</u>	<u>Points</u>
PHX S1 Restaurant Partners, LLC.	980
SSP America, Inc.	935
High Flying Foods PHX, LLC.	900

Contract Term

The term will be ten years with no options to extend.

Financial Impact

The estimated annual revenue to the city will be the established Minimum Annual Guarantee (MAG) or percentage of gross sales, whichever is greater. MAG for the first year will be set at \$344,625. The MAG will be adjusted annually thereafter at 85% of the prior year's annual rent owed by the lessee or 100% of MAG for the first lease year, whichever is greater.

Public Outreach

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

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on August 3, 2023 by a vote of 2-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Staff requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a 10-year lease with PHX S1 Restaurant Partners, LLC. for the development, operation, and management of food and beverage concessions in the new T4S1 Concourse at Sky Harbor.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Terminal 4 South 1 Retail Concessions Phase II Award Recommendation

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a lease with Paradies Lagardere @ PHX 2022 LLC dba Paradies Lagardere for the development, operation, and management of retail concessions in the new Terminal 4 South 1 Concourse at Phoenix Sky Harbor International Airport, for a contract term of ten years, with no option to extend.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

On March 17, 2021, Phoenix City Council authorized the issuance of a Revenue Contract Solicitation for retail concessions in the new concourse. This solicitation was divided into two contract award phases.

The goals of the solicitation were to optimize sales and revenue over the term of the lease, provide quality and unique retail merchandise to passengers, emphasize local culture in the design of the facility, and select a respondent with experience operating successful retail concessions in the U.S. and/or abroad.

An evaluation committee was assembled to evaluate the proposals based on the following criteria:

- Proposed concepts and merchandise plans for each concession space
- Design and quality of tenant improvements for each concession space
- Management, marketing, operations, and technology plans
- Experience and qualifications of respondent
- Proposed business plan
- Financial return to the city

Procurement Information

Phase 1 was issued on May 27, 2021. Contracts for two retail operations were awarded to Marshall Retail Group LLC dba Uptown Phoenix and InMotion on December 2, 2021.

Aviation issued Phase 2 of this RCS on September 21, 2022, with responses due on December 9, 2022. Two responses were received and deemed responsive and responsible. The evaluation committee met for the initial consensus meeting on February 21, 2023, and respondent interviews were held on March 9, 2023. The evaluation committee's award recommendation was posted on April 11, 2023.

The consensus score and ranking for each respondent is shown below:

Respondents

Paradies Lagardere @ PHX 2022 LLC dba Paradies Lagardere
HG PHX Concessions JV dba Hudson

Points

925 Points
835 Points

Contract Term

The term will be ten years with no options to extend.

Financial Impact

The estimated annual revenue to the city will be the established Minimum Annual Guarantee (MAG) or percentage of gross sales, whichever is greater. MAG for the first year will be set at \$400,000. The MAG will be adjusted annually thereafter at 85% of the prior year's annual rent owed by the lessee or 100% of MAG for the first lease year, whichever is greater.

Public Outreach

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

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on August 3, 2023 by a vote of 2-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

Recommendation

Staff requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ten-year lease with Paradies Lagardere @ PHX 2022 LLC dba Paradies Lagardere for the development, operation, and management of retail concessions in the new T4S1 Concourse at Sky Harbor.