

**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, March 17, 2022 at 3:00 p.m. via WebEx.**

OPTIONS TO ACCESS THIS MEETING

- **Call-in to listen to the meeting.** Dial 602-666-0783 and Enter Meeting ID 2468 581 3580#. Press # again when prompted for attendee ID.

- **View the meeting as an attendee.** Click on this link at the time of the meeting and join the WebEx to listen and view presentations:

<https://cityofphoenix.webex.com/cityofphoenix/onstage/g.php?MTID=ed29c6d618569ec03e23c2a6f6853608e>

- **Speak during a meeting.** If you wish to provide a written comment or speak at the meeting, please submit a request to pearl.meza@phoenix.gov with as much advance notice as possible to ensure there is sufficient time to distribute the written comments and provide information on how to participate. Requests to speak during the meetings may be taken as late as 10 a.m. on Thursday, March 17, 2022. The email should include your first and last name, email address, the item number(s) and whether you wish to speak.

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

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

The agenda for the meeting is as follows:

CALL TO ORDER

SUMMARY OF CURRENT EVENTS

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

MINUTES OF MEETING

3. **For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on February 17, 2022**

INFORMATION ONLY (ITEM 4)

4. **Vacancy Update (Concessions)**

This report provides the Phoenix Aviation Advisory Board an update on airport concessionaire vacancies, staffing levels, and recruitment efforts.

THIS ITEM IS FOR INFORMATION ONLY.

CONSENT ACTION (ITEM 5-8)

5. **Executive Hangar Lease Amendments with Jackson Jet Center, LLC at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Leases 146544 and 146543 with Jackson Jet Center, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

6. **Executive Hangar Lease Amendments with Empire Airlines, Inc. at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Lease 147168 with Empire Airlines, Inc. located at Phoenix Sky Harbor International Airport (PHX) to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

7. **Executive Hangar Lease Amendments with DP64, LLC at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Lease 138896 with DP64, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

8. Executive Hangar Lease Amendments with Papa Sierra, LLC at Phoenix Sky Harbor International Airport

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Leases 139057 and 151621 with Papa Sierra, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

INFORMATION AND DISCUSSION (ITEMS 9-12)

9. City Manager's Introduction and Update on City Priorities

This report provides the Phoenix Aviation Advisory Board an introduction to the City Manager and an update on city priorities.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

10. Quarterly Revenue, Enplanements, and Business Activity Update

This report provides an update of the Aviation Department's recent revenue, enplanements, and business activity to Phoenix Aviation Advisory Board.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

11. Request for Information 22-011 NW General Aviation Parcel

This report is to inform the Phoenix Aviation Advisory Board that the Business and Properties Division in conjunction with the Contracts and Services Division issued a Request for Information to develop 40 acres within the northwest corner of Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

12. Electric Vehicle Charging Station Plan Update

This report provides the Planning and Development Subcommittee an update on the development of policy and roadmap for siting electric vehicle charging stations at Sky Harbor.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

CALL TO THE PUBLIC

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

ADJOURNMENT

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

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

The next Phoenix Aviation Advisory Board meeting is scheduled to take place Thursday, April 21, 2022.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
February 17, 2022
*Meeting held via WebEx***

Board Members Present

Stephanie Cherny – Chairperson
Verma Pastor – Vice-Chairperson
Ruben Alonzo
Andrew Cohn
Sandra Ferniza
Valencia Fisker
Brian Foster
Ron Price
Seth Scott

Camilo Henao – Ex-Officio

Board Members Absent

Staff Present

Chad Makovsky
Sarah Demory
Jay DeWitt
Carolina Potts
Pearl Meza
Karina Fitzgerald
Moe Yacut
Brandy Ryan
Ira McCullough
Sarah Moratto

Thomas Sawyer
Robert Hawes
Courtney Carter
Lawrence Hein
Mike O’Shaughnessy
Shawna Larson
Valerie Churchwell
Annie Sleeper
Gabriel Nevarez
Jordan Feld

Cadle Collins
Rebecca McCarthy
William Robinson
Daver Malik
Heather Shelbrack
Jason Gitkin
Nicole Donathan
Clif Looper
Alice Bimrose

