

***REVISED**
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, January 21, 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 146 122 0344#. 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://phxskyharbor.webex.com/phxskyharbor/onstage/g.php?MTID=eda75bb90ee0e2c9f9ca5e21dabce6fa8>

- *Speak during a meeting.* If you wish to provide a written comment or speak at the meeting, please submit a request to **sarah.moratto@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, January 21, 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, & 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 19, 2020

CONSENT ACTION (ITEM 4)

4. **Sibran Properties, LLC Lease Extension at Phoenix Deer Valley Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Transportation, Infrastructure and Innovation Subcommittee approval to extend the Ground Lease with Sibran Properties, LLC at Phoenix Deer Valley Airport for seven years.

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEM 5)

5. **Voluntary Property Acquisition – 4108 E. Air Lane (Adonai Properties, LLC)**

This report requests that the Phoenix Aviation Advisory Board recommend to the Transportation, Infrastructure and Innovation Subcommittee approval of the acquisition of real property comprised of 17,930 s.f. located at 4108 E. Air Lane. The acquisition will be by voluntary purchase from Adonai Properties, LLC at a price within the Property's appraised value of \$775,000. The Property is currently occupied, and a temporary occupancy agreement may be needed to allow the tenant enough time to vacate. If an agreement to purchase cannot be reached at this time, the Property will be acquired at a later date using available means, including potentially eminent domain.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

INFORMATION AND DISCUSSION (ITEMS 6-8)

6. FAA Drone Rule Update

This report provides the Phoenix Aviation Advisory Board an update on FAA's recent drone rulemaking. *

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Item 6 description updated *

7. Revenue/Enplanement and Industry Forecast

This report provides the Phoenix Aviation Advisory Board an update on the Aviation Department's revenue, enplanements, and industry trends.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

8. Aviation COVID-19 Update

This report provides the Phoenix Aviation Advisory Board an update on the impact of COVID-19 and the response taken by Aviation Department.

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 Sarah Moratto, Administrative 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 by contacting Sarah Moratto at 602-273-3382 or TTY: 7-1-1.

The next Phoenix Aviation Advisory Board meeting is scheduled to take place Thursday, February 18, 2021.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
November 19, 2020
*Meeting held via WebEx***

Board Members Present

Karlene Keogh Parks – Chairperson
Bret Aldieri – Vice Chair
Seth Scott
Art Hamilton
Andrew Cohn
Stephanie Cherny
Verma Pastor
Susan Ehrlich
Brian Foster
Camilo Henao – Ex-Officio

Board Members Absent

Staff Present

Charlene Reynolds
Sarah Demory
Brad Holm
Carolina Potts
Sarah Moratto
Destry Jacobs

Shawna Larson
Alice Bimrose
Julie Rodriguez
Heather Shelbrack
Karina Fitzgerald
Moe Yacut

Jay DeWitt
Tony Motola
Michael Hughes
Robert Hawes
Valerie Churchwell
Richard Graham

Members of the Public Present

Adam Bagby
Melissa Yeager
Pamela Brown\
Gregory Torrez

Claude Mattox
Sam Snead
Lachele Magnum
Shauna Forsythe

CALL TO ORDER

Chairperson Keogh Parks 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

Ms. Charlene V. Reynolds, Interim Director of Aviation Services, spoke to the airport's enplanement for September. 1.5 Million passengers came through Sky Harbor which is a 54.3% decrease from 2019. COVID-19 testing will soon be offered at PHX to passengers, employees, and residents. Location will be announced later.

Ms. Reynolds updated the board on incoming air services. Spirit Airlines added nonstop Phoenix service to Orange County John Wayne Airport beginning in January. The flight will operate seven days a week. Spirit Airlines will also add a second daily flight to Las Vegas. American Airlines will begin nonstop Phoenix service to Little Rock starting December 20th and service to Nashville on November 5th.

Ms. Reynolds highlighted the Public Relations team as they continue to coordinate with Facilities and Services to provide FEMA masks to passengers and guests at the airport.

Ms. Reynolds notified the board that Civil Aviation Training Solutions (CAE) Facility Lease and Peak Supply Chain Solutions Facility Lease have been approved by the City Council. AerSale, Inc. Amendment, Worldwide Flight Services, Inc. Ground Lease, Luke Air Force Base 56th Fighter Wing Intergovernmental Agreement, and Distributed Antenna System Solicitation Request have been approved by the Transportation, Infrastructure and Innovation subcommittee.

Ms. Ehrlich asked who is paying for the COVID testing. Ms. Reynolds answered that it will be reimbursed by guests' insurance.

Ms. Ehrlich asked about the impact of Boeing 737-Max at Goodyear. Ms. Reynolds answered that the planes being parked have increased revenue at Goodyear.

Ms. Ehrlich asked about Infrastructure Readiness Act of 2020. Ms. Potts answered that we will have to follow up on these as they are still developing.

2. Summary of Current Events by the Airline Station Manager

Mr. Camilo Henao, Ex-Officio Member, updated the board on the airlines at Sky Harbor. The airlines are observing increasing flight activity for Thanksgiving as well as in December. Load factors dropped slightly due to COVID-19 increases. There is exciting growth for the airlines domestically and seeing good feedback from the public.

Mr. Aldieri asked if Frontier monitors the temperature of passengers. Mr. Henao answered that yes, the airlines does. When the passenger's temperature is above 100.4 is the passenger is spoken with. Mr. Aldieri asked if anyone had

been denied boarding. Mr. Henao stated that no, at this time the airline has not had anyone read above a temperature of 100.4.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on October 19, 2020

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

The motion carried by the following vote:

Yes: 8 – Ms. Pastor, Mr. Hamilton, Ms. Cherny, Mr. Cohn, Ms. Ehrlich, Mr. Foster, Mr. Aldieri, Chairperson Keogh Parks

Abstain: 1 - Mr. Scott

No: 0

CONSENT ACTION (ITEM 4-5)

4. Dillon Aero, Inc. Through the Fence Agreement at Phoenix Deer Valley Airport

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

The motion carried by the following vote:

Yes: 8 – Ms. Pastor, Mr. Scott, Ms. Cherny, Mr. Cohn, Ms. Ehrlich, Mr. Foster, Mr. Aldieri, Chairperson Keogh Parks

Abstain 1 – Mr. Hamilton

No: 0

No Public Comment Cards.

