

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, December 16, 2021 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 24663402921#. 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=e949b3b7b5fd73b963bef4868e374cc39>

- **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, December 16, 2021. 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 November 18, 2021**

INFORMATION ONLY (ITEM 4)

4. **Scottsdale Flight Path Litigation**

An update was requested at the November 18, 2021 Phoenix Aviation Advisory Board meeting on Scottsdale's lawsuit against the Federal Aviation Administration (FAA) regarding flight paths.

(No staff presentation)

THIS ITEM IS FOR INFORMATION ONLY.

CONSENT ACTION (ITEM 5)

5. **Eclat Countertops, LLC New Ground Lease**

This report requests that the Phoenix Aviation Advisory Board (PAAB) recommend to the Phoenix City Council to enter into a new ground lease with Eclat Countertops, LLC to lease 7,680 square feet at 3214 E. Jefferson Street, Phoenix, Arizona for two years with two one-year options to extend.

THIS ITEM IS FOR CONSENT ACTION.

INFORMATION AND DISCUSSION (ITEMS 6-8)

6. **Broker Service at Deer Valley and Goodyear Airports**

This report is to inform the Phoenix Aviation Advisory Board that the Business and Properties division will be using real estate broker services at Phoenix Deer Valley Airport and Phoenix Goodyear Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

7. Public Parking Update

This report provides the Phoenix Aviation Advisory Board an update on Short-Term Parking and informs the board that the Business and Properties Division will be increasing daily and hourly parking rates at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

8. Quarterly Revenue, Enplanements, and Business Activity Update

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.

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, January 20, 2022.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
November 18, 2021
*Meeting held via WebEx***

Board Members Present

Stephanie Cherny – Chairperson
Bret Aldieri
Andrew Cohn
Karlene Keogh Parks
Susan Ehrlich
Brian Foster
Valencia Fisker

Board Members Absent

Verma Pastor – Vice-Chairperson
Seth Scott

Camilo Henao – Ex-Officio

Staff Present

Chad Makovsky
Sarah Demory
Carolina Potts
Pearl Meza
Brad Holm
Jay DeWitt
Michael Hughes
Terrance Ward
Kimberly Brown

Karina Fitzgerald
Jordan Feld
Shawna Larson
Richard Graham
Sarah Moratto
Matt Heil
Larry Hein
Paul Berumen
Becca McCarthy

Moe Yacut
Gabriel Nevarez
Alice Bimrose
Mike O'Shaughnessy
Jason Gitkin
Nicole Donathan
Tom Sawyer
Donald Mayes
Clif Looper
Elizabeth Gomez

Members of the Public Present

Xavier Gutierrez
Ed Pascual
George Williams
Nick Wood
Brandon Brown
Eliot Wexler
Andres Molina
Marina Carpenter

Ken Cole
James Terry
Kristen Mosbrucker
Prakash Dikshit
Alex Meruelo
Joe Sindle
Richard Wayne
Scott Ellison

Joel Ericson
Mark Carlisle
Paulina Pineda
Steven Sherwood
Karen Ratliff
Chuck Coughlin
Ann O'Brien
Scott Sikel

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. Passenger levels for the month of September 2021 surpassed 2020 at 3.3 million passengers, approximately 5% less than pre-pandemic traffic. The airport experienced a power outage in Terminal 3 and 4 on November 8, 2021 for approximately 6 hours, after a critical failure occurred during an APS inspection. The technician suffered minor injuries, however the outage resulted in almost 400 delayed flights and 100 cancellations. Mr. Makovsky thanked Aviation employees and airport concessionaires who stepped up to assist customers impacted by the event. An ongoing investigation is being conducted by APS to determine the cause of the failure.

Mr. Makovsky reviewed current outreach efforts by the Public Relations team including holiday travel tips, as well as the positive feedback received online regarding the Paul Coze mural unveiling in the Rental Car Center. He mentioned that union activity with one of the airport's primary concessionaires is also drawing media attention, which staff are working closely with airport concessionaires to address by creating a contingency plan and ensure that service remains uninterrupted for airport customers.

Public Relations also hosted a series of volunteer appreciation luncheons to recognize Navigator volunteers for their service and commemorate the 25-year anniversary of the Navigator program, making it one of the longest-running volunteer programs in the nation.

