

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 20, 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/r4ebd05e7562fd4b400ab134693f73d20>

Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2331 553 9072 #. 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 20, 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, 7, 8, 9, & 10.

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

The agenda for the meeting is as follows:

CALL TO ORDER

SUMMARY OF CURRENT EVENTS

1. Summary of Current Events by the 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 May 21, 2026

CONSENT ACTION (ITEMS 4 - 5)

4. **New Land Lease with the Federal Aviation Administration for the Air Traffic Control Tower Site at Phoenix Deer Valley Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new land lease with the Federal Aviation Administration for the three-acre Air Traffic Control Tower site at Phoenix Deer Valley Airport.

THIS ITEM IS FOR CONSENT ACTION.

5. **Modify Lease Term for Airport Advertising Services Revenue Contract Solicitation**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council that the original lease term for the Airport Advertising Services Revenue Contract Solicitation be modified from a seven-year initial term with one three-year option to a 12-year initial term with one three-year option. All other business terms and conditions outlined in the original Request to Issue remain unchanged.

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEMS 6 - 7)

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

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Ms. Annette Musa to the position of Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

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

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Mr. David Shilliday to the position of Vice-Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

INFORMATION AND DISCUSSION (ITEMS 8 - 10)

8. FAA Airspace Modernization Project Update

This report provides the Phoenix Aviation Advisory Board with an update on the FAA's Phoenix-Area Airspace Modernization Project.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

9. DVT Master Plan Update

This report provides the Phoenix Aviation Advisory Board with an overview of the upcoming Phoenix Deer Valley Airport Master Plan update.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

10. Terminal Concessions Program Update

This report provides the Phoenix Aviation Advisory Board with an update on Terminal Concession Program activity 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 further documentation on this meeting, please visit skyharbor.com.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
May 21, 2026**

Meeting held in person and via WebEx

Board Members Present

Ron Price – Chairperson
Annette Musa – Vice-Chairperson
Cynthia Aragon
Stephanie Cherny
Sandra Ferniza
Sharon Hwang
Verma Pastor
Chad Makovsky – Ex-Officio

Board Members Absent

Dan Brownlee – Ex-Officio
David Shilliday
Ruben Alonzo

Staff Present

Andrew Durket	Kimberly Brown
Bradley Hagen	Matthew Becker
Chris Baranowski	Mike O'Shaughnessy
Candace Huff	Moe Yacut
Daver Malik	Pearl Y Meza
Ezra J Pinckney	Robert Hawes
Grant Harrison	Roxann Favors
Jonathan Brodsky	Sarah Demory
Justeen Cook	Thomas Sawyer
Jordan Feld	William Robinson

Members of the Public Present

Aimee Milligan	Michael Salerno
Joel Ericson	Michael Workman
Karen Ratliff	Scott Sikel
Lea Cheshareck	

CALL TO ORDER

Chairperson Price called the meeting to order at **3:06 p.m.**

SUMMARY OF CURRENT EVENTS

1. Summary of Current Events from the Aviation Director

Aviation Director Chad Makovsky welcomed the board to Deer Valley Airport and thanked Airport Manager Kim Brown and Kind Hospitality for hosting the final board meeting before summer recess.

He reported that March was Sky Harbor's busiest month on record, with 5.1 million passengers representing a 1.3% year-over-year increase. Year-to-date passenger traffic reached 13.3 million, up 2.3%. Despite strong overall numbers, international travel continues to decline, down by 16.7% year-over-year and 8.9% year-to-date. This is driven largely by decreasing Canadian and Mexican traffic. Despite these declines, STARLUX and China Airlines are experiencing strong numbers.

Deer Valley Airport operations are down roughly 9% year-over-year, recording 39,000 takeoffs and landings.

Director Makovsky provided an overview of market volatility, including the impacts of elevated fuel prices. Airlines are responding with strategies such as raising fares and fees, adjusting fare classes, deferring aircraft deliveries, and implementing internal cost-saving measures. Early conversations with major carriers indicate they remain optimistic about the Phoenix market. Forecasts for Phoenix show available seat miles remaining consistent with national averages. Overall trip costs for customers are trending to rise by approximately 20%, potentially slowing discretionary summer travel. Passenger growth projections for the season range from -1% to -3%.