5. Salt River Project Agricultural Improvement and Power District Executive Hangar Lease at Phoenix Sky Harbor International Airport

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

The motion carried by the following vote:

Yes: 8 – Ms. Pastor, Mr. Scott, Ms. Cherny, Mr. Cohn, Ms. Ehrlich,
Mr. Foster, Mr. Aldieri, Chairperson Keogh Parks

No: 0

Mr. Hamilton did not vote in this item due to a conflict of interest.

No Public Comment Cards.

DISCUSSION AND POSSIBLE ACTION (ITEM 6-7)

6. American Greyhound Racing, Inc. Substitute Ground Lease at Phoenix Sky Harbor International Airport

Mr. Richard Graham, Aviation Superintendent, presented on American Greyhound Substitute Lease. American Greyhound currently leases the area located at 3801 E. Washington St. This lease started in 2007 and ends in 2022. In lieu of an extension in which the previous lease has been revised many times a new lease will be executed. The terms of the lease will be for five years with an extension provision to go month to month for no more than two years. The effective date will be January 1, 2021. There is no annual CPI adjustment.

A motion was made by Ms. Cherny, seconded by Mr. Hamilton, that this item be approved.

The motion carried by the following vote:

Yes: 9 – Ms. Pastor, Mr. Scott, Ms. Cherny, Mr. Cohn, Ms. Ehrlich,
Mr. Foster, Mr. Aldieri, Chairperson Keogh Parks, Mr. Hamilton

No: 0

No Public Comment Cards.

7. Request to Issue Aviation Luggage Cart Service Revenue Contract Solicitation

Mr. Mike O'Shaughnessy, Deputy Aviation Director, presented on a request to issue a revenue contract solicitation for luggage carts. Carts are provided at all terminals, parking garages, and SkyTrain® stations for a fee and at Federal Inspection Stations and the Rental Car Center for free. The current contract will expire on June 30, 2021. The airport would like to issue a revenue contract solicitation for a contract starting on July 1, 2021 lasting five years. The airport

would like to remove the older business model in which the airport pays for the service and change to percentage of gross sales. This new model is an industry norm. The contract will be evaluated on the respondent's experience and qualifications, as well as their management, operational, and maintenance plan.

Mr. Hamilton asked if the proposed item will charge a fee at the international terminal. Mr. O'Shaughnessy answered that there would be charging at international. Mr. Hamilton stated that he did not think it was a good idea to charge at the international terminal and would like to see a list of these airports that have changed to this model.

Chairperson Keogh Parks asked what the intent of the percentage of revenue. Mr. O'Shaughnessy answered that the intent is to receive a portion of the revenue but will see the percentage with the solicitation.

Mr. Foster asked to confirm that the airport was currently not getting revenue on the carts. Mr. O'Shaughnessy confirmed that the airport currently pays for the cart services.

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

The motion carried by the following vote:

Yes: 7 – Ms. Pastor Ms. Cherny, Ms. Ehrlich,
Mr. Foster, Mr. Scott, Mr. Aldieri, Chairperson Keogh Parks

Abstain: 1 – Mr. Cohn

No: 1 – Mr. Hamilton

No Public Comment Cards.

INFORMATION AND DISCUSSION (ITEM 8)

8. Concessions Relief Update

Ms. Charlene Reynolds, Interim Director of Aviation Services, presented the concessions relief update. Due to the COVID-19 pandemic, passenger numbers at the airport have dropped dramatically. To help protect businesses at the airport and provide concessions to passengers, specific actions were put in place by the Phoenix City Council. On June 3, 2020 Council granted relief from paying MAG (Minimum Annual Guarantee) to percentage rent; on July 1, 2020, extension of percentage rent through Dec. 31, 2020; and on May 5 and Aug. 26,

2020 disbursement of \$1M through federal CARES Act to airport small business concessions.

Ms. Reynolds discussed the impact COVID-19 has had on enplanement rates. At the beginning of 2020 the airport saw 4% growth which dropped significantly in April to -93%. Since then, there has been a slow and moderate growth reaching approximately -50% enplanement levels today from the same period last year.

Ms. Reynolds discussed the commercial habits of passengers noting that 36% of passengers visit the food and beverage outlets and 25% visit the retail locations. She also stated the average passenger spending had decreased from \$11.38 pre-pandemic to \$9.36 post pandemic. She stated that currently, the airport has 58% Food & Beverage and Retail concessions closed in Terminal 3, and 51% closed in Terminal 4. The airport does require a number of food concepts and retail areas open per terminal to serve passengers.

Ms. Reynolds highlighted the difference in gross sales pre and post pandemic in the concessions sectors at the airport including food and beverage, services (banking shoeshine, etc.), and terminal advertising. She discussed some of the impacts like roughly fifty terminal advertising contracts canceled, Travelex filed a Chapter 7 bankruptcy, duty-free stores have closed until a significant increase in international travel, and Brooks Brothers closed all airport locations.

Ms. Reynolds discussed the significant impacts on the airport's disadvantaged business enterprise program. She outlined the stark difference in the pre and post pandemic sales for several of the businesses including T4 Panera, Refuge Coffee, Sir Veza's, and T4 Peets's Coffee. She also discussed some of the furloughs and recalls observed with several of the concessionaires at the airport.

Ms. Reynolds then detailed what other airports have been doing. Those airports included Dallas-Fort Worth International Airport, Tampa International Airport, Hartsfield-Atlanta, and George Bush Intercontinental Airport Houston. Most of which were including some form of rent relief through mid or end of 2021.

Chairwomen Keogh Parks left the meeting at 3:48. Mr. Aldieri, Vice Chairperson, chaired the remainder of the meeting.