Members of the Public Present

Mark Carlisle
Eric Vences
Joel Ericson
Karen Ratliff
Jim Lauer

Lilly Osborne
Brandon Moon
Raju Shah
Jeremiah Hoeflich
Sandra Kukla

Heather Szerlag
Brian Howard
Celeste Karlsrud
Andres Molina
Michael Voorheis

CALL TO ORDER

Chairperson Cherny 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. Chad Makovsky, Director of Aviation Services, updated the board on current events at the airport. Mr. Makovsky reviewed December passenger levels, which surpassed 2020 but fell short of 2019. He then provided a summary overview of passenger levels from 2019, 2020, and 2021, as well as cargo transported, and take-offs and landings. He noted that the data he was sharing was preliminary and will be finalized later this year.

Mr. Makovsky highlighted the merger announcement of Frontier & Spirit airlines and stated that the airlines hope to have approval by the end of the year. This merger would make the combined airline the fifth largest airline at PHX. Other updates for air service included a new daily flight to Las Vegas from Spirit and twice weekly service to Rochester, NY from Sun Country.

Mr. Makovsky shared photos from the grand opening of the United Aviate Academy on January 27, 2022, attended by United Airlines CEO Scott Kirby and other local leaders. He noted that United already has over 10,000 applicants awaiting to join the program.

Aviation held its third job fair at the 44th Street Sky Train station on February 15, drawing over 150 candidates. Aviation will continue to hold these events on a monthly basis and promote on social media.

Mr. Makovsky gave a reminder for the Virtual Aviation Business Summit scheduled for February 22, 2022.

Mr. Makovsky followed up on the board's request for an update on the T4S1 Concessions items, which he stated were unanimously passed at TIP.

For Black History Month, the Airport Museum is highlighting notable black aviators in Terminal 4 at new displays.

Lastly, Mr. Makovsky shared that earlier that day Phoenix Mayor Gallego attended an event with Public Relations to promote Phoenix's Dementia-Friendly initiatives.

Mr. Foster joined the meeting at 3:08 p.m.

2. Summary of Current Events by the Airline Station Manager

Mr. Camilo Henao, Airline Station Manager, provided a brief update on current airline industry events, adding that the proposed merger by Spirit and Frontier would make it the fifth largest airline in the U.S.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on January 20, 2022

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

CONSENT ACTION (ITEM 4)

4. Eclat Countertops, LLC Ground Lease Amendment

This item was not pulled for discussion or comment.

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

DISCUSSION AND POSSIBLE ACTION (ITEMS 5-7)

5. Volunteer and Guest Services Management Contract Award Recommendation

Ms. Julie Rodriguez, Deputy Aviation Director of Public Relations, and Mr. Michael Hughes, Deputy Aviation Director of Contracts & Services, presented. Ms. Rodriguez introduced Misty Cisneros-Contreras, Customer Service Manager,

to help present the item. Ms. Rodriguez gave an overview of the Customer Service team, comprised of City of Phoenix staff, contract staff, and volunteers. She then turned the presentation over to Ms. Cisneros-Contreras.

Ms. Cisneros-Contreras gave background on volunteer and guest services within the airport, spanning from information counters, to the Compassion Corner, to the Navigator volunteers. She then reviewed the terms of the contract before turning the presentation over to Mr. Hughes to discuss the procurement details of this contract.

Mr. Hughes shared key objectives of the solicitation, including day-to-day operation and management of the volunteer program and Guest Services as well as experience providing customer service. Evaluation criteria used by the evaluation panel included method of approach, qualifications, and fee schedule. Mr. Hughes noted that compensation and benefits were an important consideration in the evaluation process.

Mr. Hughes continued by stating that of the five proposals received, VIP Hospitality, LLC was recommended for award by the evaluation panel. This contract also includes a stipulation for a 90-day retention of staff from the existing contractor. The contract will have a 5-year aggregate term and is not to exceed \$9.5 million.

Mr. Cohn commented that he is glad to see multiple responses to the solicitation and voiced his appreciation to staff for a successful solicitation.

Mr. Foster asked for detail on the 90-day retention of staff from the previous vendor. Mr. Hughes stated this is a common stipulation in Aviation's procurements, as it aids not only the transition process but gives staff the opportunity to be hired by the new contractor.