Ms. Hwang stated that the negative growth rate still sounds better than what some other airports may be anticipating.

Director Makovsky agreed, stating that given the volatility and what the airlines need to do to accommodate this challenge, he is feeling positive about the strength of the PHX market.

Ms. Hwang then asked if there are any ways that airports hedge that kind of risk.

Mr. Makovsky responded that airports maintain liquidity including cash on hand to cover multiple months of operating expenses and debt service payments to weather this type of volatility, citing the pandemic as an example, and explained how PHX leadership strategically slowed down capital projects at that time to conserve capital to survive any unexpected situations. Leadership also worked with business partners and concessionaires to provide relief until they could recover and run independently. He stated that leadership does not currently see a need to implement these types of measures, but will monitor the situation.

Mr. Price recalled that airlines used to stockpile fuel and asked whether this practice is still used.

Mr. Makovsky explained that the practice is called hedging, and that airlines use it far less today due to greater financial risk while not always producing the intended savings.

Mr. Makovsky then discussed air service updates, which included significant Phoenix growth by Porter Airlines, through added routes and increasing service frequencies later in 2026.

He also noted that Avelo Airlines will begin new seasonal service to Santa Rosa/Sonoma County, California in November.

Ms. Hwang asked whether Porter Airlines shares its market data.

Mr. Makovsky explained that the airport receives very limited market data from airlines, largely due to the highly competitive nature of the industry. However, Porter appears to be anticipating a strong Canadian winter market rebound.

He also reported increased aircraft storage at Goodyear Airport, primarily involving repossessed aircraft formerly operated by Spirit Airlines.

Ms. Ferniza asked if any revenue is being made from this storage.

Mr. Makovsky replied that these aircraft are managed by Goodyear tenant AerSale, which provides stable lease revenue and handles all business relationships with these aircraft owners. Aircraft may undergo repainting and retrofitting at AerSale's maintenance facility before future reassignment.

Ms. Ferniza, then asked how this impacts the space at Goodyear airport.

Mr. Makovsky explained that the storage activity does not currently impact the operational capacity due to its placement on land reserved for a potential future runway.

Mr. Makovsky then shared that the department recently received an \$18.7 million FAA Airport Terminals Program grant to support permanent reconstruction of the Terminal 4 rooftops that were damaged during last summer's storm.

Director Makovsky then recognized several recent employee and volunteer appreciation events and discussed a recent Mozio report that ranked Phoenix Sky Harbor as the second least stressful airport among the 20 busiest U.S. airports, citing high on-time performance, moderate parking costs, and excellent proximity to downtown.

Additionally, the airport hosted Earth Day celebrations, a SOAR with STEAM youth education event with Southwest Airlines, and two major safety events—the Aviation Safety Fair and the Design & Construction Services Safety Week program.

Mr. Makovsky then reviewed recent City Council actions.

No public comments.

2. Summary of Current Events by the Airline Station Manager

None given.

APPROVAL OF MINUTES

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on April 16, 2026

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

No public comments.

The motion carried.

INFORMATION ONLY (ITEM 4)

4. Response to Public Comment

No public comments.

INFORMATION AND DISCUSSION (ITEMS 5-8)

5. Phoenix Deer Valley Airport Update

Ms. Kimberly Brown, Airport Manager for Phoenix Deer Valley Airport, provided an overview of airport operations and current initiatives. She shared background information about the airport, noting that it currently has more than 1,100 based aircraft.

Ms. Brown reported that 2025 was a record-breaking year for Deer Valley Airport, with more than 490,000 takeoffs and landings. This achievement made Deer Valley the busiest general aviation airport in the nation, for the second time in a row. Deer Valley also ranked 10th out of 264 towered airports nationwide.

Ms. Ferniza asked what was driving the increase in operations.

Ms. Brown responded that Cutter Aviation observed a 10% increase in corporate traffic, possibly connected to regional growth such as TSMC. Additionally, AeroGuard Flight Training Center secured new pilot training contracts, bringing more cadets and additional flight activity.

Ms. Brown then highlighted the Deer Valley Airport team and operations, and discussed the airport's diverse tenant base.