Ms. Pastor asked when the current rent relief expires. Ms. Reynolds answered that it expires on Dec 31, 2020.

Ms. Pastor asked if the airport was looking to extend? Ms. Reynolds stated that the businesses have requested a year extension from City Council. That item will be going to subcommittee Transportation, Infrastructure and Innovation Subcommittee in December.

Ms. Pastor asked why protections for furloughed employees only covers 2020. Ms. Reynolds answered that the business' governing bodies have approved that. The City of Phoenix is still assessing this. Host asked TII to extend relief and 24 months of seniority rights for their employees.

Ms. Pastor asked what seniority rights are. Ms. Reynolds answered that there is an agreement that prescribes how employees are recalled. City Council asked Host in particular to extend these rights in the agreement to 24 months. Host has provided a letter stating that they will do this to the local union and TII.

Ms. Pastor asked if the 24 months starts from the day they were laid off. Ms. Reynolds answered that no, if the employee was recalled. It would only apply to those who are furloughed.

Ms. Pastor asked when the first furloughs started. Ms. Reynolds answered that they started with the stay at home order in March.

Ms. Pastor asked if there will be different dates for these employees. Ms. Reynolds answered that yes, but the specific dates and terms will be dependent on their bargaining rights and union agreements.

Mr. Aldieri stated the board is hoping for a good result in December.

Mr. Cohn stated that the responsibility of this lies with the City of Phoenix.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

List of airports that have changed to the new luggage cart model.
Current enplanements for the entire year and the separation of International and Domestic travel.

CALL TO THE PUBLIC

None.

ADJOURNMENT

A motion was made by Ms. Cherny, seconded by Mr. Hamilton , that this item be approved.

The motion carried by the following vote:

Yes: 8 – Ms. Pastor, Mr. Hamilton, Ms. Cherny, Mr. Cohn, Ms. Ehrlich, Mr. Foster, Mr. Scott, Mr. Aldieri

Absent: 1 – Chairperson Keogh Parks

No: 0

No Public Comment Cards.

The meeting was adjourned at 3:54 pm.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Charlene V. Reynolds Interim Director of Aviation Services
Subject:	Sibran Properties, LLC Lease Extension at Phoenix Deer Valley Airport

Description

This report requests that the Phoenix Aviation Advisory Board (PAAB) recommend to the Transportation, Infrastructure and Innovation Subcommittee (TI&I) approval to extend the Ground Lease with Sibran Properties, LLC (Sibran) at Phoenix Deer Valley Airport (DVT) for seven years.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Sibran entered into Ground Lease 122664 on November 1, 2008 for 17,700 square feet at DVT where Sibran operates a self-service aviation gas (AvGas) fueling station. Sibran has requested to extend the lease for seven years. The extension will ensure DVT AvGas users continue to have more than one option for fueling their planes, and the rate adjustment will promote the long-term viability of the self-fueling option at DVT.

Contract Term

The term will be seven years with no renewal options.

Financial Impact

Rent for the first year of the lease will be approximately \$9,558 (\$0.54 per square foot) plus applicable taxes. Rent will be adjusted annually thereafter by the Phoenix-Mesa-Scottsdale Consumer Price Index. Total anticipated revenue over the term, if all options are exercised, will be approximately \$66,906.

Location

702 West Deer valley Road, Phoenix, Arizona.

Recommendation

Request that the PAAB recommend to the TI&I to extend the ground lease with Sibran at DVT for seven years.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Charlene V. Reynolds Interim Director of Aviation Services
Subject:	Voluntary Property Acquisition – 4108 E. Air Lane (Adonai Properties, LLC)

Description

This report requests that the Phoenix Aviation Advisory Board (PAAB) recommend to the Transportation, Infrastructure and Innovation Subcommittee (TI&I) approval of the acquisition of real property comprised of 17,930 s.f. located at 4108 E. Air Lane (Property). The acquisition will be by voluntary purchase from Adonai Properties, LLC at a price within the Property's appraised value of \$775,000. The Property is currently occupied, and a temporary occupancy agreement may be needed to allow the tenant enough time to vacate. If an agreement to purchase cannot be reached at this time, the Property will be acquired at a later date using available means, including potentially eminent domain.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

Adonai Properties, LLC has been interested in selling its real property for some time and initiated the voluntary acquisition process in September 2018. The Property is an owner-occupied 17,930 s.f. improved lot and the improvements include a 6,267 s.f. office building and a 6,088 s.f. canopy area for storage.

The appraised value is \$775,000. The appraisal was conducted by an independent, third-party appraiser and reviewed by a second independent, third-party appraiser.

A Phase I Environmental Site Assessment (ESA) and a Phase II Limited Site Assessment were completed in January 2020. These investigations found no contamination requiring remediation. Close of escrow is contingent on completion of an updated Phase I ESA, as required by the City's A.R. 3.95 and federal regulations. Any changes to the environmental condition of the property will be considered by the appraiser to determine if adjustments to the appraised value is necessary.

The Property is north of Phoenix Sky Harbor International Airport and is a strategic voluntary acquisition important to the Airport's future growth. After the Property is purchased, the Aviation Department will demolish the improvements and prepare it for future airport development.

**Financial Impact**

The cost to acquire the improved site (\$62.73/s.f.) and demolition is estimated at \$950,000. This cost may be reimbursable under federal guidelines using AIP grants or PFC funds.

Location

4108 E. Air Lane

Recommendation

Request that the PAAB recommend to the TI&I approval of the Aviation Department's acquisition of Adonai Properties, LLC.