Mr. Makovsky shared details about the most recent job fair hosted by the Business & Properties Division on November 16, 2021, which drew 75 candidates and resulted in approximately 35 on-the-spot hires. Staff received positive feedback from the many concessionaires which participated, including the on-site presence of the badging office to assist new hires as well as the new hosting venue at the 44th street Sky Train station.

Mr. Makovsky and other leadership staff participated with MAG USA in the grand opening of the Escape Lounge in Terminal 3, where appetizers and menu items were showcased to those in attendance. Mr. Makovsky stated that the event was well attended by media and the lounge will be a great addition to Terminal 3.

Mr. Makovsky discussed the success of the Paul Coze mural unveiling, which went very smoothly and was well attended by media and City Council. He invited the board and others to visit the Rental Car Center to see the mural at its new location along with a new interactive exhibit about the mural.

Mr. Makovsky closed by reviewing the newly passed 2021 Infrastructure Bill, which allocates \$25 billion to the aviation industry, broken down into \$15 billion in funds to be split amongst airports, \$5 billion for competitive terminal development, and lastly \$5 billion for FAA tower improvements.

Mr. Cohn asked whether Secretary of Transportation Pete Buttigieg will be visiting the airport. Mr. Makovsky confirmed that yes, he will be doing visits to several airports to promote the infrastructure program.

2. Summary of Current Events by the Airline Station Manager

Mr. Camilo Henao, Airline Station Manager, was absent.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on October 21, 2021

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

The motion carried by the following vote:

Yes: 7 – Mr. Aldieri, Mr. Cohn, Ms. Ehrlich, Ms. Fisker, Mr. Foster,
 Ms. Keogh Parks, Chairperson Cherny

No: 0

CONSENT ACTION (ITEMS 4-6)

- 4. 4LWM LLC Ground Lease at 2949 East Washington Street**
- 5. SGP Deer Valley LLC Ground Lease at DVT**
- 6. Custom Pipe & Fabrication, Inc. Ground Lease Amendment**

There were no requests to pull the items for amendment or questions.

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

The motion carried by the following vote:

Yes: 7 – Mr. Aldieri, Mr. Cohn, Ms. Ehrlich, Ms. Fisker, Mr. Foster,
Ms. Keogh Parks, Chairperson Cherny

No: 0

No Public Comment Cards.

DISCUSSION AND POSSIBLE ACTION (ITEMS 4-6)

7. Airport FAA Concessions Consultant Contract Solicitation Request to Issue

Mr. Michael Hughes, Deputy Aviation Director of Contracts & Services, and Donald Mayes, Deputy Director of the Equal Opportunity Department (EOD), presented.

Mr. Hughes began by reviewing the existing small business programs at the airport, including the Airport Concessions Disadvantaged Business Enterprise (ACDBE) and Disadvantaged Business Enterprise (DBE) programs. Mr. Hughes explained that a stipulation of receiving some federal funds is to have a DBE and/or program. Businesses can only participate in the program with certification by the state. Mr. Hughes added that the EOD assists potential business partners apply for these certifications. Mr. Hughes also reviewed Title 49 CFR part 23 and 26 to outline the FAA's requirements for conducting these programs.

Mr. Hughes stated that the EOD Director serves as the ACDBE/DBE program liaison officer and is responsible for implementing the programs. Mr. Hughes then turned over the presentation to Mr. Mayes to discuss the parameters for selecting a consultant.

Mr. Mayes stated that the airport must set triennial ACDBE/DBE goals, and the current triennial goal setting began in Fall of 2020, and the new consultant would begin in Fall of 2023. The consultant would ensure subcontracts and venture agreements are compliant with federal requirements and would also conduct regular audits to ensure compliance. Mr. Mayes added that the successful proposer would provide consulting services and ensure compliance to maintain federal funding. The current contract with the consultant is set to expire June 30, 2022.

Mr. Mayes reviewed the minimum qualifications for proposers, including experience working with similarly sized airports, experience working with the US

Department of Transportation, and experience working with ACDBE/DBE programs. They will also be evaluated for their overall qualifications and fee schedule. The aggregate expenditure is not to exceed \$560,000.

Ms. Ehrlich asked what constitutes a disadvantaged business. Mr. Mayes stated that the USDOT considers a disadvantaged business to be those that include presumptive groups but must also meet size standards including a cap for personal net worth among other requirements.