Ms. Brown then noted that Deer Valley has 1,100 hangars and tiedowns, all of them being at 100% capacity with waiting lists for every category. She also discussed the kinds of aircraft that operate at the airport.

Ms. Brown then reviewed land use and development updates. She explained that although the airport's previous master plan was completed in 2015, leadership conducted a detailed land development study in 2023 due to significant changes in the industry and increasing pressure on airport facilities. Factors like growth in corporate aviation, aircraft storage demand, and emerging technologies are prompting a deeper analysis of available land.

She presented a map identifying key development areas such as 77 acres on the west side, 75 acres on the northeast corner. Additionally, a 14-acre site near the terminal was identified as a potential innovation park, suitable for advanced air mobility because it requires vertical access rather than direct runway access.

Ms. Hwang asked about inter-airport dynamics and how Phoenix-owned airports coordinate to avoid competing against each other.

Deputy Director Ms. Favors explained that land-use decisions are driven by physical characteristics and strengths of each airport. She clarified that the innovation park concept emerged because it does not require runway access, making it suitable for advanced air mobility. She also noted that the airport's proximity to TSMC, Honeywell, and the developing I-17 technology corridor makes it an ideal location for expanding corporate aviation services.

Ms. Hwang then asked how consultant costs for land studies are allocated among the three airports.

Deputy Aviation Director Andrew Durket noted that Sky Harbor supports projects at Deer Valley, depending on the scope and purpose of the work.

Ms. Brown shared that City Council recently approved a contract with HNTB to begin work on a Deer Valley Airport Master Plan update. This update involves existing land development efforts, future forecasts, and facility needs to guide long-term growth.

Ms. Hwang inquired whether Deer Valley maintains its own human resources, information technology, and finance teams.

Ms. Brown explained that these functions are provided by the City of Phoenix, not managed independently.

Ms. Brown then presented the terminal modernization project, sharing that the current terminal was built in 1972. Conceptual renderings from a 2023 study envision an updated building with improved sightlines, expanded restaurant and patio space, and new community event space on the upper level. Furthermore, City Council approved DWL Architects for design services and JE Dunn as the construction manager.

Finally, Ms. Brown provided a financial overview for the current fiscal year, 2025/26. She noted that although Deer Valley ended 2024/25 FY allocating approximately \$1.19 million to debt service, current revenues are higher than projected, influenced in part by tenant Sky Harbour's new operations.

She noted that they have experienced approximately a 9.3% decline in air traffic, attributing the decrease in part to activity at Falcon Field, where new flight school operations appear to be drawing traffic away from Deer Valley.

Ms. Brown emphasized that the airport remains focused on achieving long-term self-sufficiency through land development and facility improvements. She explained that with accelerating growth in the North Valley, Deer Valley Airport remains an important regional asset for future expansion.

No public comments.

6. Federal Aviation Administration Phoenix Area Airspace Project Update

Mr. Feld provided an update on the FAA's Phoenix Area Airspace Project and noted that the FAA recently released the Draft Environmental Assessment (EA), including the proposed airspace procedures.

Mr. Feld discussed that the most notable finding in the EA is a significant increase in noise exposure across North Phoenix which stems from new RNAV routing at general aviation airports, like Scottsdale and Deer Valley, rather than from Sky Harbor procedures. RNAV procedures concentrate flight paths and reduce altitude variability.

Mr. Feld displayed a chart illustrating the DNL (Day-Night Average Sound Level) population impacts, and for the category, Total Above DNL 45 dB, the chart showed an increase of 86,384 residents who experienced noise above the threshold of the FAA's proposed procedures. This figure is significant relative to published data from other regions and appears to be among the highest

increases documented by the FAA across all of its airspace modernization projects.

Mr. Feld stated that two long-standing protections appear to remain unchanged in the FAA proposal: the 43rd Avenue Gate for west-flow operations and the 4-DME corridor for east-flow departures. He also explained that turboprop departures from Sky Harbor will shift slightly under the new RNAV procedures, which may be a cause for concern for some residents.