Mr. Pastor commented that the 90-day transition provides employees a possible opportunity to stay with the new contractor. Mr. Hughes added that the contractor must provide opportunities to the existing staff before seeking new staffing. Mr. Cohn added that this is a typical stipulation within an airport environment and that continuity is important.

Mr. Makovsky clarified a typographical error in the board report and stated that the contract term is for 3 years with 2 1-year options.

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

No Public Comments.

6. Deer Valley Airport Restaurant Revenue Contract Solicitation Award Recommendation

Mr. Richard Graham, Aviation Superintendent, and Michael Hughes, Deputy Director of Contracts and Services, presented. Mr. Graham gave background on a previous solicitation attempt which garnered no respondents. He stated that staff then surveyed companies to determine why they did not submit for solicitation and incorporated feedback into the new solicitation. Mr. Graham then turned the presentation over to Mr. Hughes.

Mr. Hughes stated that extensive outreach measures were taken to support the new solicitation, including public outreach and advertising with local media publications as well as industry publications. This procurement received one response; the evaluation panel identified the response to be a responsive proposal. Kind Hospitality, Inc. (dba Barrio Brewing Company) was recommended for award.

The aggregate lease term is for 10 years with a minimum annual guarantee (MAG) of \$92,000 or percentage rent, whichever is greater.

Mr. Cohn asked when the time for tenant improvements is scheduled and when the MAG will begin. Mr. Graham stated that he did not have the exact date for when the restaurant will be open, but that a schedule was included in the proposal. Mr. Cohn commented that he felt the date should be chosen by an outside party. Mr. Graham clarified that staff are using the schedule submitted in the proposal and incorporating it into the actual agreement.

Chairperson Cherny turned the item over to public comment.

Mr. Nava Singam stated that Kind Hospitality, LLC is excited to bring the restaurant to the neighborhood and Deer Valley Airport. Mr. Singam elaborated that the timing proposed includes 1 year to open from the award date, and their target to open will be by the end of the year.

Mr. Rick Anderson, of Barrio Brewing Co., reiterated his excitement for the opportunity. He thanked the City of Phoenix and Kind Hospitality, LLC, for this partnership.

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

7. CAMP Implementation Planning

Mr. Jordan Feld, Deputy Aviation Director of Planning & Environmental, presented. He stated that staff are nearing completion of the CAMP update. Mr. Feld gave background on the CAMP process and events which have impacted the original trajectory of the master plan, including FAA changes and stakeholder expectations.

Mr. Feld reviewed the three major themes of CAMP, which include cargo expansion, Air National Guard expansion, and redevelopment of the terminal core area, all of which hinged on the trenching of the Union Pacific Railroad north of the airport. Mr. Feld stated that due to unforeseen delays in the negotiation process, staff have identified other near-term projects that can be focused on in an adjustment to the master plan.

Mr. Feld outlined and discussed the major projects identified by stakeholders to become near-term projects: A new Terminal 3 concourse with connection to Terminal 4, Taxiway U, potential runway extension, repurposing of buildings previously associated with Terminal 2, Sky Harbor Boulevard improvements, and a potential in-terminal hotel at Terminal 4. He added that next steps will include environmental assessment for some of these projects as well as a possible environmental impact study, which may extend the anticipated timeline for these near-term projects. Off-airport impacts are not yet known, however, Mr. Feld stated that staff do not anticipate impacts to be significant. He also stated that these projects may be eligible for federal grant funding.

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

No Public Comment Cards.

INFORMATION AND DISCUSSION (ITEM 8)

8. Peer-to-Peer Car Sharing Business Model Update

Craig Doyle, Aviation Superintendent, presented. Mr. Doyle gave background on the peer-to-peer industry, and highlighted that per Arizona State law, peer-to-peer car sharing platforms are not considered car rental companies. Mr. Doyle stated that staff have performed research and consulted with other comparable airports that are creating agreements with peer-to-peer car sharing companies.

Mr. Doyle reviewed the car sharing model identified in other airport agreements before outlining the terms and conditions of the pilot program.