Property Acquisition

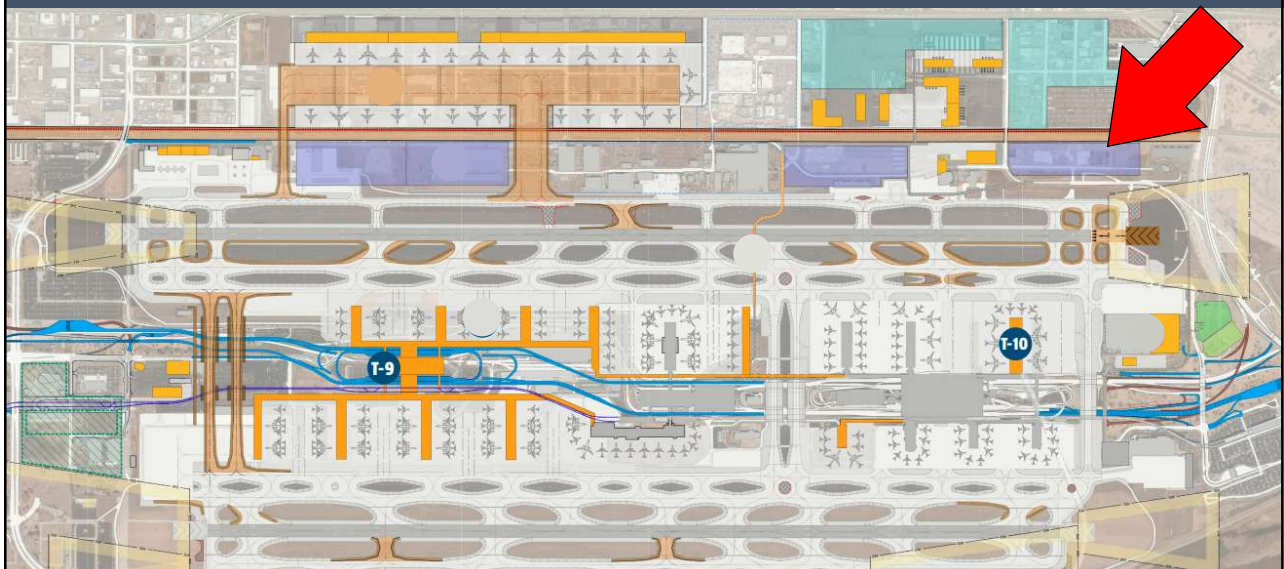
4108 E. Air Lane
(Adonai Properties, LLC)

PHOENIX AVIATION ADVISORY BOARD
January 21, 2021

Jordan Feld, CM, AICP
Deputy Aviation Director – Planning & Environmental

1

Background



2

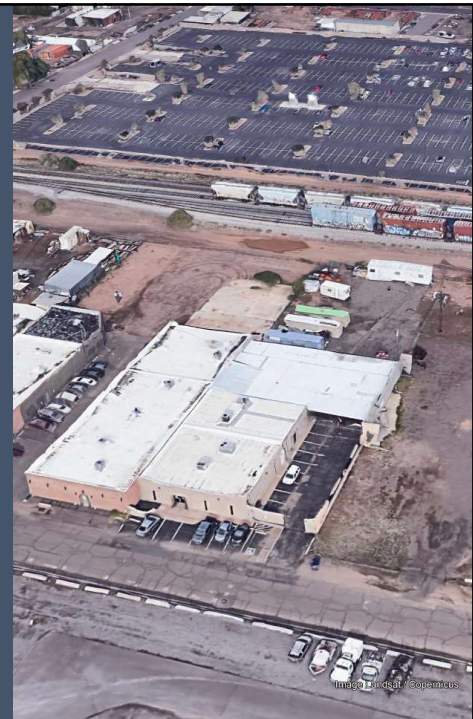
Location



3

Characteristics

- 17,930 sf lot; 6,267 sf office and 6,088 sf storage canopy
- Owner-occupied
- Appraised value is \$775,000
- Total acquisition cost to AVN estimated at \$950,000
- Environmental Site Assessment concluded no contamination needing remediation



4

Recommendation

Request that the Phoenix Aviation Advisory Board recommend to the Transportation, Infrastructure and Innovation Subcommittee approval of the Aviation Department's acquisition of Adonai Properties, LLC.

5



6

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Charlene V. Reynolds Interim Director of Aviation Services
Subject:	FAA Drone Rule Update

Description

This report provides the Phoenix Aviation Advisory Board an update on FAA's recent drone rulemaking.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

On December 28, 2020 the Federal Aviation Administration (FAA) announced final rules for unmanned aircraft systems (UAS) or drones that will require Remote Identification (Remote ID) of drones. Drone manufacturers must comply with the final rule's requirements within 18 months. All drone pilots must meet the operating requirements within 30 months. The final rules also allow operators of small drones to fly over people and at night under certain conditions, effective in 60 days. The final rule update does not modify drone operating restrictions relative to towered airports.

Location

City of Phoenix Aviation Department, 2485 E. Sky Harbor Blvd.

Recommendation

This item is for information and discussion.

FAA Drone Rule Update

PHOENIX AVIATION ADVISORY BOARD
January 21, 2021

Jordan Feld, CM, AICP
Deputy Aviation Director – Planning & Environmental

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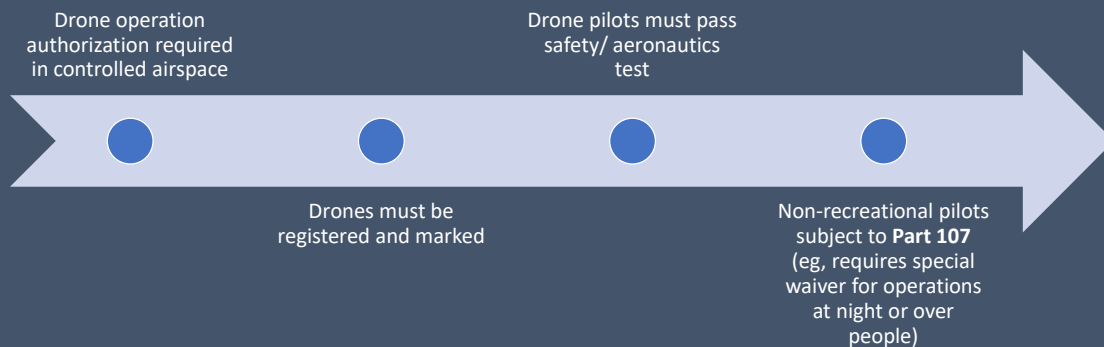
Background