Mr. Cohn asked whether the applicants may qualify as both presumptive groups as well as ACDBE. Mr. Mayes stated that it is possible that applicants may qualify as both.

Ms. Ehrlich asked if it was a requirement that the applicant be part of a presumptive group, which Mr. Hughes stated that for this procurement is not requiring it.

Mr. Foster asked whether this is a brand-new contract being solicited by the City. Mr. Hughes stated that this procurement was first issued by the Central Procurement Office in 2016, and this request would be to replace the original request. Mr. Foster asked if the aggregate cost of \$560,000 is comparable to the previous contract, which Mr. Hughes confirmed that yes, the expense is comparable as the original procurement in 2016 had a total aggregate of \$500,000.

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

The motion carried by the following vote:

Yes: 7 – Mr. Aldieri, Mr. Cohn, Ms. Ehrlich, Ms. Fisker, Mr. Foster, Ms. Keogh Parks, Chairperson Cherny

No: 0

No Public Comment Cards.

INFORMATION AND DISCUSSION (ITEMS 8-9)

8. CAMP Update

Mr. Jordan Feld, Deputy Aviation Director of Planning & Environmental, presented a brief update on the current process of updating the comprehensive asset management plan (CAMP) based on new developments and changes to the timeline that had been anticipated in 2019.

Mr. Feld reviewed the original goals of CAMP, which focused on trenching the railroad north of the airport to solve logistical issues of limited space and restricted airport expansion. He stated that new challenges have affected CAMP and the original timeline, including ongoing negotiations with the Union Pacific Railroad (UPRR) as well as changes to the Air National Guard's (ANG) planning timeline. Additionally, new requirements from the FAA for runway expansion may impact the original CAMP design.

Mr. Feld discussed some of the revisions to CAMP which include possible relocations that will enable continued expansion of American Airlines, ANG, and cargo holdings which are in high demand.

Mr. Feld closed by discussing the potential expansion of the center runway based on the emerging needs for longer runways. Next steps will include high-level analysis of potential cost and environmental impact.

Mr. Cohn asked whether it's necessary to expand the center runway on both ends. Mr. Feld stated that in an effort to match the length of the North runway staff are proposing different scenarios, however based on existing structures the runway cannot extend solely on one end of the runway.

Mr. Makovsky added that expansion and development at Sky Harbor includes a great deal of planning and negotiations as the department must take measures to make the best use of the land available as possible.

Mr. Aldieri asked whether the airport was considering use of land north of the railroad or south of the airport for aeronautical uses that do not need direct runway access. Mr. Feld stated that while the majority of the land in these areas would not be the most realistic for aeronautical uses, that some of the parcels can indeed be used for non-aeronautical business.

Ms. Keogh Parks asked for clarification on what complications have slowed the trenching of the railroad. Mr. Feld answered that UPRR has brought forth some unique requirements that have prolonged negotiations. He added that negotiations with UPRR are still ongoing and that the initial estimated timelines have been compromised by requirements from UPRR. Mr. Makovsky also added that the trenching does possibly impact UPRR's ability to service certain parcels of land, and UPRR is seeking compensation for the potential commercial impact. Mr. Brad Holm, Assistant Aviation Director & General Counsel, confirmed this.

9. Tempe Entertainment District

Mr. Xavier Gutierrez, President & CEO of the Arizona Coyotes, and Mr. Ed Pascual, from Bluebird Development, presented on a summary of the Tempe Entertainment District (TED). Also present were George Williams, from Williams

Aviation, Nick Wood, from Snell & Wilmer, Marina Carpenter, General Counsel of the Arizona Coyotes, as well as Scott Ellison, from Bluebird Development.

Mr. Gutierrez gave an executive summary of the proposed development. He stated that the Arizona Coyotes were the sole proposer to a Real Estate Request for Proposals (RFP) from the City of Tempe, and added that the proposed project is not necessarily what will go into development and final details will be dependent upon the agreement with the City of Tempe. Mr. Gutierrez stated that this proposed project would be one of the largest property developments in Arizona history at 46 acres and would require no taxpayer contributions. In addition to the sports facility, the entertainment district would include a mix of land use, including fine dining, boutiques, hotels, a private medical facility, residential units, and a movie theatre.