The pilot program will last for six months and will consist of designated pick-up and drop-off locations both on-airport and off-airport. He added that the locations have been selected to alleviate curb congestion at the terminals, and that Aviation will receive monthly reporting and data on car sharing activity. Mr. Doyle also highlighted benefits and possible challenges of utilizing peer-to-peer car sharing. The two models, on-airport and off-airport were compared based upon their benefits.

Ms. Pastor asked for an example of who uses this service. Mr. Doyle compared the car sharing business to other host platforms like Airbnb and added that this industry has grown significantly in recent time, possibly be due to more competitive pricing or availability than doing business with a rental car agency.

Ms. Cherny asked for details on enforcement. Mr. Doyle answered that staff and ACE Parking will be monitoring and issuing citations for violations of the pilot program agreement, with assistance from the peer-to-peer car sharing companies with reporting on license plate information and reservations.

Ms. Cherny asked when the board can anticipate a follow-up. Mr. Doyle stated that staff will need several months to collect data, but it will be within the next six months.

Mr. Alonzo asked if the key exchange monitored by the company or if that process is yet to be determined. Mr. Doyle answered the owner of the vehicle will stay with the vehicle in order to complete the key exchange.

Ms. Pastor asked for information on how to find these companies. Mr. Doyle provided names of some of the largest companies.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

Ms. Fisker requested information on the open vacancies at the airport in relation to the job fairs.

CALL TO THE PUBLIC

None.

ADJOURNMENT

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

The motion carried by the following vote:

Yes: 9 – Mr. Alonzo, Mr. Cohn, Ms. Ferniza, Ms. Fisker, Mr. Foster, Mr. Price, Mr. Scott, Vice-Chairperson Pastor, Chairperson Cherny

No: 0

No Public Comment.

Meeting end at **4:13 p.m.**

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

Description

This report provides the Phoenix Aviation Advisory an update on airport concessionaire vacancies, staffing levels, and recruitment efforts.

THIS ITEM IS FOR INFORMATION ONLY.

Report Summary

On February 1, 2022, Business & Properties staff contacted Terminal 3 and Terminal 4 concessionaires to inquire about their current vacancies, staffing levels, and their efforts to recruit employees. Concessionaires responded, with most reporting staffing levels at or near (within 20 percent) 2019 staffing levels. Four concessionaires reported being at 100 percent staffing levels.

Concessionaires not fully staffed are attending the Airport's monthly job fairs and holding individual job fairs, some as often as twice weekly. Other efforts include utilizing job advertising websites, corporate recruiters, and developing partnerships with local agencies such as the Arizona Black Chamber of Commerce, Catholic Charities, and Salvation Army to attract employees. Several concessionaires are offering sign-on, retention, and attendance bonuses in addition to full benefits packages. Finally, three concessionaires have raised wages in their entry level and hard to fill positions (such as line cook). One concessionaire has raised wages in all job classifications.

Overall, the information received from the concessionaires was very positive and those concessionaires at less than 100 percent staffing projecting being fully staffed by April 2022.

Financial Impact

There is no financial impact to the City.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Executive Hangar Lease Amendments with Jackson Jet Center, LLC at Phoenix Sky Harbor International Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Leases 146544 and 146543 with Jackson Jet Center, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Swift Aviation Services, LLC (Swift) entered into Executive Hangar Leases 146544 and 146543 for Executive Hangars 24 and 29, respectively. On January 26, 2022, Jackson Jet Center (Jackson) purchased Swift Aviation Services at PHX. On January 11, 2022, Swift and Jackson executed a Consent to Assignment for both hangars. Both leases terminate on December 31, 2022. Jackson is requesting to lease both hangars for five years with three one-year options, to be exercised at the sole discretion of the Director of Aviation Services. The hangars are used for the storage and allowed maintenance of Jackson's approved aircraft and for no other use or purpose without the consent of the Director of Aviation Services.

Contract Term

The amended lease term is five years, with three one-year options to extend, to be exercised at the sole discretion of the Director of Aviation Services.