- On 12/28/20, FAA announced final rules for drones
 - Requires Remote Identification
 - Allows operations over people and at night under certain conditions



2

Previous rulemaking



3

Remote Identification

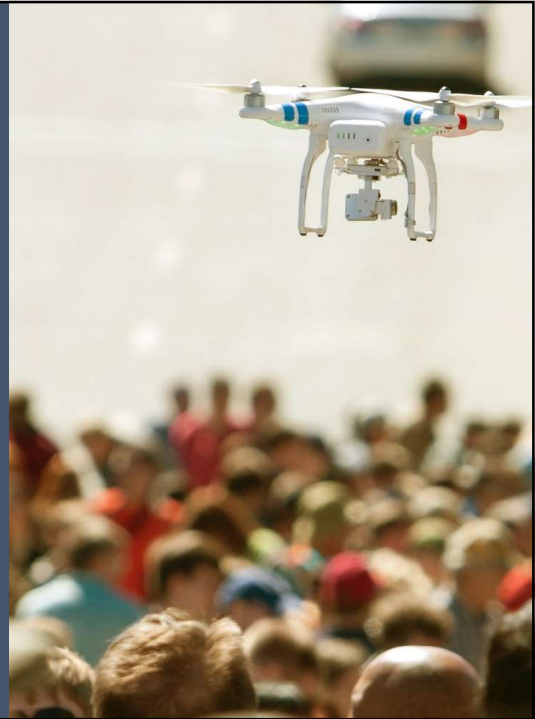
- Remote ID is the ability of a drone in flight to provide identification, location and control station via radio broadcast
- Not required if drone operated at FAA recognized drone recreation area
- Drone pilots must meet requirement by summer 2023



4

Operations Over People or at Night

- Removes **Part 107** waiver process
- Effective Spring 2021
- Categories process/permission levels by drone weight and safety systems (eg, anti-collision lights and internalized rotators) as well as operator licensure level



5

Impacts to Phoenix Airport System

- Rulemaking does not remove controlled airspace requirements
- Remote ID provides more reliable/efficient agency interdiction
- Agency coordination and drone countermeasures remain unaddressed



6



PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Charlene V. Reynolds Interim Director of Aviation Services
Subject:	Revenue Enplanements and Industry Forecast

Description

This report provides The Phoenix Aviation Advisory Board an update on the Aviation Department's revenue, enplanements, and industry trends.

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 and 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 more than half of the airport's passengers over the past nine months presents 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 for what may be a protracted recession.

At the Board's meeting on January 21st, staff will present an overview of some nationwide airport trends, Sky Harbor's recent enplanement results, and an update on the Aviation Department's recovery plan to ensure the airport system emerges from the current recession in a strong financial position.

Location

City of Phoenix Aviation Department, 2485 E. Sky Harbor Blvd.

Recommendation

This item is for information and discussion.

Phoenix Sky Harbor International Airport Revenue Enplanements and Industry Forecast

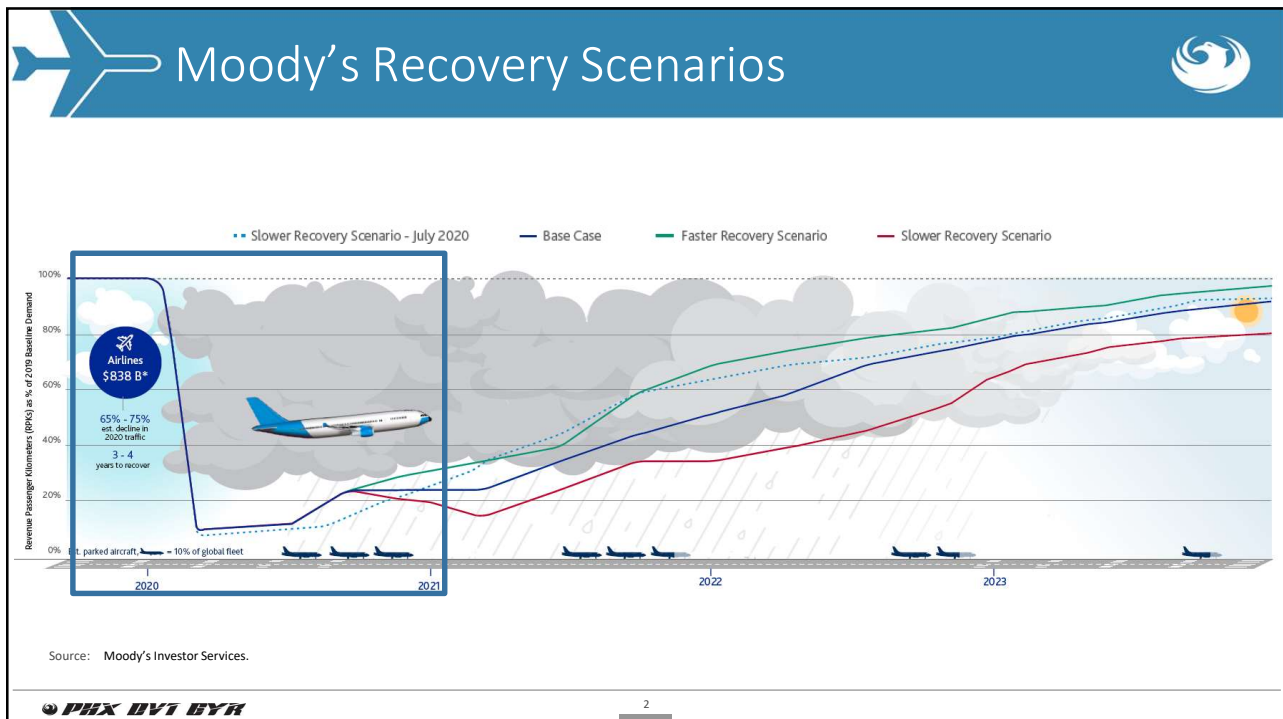
Phoenix Aviation Advisory Board January 21, 2021