He then reviewed several Scottsdale and Deer Valley procedures that align closely with the areas experiencing the highest noise increases and explained that Scottsdale's departure corridor will be more concentrated under RNAV. New RNAV arrivals and departures at Deer Valley will also focus traffic along narrower paths.

Mr. Feld explained the FAA's rationale for the redesign is that both Scottsdale and Deer Valley have large volumes of mixed VFR and IFR traffic and that RNAV concentration reduces controller workload and enhances overall safety. To illustrate the crowded airspace, Mr. Feld displayed a graphic overlaying Deer Valley and Scottsdale traffic.

He also noted that this region must accommodate not only general aviation traffic but also Sky Harbor's arrival streams, limiting where the FAA can shift traffic.

Mr. Feld described outreach efforts since the Draft EA's release, which include community meetings, neighborhood sessions, watch parties, and broad communication efforts.

He stressed the need to submit substantive public comments before the June 30 deadline and noted that only comments identifying technical errors, inconsistencies, or reasonable alternatives will be the most compelling to the FAA.

Mr. Feld explained that staff are working to develop alternative procedures and will provide the community with guidance to assist with effective comment submissions. Additionally, the city will also submit comments and work with the federal delegation to apply additional pressure for modifications.

Mr. Feld concluded, stating that although the FAA is legally permitted to make airspace changes, the city will push for compromises that balance safety and community impacts.

Ms. Ferniza inquired if the city is using lessons from the last change to take a more structured approach now.

Mr. Feld replied that part of their outreach is gathering community and local feedback to communicate it directly back to the FAA. He also stated that as staff develops recommendations and comments, draft versions will be shared with the public to gather input and refine the documents to avoid any potential conflicts.

Ms. Ferniza explained that building on prior work helps reduce emotional responses, potentially avoiding lawsuits and other conflicts. She also emphasized that, because the FAA's initial outreach was limited, the City's organized watch events were instrumental in preventing a more intense community reaction.

No public comments.

7. Contract Worker Heat Safety Ordinance Update

Ms. Demory shared that in March of 2024, the mayor and city council approved a new heat ordinance, which applies to all contractors working on City of Phoenix properties.

She explained that since then, the city has decided to pilot the addition of a dedicated heat ordinance compliance management position to support staff who oversee the compliance program.

With that, she introduced Mr. Grant Harrison, to present the Contract Worker Heat Safety Ordinance Update.

Mr. Harrison gave a brief update on the summer outlook provided by the National Oceanic and Atmospheric Administration and the City's heat-safety requirements.

Mr. Harrison explained that City Council adopted the Heat Ordinance in June 2024, now included in Article XI of Chapter 18 of the Phoenix City Code. The ordinance aligns with Arizona and federal standards regarding water access, rest, shade, acclimatization, and heat-stress training. He explained his responsibilities, which include reviewing contractor heat-safety plans, conducting site visits, and ensuring contractors are implementing these plans as approved.

Mr. Harrison reviewed reporting methods for workers and stated that the safety hotline number has been added to all employee badges. Additionally, 'Be Ready' informational flyers are posted throughout Sky Harbor in high-visibility employee areas. He also referenced the Safety Committee meetings and noted that he has been meeting with airline partners and contractors to support their summer readiness.

Mr. Harrison concluded by describing the internal Heat Illness and Injury Prevention Program. He shared that in-person training sessions have begun this week, and online modules are also available.

Ms. Pastor asked if anonymous reporting is permitted.

Mr. Harrison confirmed that anonymous reporting is allowed.

Ms. Ferniza asked whether maps showing water-station locations are available on employee devices or in printed form.

Mr. Harrison explained that the maps are available on the employee website and confirmed that staff can access the nearest hydration points through their phones.

Mr. Makovsky also stated that all water-related resources are available at the dedicated employee web page: skyharbor.com/employees.

No public comments.

8. Airport Construction Update

Ms. Huff presented an update on several major construction projects, including Taxiway U, the new Terminal 3 Concourse (T3N2), the Terminal 3 South Ground Loading Facility, Terminal 4 baggage-handling system upgrades, the Terminal 4 Central Plant project, and multiple airfield improvements at Deer Valley Airport.

Taxiway U is on schedule and expected to be completed in late 2027.