Financial Impact

Current rent for each lease is approximately \$33,969 per year (\$2,830 monthly), and \$67,938 combined (\$5,661 monthly). Combined total rent over the term of the leases will be approximately \$543,504, if all options are executed. Rent will continue to be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index or three percent, whichever is greater.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on March 3, 2022 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport – 3701 & 3711 E. Air Lane, Phoenix, Arizona

Recommendation

Request PAAB recommend that City Council to amend Executive Hangar Leases 146544 and 146543 with Jackson Jet Center, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Executive Hangar Lease Amendment with Empire Airlines, Inc. at Phoenix Sky Harbor International Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Lease 147168 with Empire Airlines, Inc. located at Phoenix Sky Harbor International Airport (PHX) to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Empire Airlines, Inc. (Empire) entered into Executive Hangar Lease 147168 on July 1, 2014 for PHX Executive Hangar 25. The lease terminates on December 31, 2022. Empire is requesting to extend the term of the lease for five years with three one-year options, to be exercised at the sole discretion of the Director of Aviation Services. The hangar is used for the storage and allowed maintenance of Empire's approved aircraft and for no other use or purpose without the consent of the Director of Aviation Services.

Contract Term

The amended lease term is five years, with three one-year options to extend, to be exercised at the sole discretion of the Director of Aviation Services.

Financial Impact

Current rent is approximately \$37,830 per year (\$3,152 monthly). Total rent over the extended term of the lease will be approximately \$302,640. Rent will continue to be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index or three percent, whichever is greater.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on March 3, 2022 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport - 3703 E. Air Lane, Phoenix, Arizona

Recommendation

Request PAAB recommend that City Council to amend Executive Hangar Lease 147168 with Empire Airlines, Inc. located at Phoenix Sky Harbor International Airport to extend the Term for five years with three one-year options.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Executive Hangar Lease Amendment with DP64, LLC at Phoenix Sky Harbor International Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Lease 138896 with DP64, LLC located at Phoenix Sky Harbor International Airport (PHX) to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

DP64, LLC entered into Executive Hangar Lease 138896 on July 1, 2014 for PHX Executive Hangar 26. The lease terminates on December 31, 2022. DP64, LLC is requesting to extend the term of the lease for five years with three one-year options, to be exercised at the sole discretion of the Director of Aviation Services. The hangar is used for the storage and allowed maintenance of DP64, LLC's approved aircraft and for no other use or purpose without the consent of the Director of Aviation Services.

Contract Term

The amended lease term is five years, with three one-year options to extend, to be exercised at the sole discretion of the Director of Aviation Services.

Financial Impact

Current Rent is approximately \$38,005 per year (\$3,167 monthly). Total rent over the extended term of the lease will be approximately \$304,040. Rent will continue to be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index or three percent, whichever is greater.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on March 3, 2022 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport - 3705 E. Air Lane, Phoenix, Arizona

Recommendation

Request PAAB recommend that City Council to amend Executive Hangar Lease 138896 with DP64, LLC located at Phoenix Sky Harbor International Airport to extend the term for five years with three one-year options.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Executive Hangar Lease Amendments with Papa Sierra, LLC at Phoenix Sky Harbor International Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to City Council to amend Executive Hangar Leases 139057 and 151621 with Papa Sierra, LLC located at Phoenix Sky Harbor International Airport (PHX) to extend the term for five years with three one-year options.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Papa Sierra, LLC (Papa Sierra) entered into Executive Hangar Lease 139057 on July 1, 2014 for PHX Executive Hangar 28. Additionally, Papa Sierra entered into Executive Hangar Lease 151621 on February 1, 2020 for PHX Executive Hangar 27. Both leases terminate on December 31, 2022. Papa Sierra is requesting to extend the term for both leases for five years with three one-year options, to be exercised at the sole discretion of the Director of Aviation Services. The hangars are used for the storage and allowed maintenance of Papa Sierra’s approved aircraft and for no other use or purpose without the consent of the Director of Aviation Services.

Contract Term

The amended lease term is five years, with three one-year options to extend, to be exercised at the sole discretion of the Director of Aviation Services.

Financial Impact

Current rent for lease 139057 is approximately \$37,830 per year (\$3,152 monthly). Current rent for lease 151621 is approximately \$37,763 per year (\$3,147 monthly). Total rent over the extended term for both leases will be approximately \$604,744. Rent will continue to be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index or three percent, whichever is greater.

Concurrence/Previous Board Action

This item was recommended for approval by the Business and Development Subcommittee on March 3, 2022 by a vote of 3-0.