Jay C. DeWitt, C.M.
Deputy Aviation Director

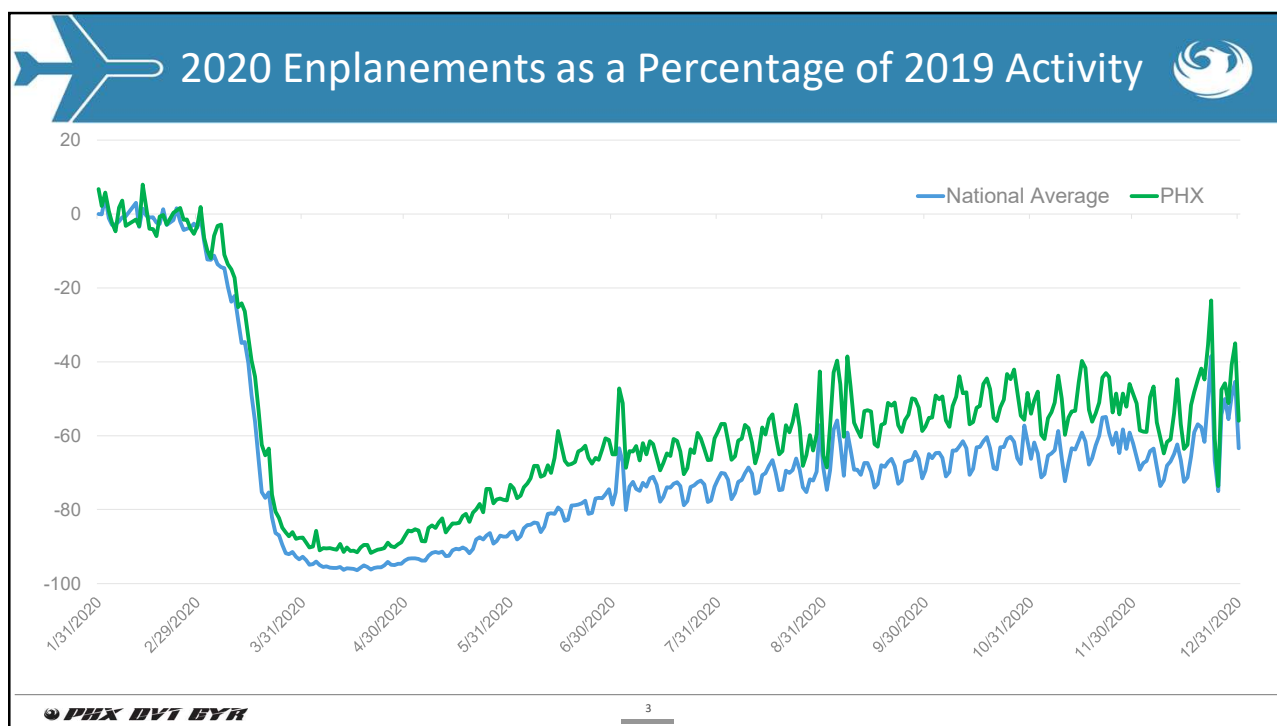
PHX DVT BYR



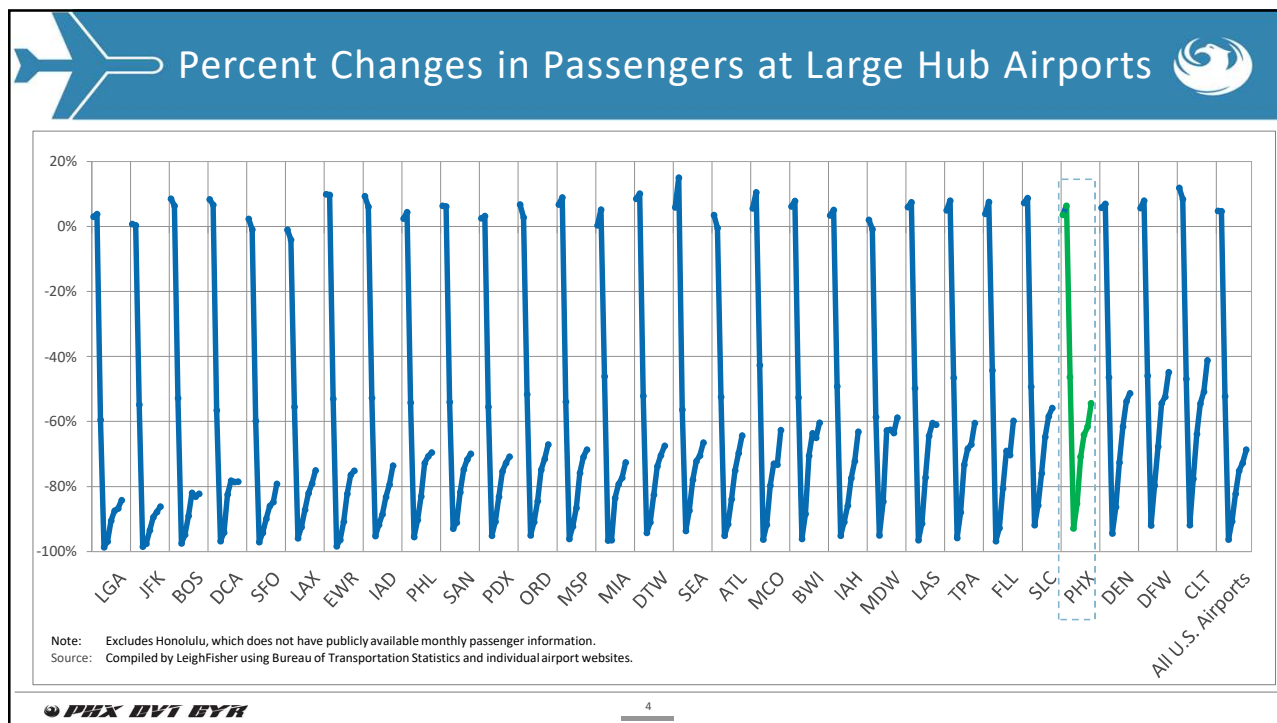
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