Mr. Gutierrez reviewed the project masterplan, which is split into two phases of development. He then passed on the presentation to Mr. Pascual to review Aviation considerations.

Mr. Pascual emphasized that this development is being designed to follow all FAA regulations and that measures are being taken to ensure that all buildings are confirmed as non-hazards to air navigation by the FAA. Mr. Gutierrez added that their goal is to work cooperatively with Phoenix Sky Harbor Int'l Airport (Sky Harbor) and stressed that the airport's success is critical and would not be hindered by this development.

Mr. Pascual reviewed the proposed building heights of the IDEA Campus adjacent to the TED development property to exemplify the adherence of current development with FAA standards and requirements. Mr. Pascual continued that while the TED development is closer to the center runway, it is their belief that the northern runway dictates the restrictions on building heights near the airport. For comparison, Mr. Pascual pointed out that Chase Ballpark is 135 feet taller than the proposed Coyotes facility and is approximately the same distance from the airport. Based on this, Mr. Pascual suggested that their development is following the FAA's guidance more stringently than previous developments have. Mr. Williams referenced Aeronautical Study No. 2019-AWP-5079-OE which determined no hazard of the IDEA Campus development.

Mr. Gutierrez stated that their staff have been closely reviewing the FAA's regulations in relation to residential land use in the 65 DNL area and emphasized that they believe the elements of TED fall within the FAA's guidelines for compatible developments in the noise contour. He added that measures would be taken to soundproof the residential units in the plan per FAA's guidelines, and that any residents or tenants would have full disclosure of the noise exposure information.

Mr. Pascual closed with a comparison of noise exposure of other airports in the surrounding residential areas in the 65 DNL zone, including LAX and San Diego Airport. Mr. Pascual stated that residential development is still taking place around other airports and that their team is invested in ensuring that proper measures are taken with guidance from the FAA to influence the development of their residential units. Mr. Gutierrez added that they intend to have a regular collaborative workplan between their consultants and representatives of the Aviation Department. Mr. Gutierrez stated they believe that the project will be transformative for the Arizona market by creating jobs and stimulating the local economy. Mr. Gutierrez continued that they would make themselves available for future meetings in order to continue a consistent line of communication.

Ms. Ehrlich asked what the formal commitments will be to Sky Harbor and to the public and when they will be actualized. Mr. Gutierrez answered that there is no guarantee the City of Tempe will accept their proposal, as their final decision has not yet been announced. Ms. Ehrlich asked when a decision by the City of Tempe will be made, to which Mr. Gutierrez stated that a guaranteed date has not been provided but their hopes are to receive confirmation within 60 days.

Ms. Ehrlich asked when the agreement between the City of Tempe and the developers would be made available to the City of Phoenix. Mr. Wood stated that the City of Phoenix would be a third party beneficiary of the provisions in the agreement with the City of Tempe and they could enter into a separate agreement with the City of Phoenix based on the commitments made to ensure minimal impact to the airport.

Mr. Cohn asked if there will be any chance of the development phases changing or for phase II development to begin prior to phase I. Mr. Gutierrez answered that no, development on the phase II portion of TED will not begin prior to phase I due to the fact the their response allows the City of Tempe to keep and maintain their facility maintenance yard until July 2024.

Mr. Cohn asked if there is an affordability issue in relation to the type of housing that will be developed on this property. Mr. Gutierrez stated that they are already working in partnership with several organizations to make affordable housing in part of their development and that proactive commitments are being made to partner with local organizations to make their residential units affordable to the community.

Mr. Cohn stated that he is encouraged to know that the development is being planned mindfully, and asked that the technical consultants of both parties meet independent of any principals or stakeholders. Mr. Gutierrez ensured that Sky Harbor has the development team's full commitment to consult with aeronautical and aviation experts throughout this project and will continue to collaborate with Sky Harbor.

Mr. Foster asked when the stadium was planned to be complete. Mr. Wood stated that while the original completion date was estimated for some time in 2025, there will not be a definitive answer until the plan is approved. Mr. Foster also expressed his desire that Aviation staff and representatives from the development team meet soon with consultants to further discuss the logistics of this project.

Mr. Aldieri asked whether any work has been done in human impact related to living in a 65 DNL zone. Mr. Wood stated that human impact analysis has not yet been completed but that it would be very important to do so and that they would endeavor to have more information by the next meeting.