Location

Phoenix Sky Harbor International Airport – 3707 & 3709 E. Air Lane, Phoenix, Arizona

Recommendation

Request PAAB recommend that City Council to amend Executive Hangar Leases 139057 and 151621 with Papa Sierra, LLC located at Phoenix Sky Harbor International Airport to extend the Term for five years with three one-year options.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	City Manager's Introduction and Update on City Priorities

Description

This report provides the Phoenix Aviation Advisory Board an introduction to the City Manager and an update on City priorities.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Phoenix City Manager, Jeff Barton, was appointed to his role by City Council in September 2021. Mr. Barton has had a long career with the city, joining the Audit Department in 1999 as a management intern. Prior to his appointment as City Manager he served as Budget & Research Director, Deputy City Manager, and Assistant City Manager.

Mr. Barton will be providing an overview of City Priorities and how Aviation will help to support them over the coming year.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Quarterly Revenue, Enplanements, and Business Activity Update

Description

This report provides an update of the Aviation Department’s recent revenue, enplanements, and business activity to the Phoenix Aviation Advisory Board.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

The City of Phoenix has owned and operated the city’s airport system as a self-supporting enterprise since 1967. Through the Aviation Department, the city manages several lines of airport business, associated revenues, expenses, and maintains credit to support financing the capital investments of a large-hub commercial airport.

Impacts of the COVID-19 pandemic on Sky Harbor Airport and the larger aviation industry have been significant. The reduction of airport passengers in 2020 and 2021 presented a significant challenge to the enterprise model as the airport must continue to maintain net revenues sufficient to support its operations, make debt service payments, and preserve cash reserves.

Although passenger traffic has returned close to 2019 levels over the past year, irregular spikes in COVID-19 cases, combined with labor shortages throughout the airport, have presented new challenges and a need to continue to plan strategically for what has been a protracted recovery.

At the Board’s meeting on March 17th, staff will present an overview of Sky Harbor’s recent enplanement results, business activity, and an update on the Aviation Department’s financial position.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Request for Information 22-011 NW General Aviation Parcel

Description

This report is to inform the Phoenix Aviation Advisory Board that the Business and Properties Division in conjunction with the Contracts and Services Division issued a Request for Information to develop 40 acres within the northwest corner of Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

A Request for Information (RFI) was issued to gather information from potential proposers interested in developing approximately 40 acres of land located at the northwest corner of Phoenix Sky Harbor International Airport. This parcel is identified in the Comprehensive Asset Management Plan for general aviation development. Potential developers include cargo operators, fixed base operators, land developers, and any other entity capable of presenting a compatible use for the area.

Information gathered from the RFI respondents will be used by the Aviation Department to define a clear concept of the type of development that would ensure the best use of the parcel. Subsequent development of the area may or may not include current tenants within the area, depending on the Aviation Department's determination of the best use of the parcel for PHX.

The RFI was issued on Thursday, Oct. 7, 2021. Proposals were due Friday, Dec. 17, 2021. A virtual pre-response meeting was held Monday, Oct. 18, 2021 that was attended by 37 people, and a site walk of the 40-acres was held Friday, Oct. 25, 2021 where 13 people attended.

Contract Term

There is no contract associated with this RFI and no contract will be issued as a result of the RFI. This RFI process was conducted to gather information only.

Financial Impact

There is no financial impact related to this RFI. No financial commitment from PHX or from proposers is required.

Location

Phoenix Sky Harbor International Airport – 3400 E. Sky Harbor Blvd, Phoenix, Arizona

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

Description

This report provides the Phoenix Aviation Advisory Board an update on the development of policy and roadmap for siting electric vehicle charging stations at Sky Harbor.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

This past summer staff initiated a planning process to determine future demand and facility needs for providing electric vehicle charging stations at Sky Harbor. While Sky Harbor has existing charging station plans, staff does not anticipate this is sufficient to meet future demand or foster progress towards the city and Aviation Department goals for carbon reduction and environmental sustainability. This report will review planning effort findings to date.

Public Outreach

A multiple-department team was formed to oversee the planning process that was facilitated by subject matter expert consultant HNTB.

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road