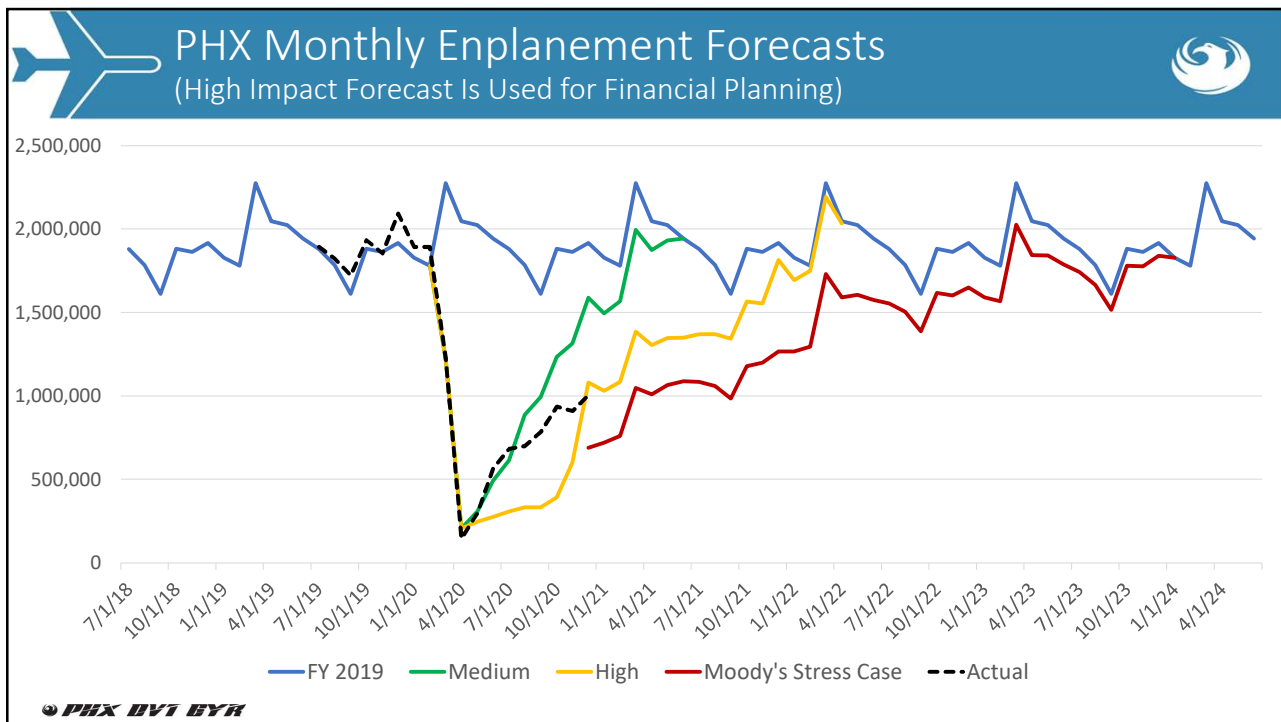
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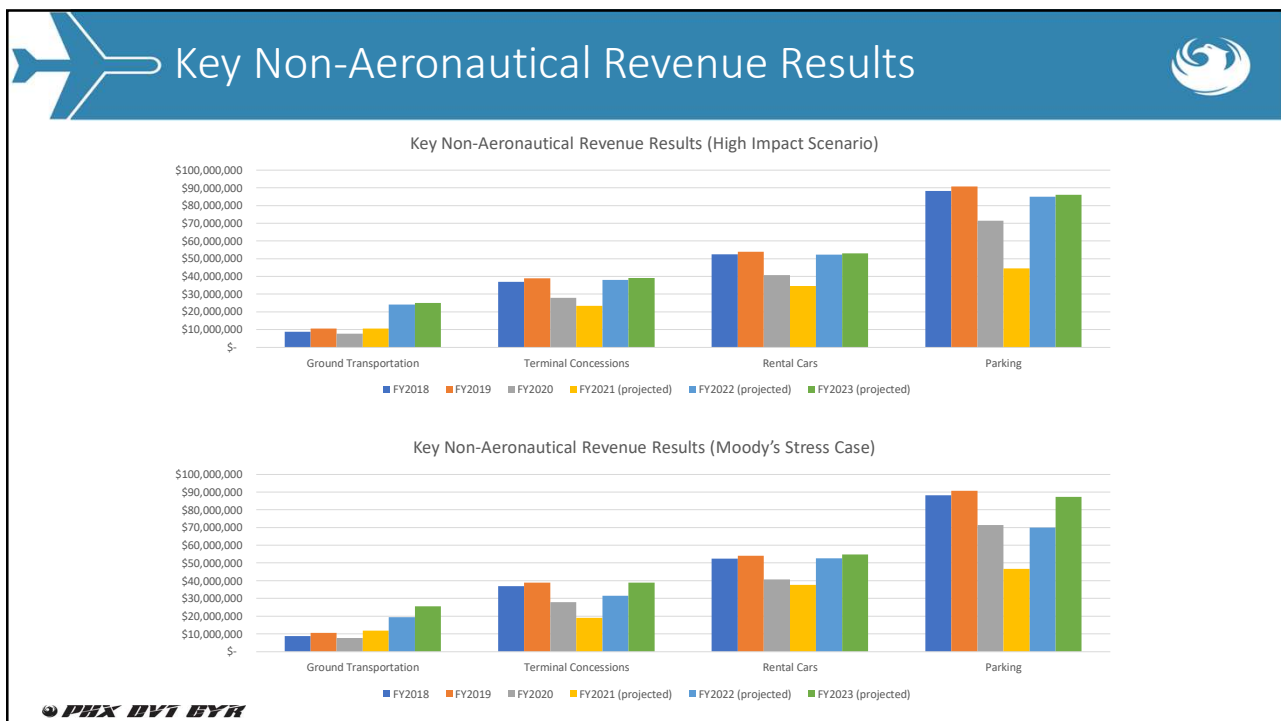
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4