Mr. Aldieri asked where the trash from the landfill will be relocated. Mr. Pascual stated that trash will be sorted and distributed to other landfills.

Ms. Cherny asked whether there is any intergovernmental agreement that would enable the board to see the details of the request for proposals (RFP). Mr. Brad Holm, Assistant Aviation Director and General Counsel, stated that the details are not restricted from public record per state law, however the City of Tempe may have its own confidentiality requirements for its procurement process.

Ms. Cherny emphasized that transparency will be an important factor in moving forward to ensure that no conflict arise in the future.

Ms. Cherny asked whether the medical office was a requirement of the solicitation or if it was an addition to the development by the development team itself. Mr. Wood stated that research has shown that there is a market for private medical practices and have been approached by several different practices about potentially utilizing that space.

Ms. Cherny also asked about the availability of parking for the residential units and expressed concern for parking availability. Mr. Pascual answered that there are approximately 5,000 existing off-site parking spaces in nearby structures in addition to the parking planned in the development. In total, plans include approximately 6,000 spaces to be added in the development. Mr. Pascual added that cross-parking agreements have been discussed with neighboring businesses for their parking structures.

Ms. Ehrlich agreed with Mr. Cohn that it would be a better approach to have a separate agreement with the City of Phoenix. Ms. Ehrlich additionally agreed with Ms. Cherny suggesting that the City of Phoenix be engaged in the process to the satisfaction of all and is glad to know that it is not state law that the RFP be disclosed and would encourage a more holistic discussion. Mr. Wood disagreed with Mr. Holm's statement and stated that confidentiality is protected under procurement code. He then recommended that City of Phoenix staff submit a public records request.

Mr. Cohn stated that this board is not in the position to make any recommendations on what the economic benefits for City of Tempe would be, but that the board's interest is primarily in protecting the airport as an asset. Mr. Cohn expressed his desire for the developers of TED and City of Tempe to be more proactive in communicating about this project. Ms. Cherny clarified that her questions regarding specifics of the RFP were only to better assess the potential impact to the airport.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

Ms. Cherny requested a follow-up on the visit of Secretary of Transportation Pete Buttigieg and Senators Kelly and Sinema.

Ms. Ehrlich requested a follow-up on the ongoing lawsuit between the City of Scottsdale and the FAA.

Mr. Aldieri requested a follow-up on parking changes and short-term parking availability on Terminal 4.

CALL TO THE PUBLIC

None.

ADJOURNMENT

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

The motion carried by the following vote:

Yes: 7 – Mr. Aldieri, Mr. Cohn, Ms. Ehrlich, Ms. Fisker, Mr. Foster,
 Ms. Keogh Parks, Chairperson Cherny

No: 0

No Public Comment Cards.

Meeting end at **4:41 p.m.**

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Scottsdale Flight Path Litigation

Description

An update was requested at the November 18, 2021 Phoenix Aviation Advisory Board meeting on Scottsdale's lawsuit against the Federal Aviation Administration (FAA) regarding flight paths.

(No staff presentation)

THIS ITEM IS FOR INFORMATION ONLY.

Report Summary

After the City of Phoenix's successful 2015 Flight Paths lawsuit and the parties' implementation of the court's decision in the City's favor, Scottsdale sued the FAA relating to the flight paths that affect Scottsdale residents. In May 2021, the City learned that the FAA was considering addressing Scottsdale's lawsuit by reopening the 2015 settlement with Phoenix. The City quickly took action and the City Manager sent a letter to the FAA outlining the City's concerns and emphasizing that the City would take any action necessary to protect the 2015 settlement.

The FAA responded by notifying the City that it was no longer considering reopening the settlement agreement. After the mediation efforts between Scottsdale and the FAA were unsuccessful, the FAA filed its response in the litigation. In its response, the FAA did not propose reopening the settlement agreement and instead suggested it would consider a new process to address Scottsdale's concerns.

The City of Scottsdale has lodged a series of procedural objections to the FAA's response brief, which have delayed completion of the briefing process. Once the objections are resolved, Scottsdale will file a reply brief on the merits and the court will determine whether and when to set the case for oral argument. Based on available information, staff anticipates oral argument will likely be scheduled for March or April of 2022, with a decision on the merits during the summer.