The T3N2 Concourse is scheduled for completion in December 2027. Renderings illustrated the new concourse layout, including expanded gate-hold rooms, concessions, and a north-end club area featuring an open-air patio.

The Terminal 3 South Ground Loading Facility project is being developed to support flexible operations by enabling buses to access remote aircraft positions.

Ms. Huff provided an overview of Terminal 4's baggage-handling system improvements, which include substantial modernization of inbound, re-check, international, and screening components. The baggage system access tunnels are also being upgraded with better lighting, new ladders, and improved catwalks to support long-term maintenance.

She then transitioned to the Terminal 4 Central Plant modernization project, which is essential to the terminal's cooling systems. The first phase was completed earlier this year. Electrical, plumbing, and mechanical preparations

are underway to support major chilled-water system work soon. The project is scheduled for completion in December 2027.

Ms. Huff then provided an update on the Deer Valley Airport Taxiway B relocation project, which addresses updated FAA safety standards requiring increased runway-to-taxiway separation. The project includes construction of new taxiway connectors to improve aircraft flow.

Ms. Huff noted that future projects at Deer Valley include reconstruction of Taxiway A, pursuit of federal funding for runway rehabilitation and extensions, and the terminal modernization effort.

Ms. Huff concluded by stating that all major capital projects are making significant progress.

No public comments.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

None

CALL TO THE PUBLIC

None

ADJOURNMENT

The meeting ended at **4:33 p.m.**

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Land Lease with the Federal Aviation Administration for the Air Traffic Control Tower site at Phoenix Deer Valley Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new land lease with the Federal Aviation Administration (FAA) for the three-acre Air Traffic Control Tower site at Phoenix Deer Valley Airport (DVT).

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

The FAA currently leases a three-acre site at DVT for the operation of the Air Traffic Control Tower under Lease No. 116177. The lease term was originally 20 years, commencing October 1, 2005, and was amended to extend the term by one year, with the lease now expiring on September 30, 2026. The FAA and the City wish to enter into a new land lease for the current location for a term of 20 years.

Contract Term

The proposed new lease term is 20 years, commencing on October 1, 2026, and expiring on September 30, 2046.

Financial Impact

This is a nominal-value, non-revenue lease executed in compliance with FAA policy regarding federal air traffic control facilities. The FAA is solely responsible for all operational costs associated with occupying the tower.

Concurrence/Previous Board Action

This item was recommended by the Business Development Subcommittee on August 6, 2026 by a vote of 2-0.

Location

Phoenix Deer Valley Airport, 702 West Deer Valley Road, Phoenix, Arizona 85027.

Recommendation

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new land lease with the Federal Aviation Administration for a term of twenty (20) years for the three-acre Air Traffic Control Tower site at Phoenix Deer Valley Airport.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Modify Lease Term for Airport Advertising Services Revenue Contract Solicitation

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council that the original proposed lease term for the Airport Advertising Services Revenue Contract Solicitation (RCS) be modified from a seven-year initial term with one three-year option to a 12-year initial term with one three-year option. All other business terms and conditions outlined in the original Request to Issue remain unchanged.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

On December 17, 2025, the Phoenix City Council approved the Aviation Department's request to issue an RCS for Airport Advertising Services. The service will require an airport advertising company to install, maintain, and manage advertising at Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport, Goodyear Airport, the Rental Car Center, and other designated areas.

The request proposed an initial lease term of seven years with one 3-year extension option. However, after receiving feedback from interested industry companies during Business Information Meetings in Q1 2026, the current industry standard lease term has increased to 12–15 years. This lease term adjustment reflects the longer life cycle of modern digital advertising technology and the extended period of time needed for advertising operators to amortize significant capital investments.

Additionally, the original 7-year initial term with one 3-year extension option was developed based on the then-anticipated timeline for the West Terminal to become operational around 2036. With the West Terminal now expected to become operational in 2033, modifying the RCS lease term to a 12-year initial term with one three-year option allows the advertising program to be seamlessly incorporated into West Terminal planning and construction and to maintain consistent technology standards across all facilities.