Separately, the FAA has let the City know that it is interested in beginning the process for some desired airspace "concept" changes. Initial technical working group meetings for the proposed concepts are expected to begin in early 2022.

Public Outreach

Staff will participate in any public process relating to any changes to flight paths.

Location

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

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Eclat Countertops, LLC New Ground Lease

Description

This report requests that the Phoenix Aviation Advisory Board (PAAB) recommend to the Phoenix City Council to enter into a new Ground Lease with Eclat Countertops, LLC to lease 7,680 square feet at 3214 E. Jefferson Street, Phoenix, Arizona for two years with two one-year options to extend.

THIS ITEM IS FOR CONSENT ACTION

Report Summary

Eclat Countertops, LLC (Tenant) is located at 13 South 32nd Street. Tenant currently requests to lease property at 3214 E. Jefferson Street for the purposes of storing granite and stone slabs as it relates to Tenant's business. In addition, they may install additional fencing to further secure the site.

Contract Term

The term will be 2 years, with two one-year options to renew, which shall be exercised at the sole discretion of the Director of Aviation Services.

Financial Impact

Rent for the first year of the lease will be approximately \$8,064 per year (\$1.05 / square foot). Rent will be adjusted annually based on the Consumer Price Index for Phoenix-Mesa-Scottsdale. Total anticipated rent over the term, if all options are exercised, will be approximately \$32,256, not including CPI.

Location

Phoenix Sky Harbor International Airport - 3214 E. Jefferson Street, Phoenix, Arizona

Recommendation

Request that the PAAB recommend to Phoenix City Council to enter into a ground lease with Eclat Countertops, LLC.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, C.M. Director of Aviation Services
Subject:	Broker Services at Deer Valley and Goodyear Airports

Description

This report is to inform the Phoenix Aviation Advisory Board that the Business and Properties Division will be using real estate broker services at Phoenix Deer Valley Airport and Phoenix Goodyear Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Phoenix Deer Valley Airport has approximately 185 acres of undeveloped land and Phoenix Goodyear Airport has approximately 270 acres of undeveloped land. Both airports have received numerous inquiries from parties interested in development opportunities. At this time only one of these inquiries has resulted in a lease agreement. Business and Properties will utilize a real estate broker firm selected from the City of Phoenix Approved Vendor List (AVL) to list and market both airports in an effort to increase the national exposure for development opportunities at the airports. Jones Lang LaSalle (JLL) was selected from the AVL.

Contract Term

No defined term for this service has been established. JLL will be utilized until such time that Business and Properties determines that JLL's services are no longer required.

Financial Impact

A five percent fee based on the overall value of the lease agreement shall be paid by the City of Phoenix-Aviation Department upon the execution of a ground lease agreement that was brokered by JLL.

Locations

Phoenix Deer Valley Airport – 702 W. Deer Valley Road, Phoenix, Arizona
Phoenix Goodyear Airport – 1658 S. Litchfield Road, Goodyear, Arizona

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

Description

This report provides the Phoenix Aviation Advisory Board an update on short-term parking and informs the board that the Business and Properties Division will be increasing daily and hourly parking rates at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Terminal 4 Short-term parking has been impacted by construction and demand for premium parking. Construction in Terminal 4 temporarily restricted short-term spaces from September 20 through October 25, 2021. Short-term parking reached a low of 140 spaces during that period and is now back up to 196 spaces. Some short-term and daily parking spaces have been re-allocated to premium parking to meet growing demand. Parking staff is re-evaluating the best use of high value areas to meet demand and provide a superior customer experience.

Phoenix Sky Harbor International Airport (PHX) proposed an increase in daily and hourly parking rates due to high parking demand and record level occupancy levels. Current demand and the anticipated return of business travel in 2022 justify the parking rate increase, which is critical to managing occupancy. Innovative parking programs and products are reaching more customers and increasing demand, indicating that the market highly values on-airport parking.

The proposed rate increase provides the opportunity to promote reservation parking that provides discounts for booking early and longer stays. Reservation customers also have guaranteed space availability and earn loyalty points for parking. The last rate increase was November 1, 2017.

Location

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

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 41% of the airport's passengers over the past fiscal year has 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 9 months, 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 may be a protracted recovery.

At the Board's meeting on December 16th, staff will present an overview of Sky Harbor's recent enplanement results, business activity, and an update on the Aviation Department's financial position.

Location

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