Extending the initial lease term with an option term to an aggregate 15-year duration will provide continuity in advertising operations and support a cohesive airport-wide advertising strategy. This modified lease term will also ensure the selected operator can

amortize significant initial capital investments and required mid-term reinvestments to develop and maintain a premium airport-wide digital advertising media infrastructure and maximize revenue generation for the Aviation Department.

Procurement Information

The Aviation Department will issue an RCS to select a qualified airport advertising concessionaire to develop and manage the Airport Advertising program.

Respondents deemed responsive will be evaluated based on the following proposed evaluation criteria:

- Qualifications and Experience of Proposer
- Advertising Display Program
- Business, Marketing, and Operations Plans
- Transition and Mobilization Plan
- Sponsorship Program Methodology
- Financial Return to the City

The highest-ranked respondent will be recommended for the Airport Advertising Concession Lease award. The Aviation Department intends to issue this solicitation in October 2026. The City's Transparency Policy will be in effect when the RCS is released and throughout the procurement process.

Contract Term

Twelve-year initial term, with one three-year option to extend the contract.

Financial Impact

Rent will be based on the Minimum Annual Guarantee (MAG) or a percentage of gross sales from the advertising concession program, whichever is greater. MAG and the percentage of gross sales will be finalized when the RCS is published.

Concurrence/Previous Board Action

The Phoenix Aviation Advisory Board Business and Development Subcommittee approved this item on October 3, 2025, by a vote of 3-0. The Phoenix Aviation Advisory Board approved this item on October 16, 2025, by a vote of 6-0. The Transportation, Infrastructure, and Planning Subcommittee approved this item on November 19, 2025, by a vote of 4-0. The Phoenix City Council approved this item on December 17, 2025. The Business and Development Subcommittee approved the modified lease term on August 6, 2026, by a vote of 2-0.

Public Outreach

This process will include all standard and required outreach efforts, as well as targeted outreach to generate interest.

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

Recommendation

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council that the lease term for the Airport Advertising Services RCS be modified to a 12-year initial term, with one 3-year option to extend.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
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 Ms. Annette Musa to the position of Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Phoenix Aviation Advisory Board must annually elect one of its members as Chairperson for a one-year term. The term of the current Chairperson, held by Mr. Ron Price, will expire on August 31, 2026. The next Chairperson will serve a one-year term beginning September 1, 2026, and ending August 31, 2027.

The Nominating Committee is the designated body that nominates and recommends a candidate for Chairperson from the current members. On June 16, 2026, the Nominating Committee recommended that the Board elect Ms. Annette Musa to serve as Chairperson from September 1, 2026, until August 31, 2027.

Recommendation

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Ms. Annette Musa to the position of Chairperson of the Board.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
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 Mr. David Shilliday to the position of Vice-Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

The Phoenix Aviation Advisory Board must annually elect one of its members as Vice-Chairperson for a one-year term. The term of the current Vice-Chairperson held by Ms. Annette Musa will expire on August 31, 2026. The next Vice-Chairperson will serve a one-year term beginning September 1, 2026, and ending August 31, 2027.

The Nominating Committee is the designated body that nominates and recommends a candidate for Vice-Chairperson from the current members. On June 16, 2026, the Nominating Committee recommended that the Board elect Mr. David Shilliday to serve as Vice-Chairperson from September 1, 2026, until August 31, 2027.

Recommendation

The Aviation Department forwards the recommendation made by the Phoenix Aviation Advisory Board Nominating Committee to elect Mr. David Shilliday to the position of Vice-Chairperson of the Board.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	FAA Airspace Modernization Project Update

Description

This report provides the Phoenix Aviation Advisory Board with an update on the FAA's Phoenix-Area Airspace Modernization Project.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

The public comment period for the FAA's Environmental Assessment concluded on June 30, 2026, and shortly after, the FAA announced a delay in the implementation of the Project next year due to the large number of comments received.

More recently, the State Historic Preservation Office provided Section 106 Consultation comments, which may additionally impact the FAA's schedule. This report will review Aviation's engagement with the FAA through formal comments as well as the department's efforts to engage and inform community stakeholders, elected officials, and Arizona's Federal Delegation to advocate on behalf of the region's interests regarding FAA's proposed airspace changes. The report will also identify potential next steps and mitigations FAA may be considering.

Location

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

Recommendation

This item is for information and discussion.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	DVT Master Plan Update

Description

This report provides the Phoenix Aviation Advisory Board with an overview of the upcoming Phoenix Deer Valley Airport (DVT) Master Plan update.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

The FAA requires airports to maintain current master plans and complete major updates approximately every ten years. The FAA funds most of the cost of these major updates through the Airport Improvement Program (AIP) grants program. The DVT Master Plan was last updated in 2015 and has since experienced significant changes in contextual conditions. Significant changes include unusually high growth in the technology and logistics sectors near DVT, as well as a shift in growth from flight training to corporate aviation. Given that the Aviation Department has also completed numerous projects recommended by the current Master Plan, it is now appropriate to begin the major update process.

Over the past year, Aviation solicited proposals for the Master Plan update through a competitive process. The review panel ranked HNTB Corporation as the top firm, and the City Council approved the award of the contract at a value of approximately \$1.4 million. HNTB also completed the current Master Plan and served as the lead consultant for the more recent 2022 DVT Land Use Study.

In addition to traditional planning elements (goals, forecasting, inventory, gap analysis, alternatives analysis, recommendations, and Airport Layout Plan update) this update will also focus on:

- Advanced Air Mobility
- Pavement Strength/Readiness
- Pre-NEPA Environmental Screening

Technical and public stakeholder engagement is a key part of master planning, and this update process will involve at least four major project advisory committee meetings and at least two public workshops over the approximately 18-month planning process.

Location

Deer Valley Airport, 702 W. Deer Valley Road, Phoenix, AZ 85027

Recommendation

This item is for information and discussion.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Terminal Concessions Program Update

Description

This report provides the Phoenix Aviation Advisory Board with an update on concession improvements underway at Terminal 3 and Terminal 4 at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Several concession improvements are currently underway at Terminals 3 and 4.

At Terminal 4, these concession improvements are related to the term extension for Food and Beverage contracts, approved by the Phoenix City Council in November 2024. As a condition of the extension, concessionaires are required to reinvest in their existing units through reconcepting or refurbishment.

At Terminal 3, these improvements are driven by mid-term refurbishment requirements already in place under those concessionaries' existing agreements with the Aviation Department. The concessions team is working closely with concessionaires on each reconcept and refurbishment to ensure their construction schedules reduce inconvenience to the traveling public. This includes installing temporary concessions units during the construction phase when and where practical. Construction is now underway on several previously announced reconcepts, and additional reconcepts have recently been approved.

Previously Approved Reconcepts

The following project locations are in active construction or are under construction review:

- Terminal 4 – N1 Concourse
 - Delux Burger, Pei Wei, and Humble Pie reconcepted to The Farm at South Mountain, Morning Glory, and The Bar at PHX
- Terminal 4 – N2 Concourse
 - Wildflower reconcepted to Ingo's Tasty Food
 - Blanco Tacos & Tequila and Olive & Ivy Marketplace reconcepted to The MacIntosh and The Collins Small Batch Kitchen
- Terminal 4 – S2 Concourse

- Barrio Café reconcepted to The Mexicano by Chef Joey
- Terminal 4 – S3 Concourse
 - Los Taquitos and The Goods by Mark Tarbell reconcepted to Cactus & Cow by Mark Tarbell
- Terminal 4 – S4 Concourse
 - Zinc Brasserie reconcepted to Greenwood Brewery

Construction schedules are staggered by concessionaire to reduce inconvenience to passengers, with completions phased in through mid-2027.

Additional Approved Reconcepts

The following additional reconcepts have recently been approved and construction schedules are under development:

- Terminal 4 Pre-Security Lobby
 - Panera Bread and Gong Cha Coffee & Tea
 - Rincon
- Terminal 4 – N2 Concourse
 - Sambazon Acai Bowls
- Terminal 4 – S3 Concourse
 - The Mercato by Gio
- Terminal 4 – S4 Concourse
 - An additional reconcept has been approved for the Sir Veza's Tacos and Cartel Coffee locations.
- Terminal 3 Post-Security Lobby
 - Garrett Popcorn
- Escape Lounge patio expansion

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

Recommendation

This item is for information and discussion.