5



6



Financial Plan Objectives and Strategies



1. Continue to provide essential services

- Maintain operating certificate
- Prioritize safety and security

2. Adapt spending for a potentially prolonged downturn

- Cut non-essential projects and maintain maximum flexibility in the capital budget
- Eliminate non-essential spending and maintain flexibility within the operating budget
- Maintain healthy cash reserves

PHX DVT BYR

7



Financial Plan (FY2020-22)

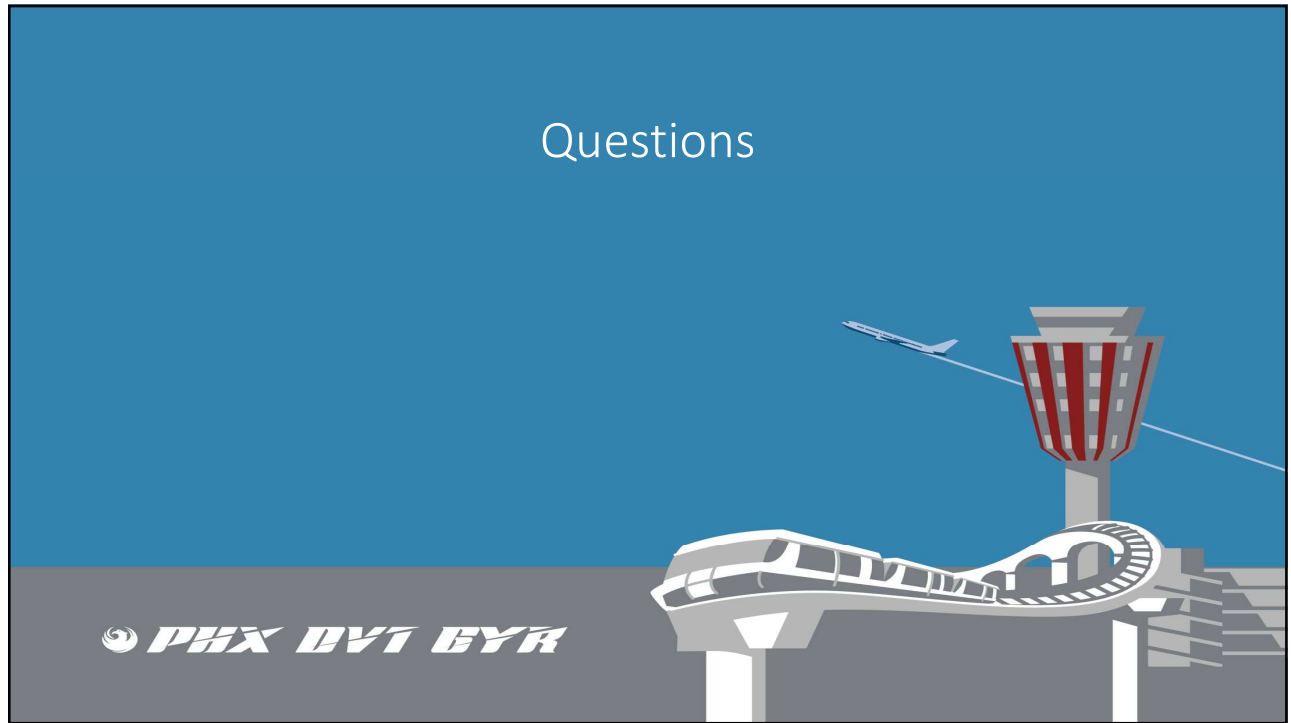


	FY 2020	FY 2021	FY 2022
CARES Grant Application (\$148m)	<ul style="list-style-type: none">• \$9M to Senior Lien debt service	<ul style="list-style-type: none">• \$55M to Senior Lien• \$41M to Junior Lien• \$ 5M to CFC Debt• \$38M to OPEX	
Pending Federal Stimulus			<ul style="list-style-type: none">• \$40M to Senior Lien
Operating Budget	<ul style="list-style-type: none">• \$15M OPEX reduction	<ul style="list-style-type: none">• \$30M OPEX reduction	<ul style="list-style-type: none">• \$20M OPEX reduction
Capital Budget		<ul style="list-style-type: none">• \$38m CAPEX Reduction• \$20m PFC Pay-go Reduction	<ul style="list-style-type: none">• \$21m CAPEX Reduction• \$20m PFC Pay-go Reduction

PHX DVT BYR

8

Questions



PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Charlene V. Reynolds Interim Director of Aviation Services
Subject:	Aviation COVID-19 Update

Description

This report provides the Phoenix Aviation Advisory Board an update on the impact of COVID-19 and the response taken by Aviation Department.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

This report provides an overview of the COVID-19 impact and response taken by the Aviation Department.

Location

City of Phoenix Aviation Department, 2485 E. Sky Harbor Blvd.

Recommendation

This item is for information and discussion.

Aviation Department COVID-19 Update

Phoenix Aviation Advisory Board
January 21, 2021

 **PHX DVT BYR**



1

Public Relations

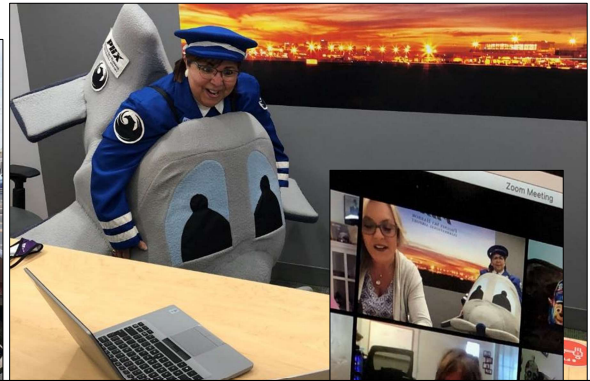


2

Public Relations: COVID-19 Safe Events



- Nov. 23 XpresCheck News Conference
- Navigator 20 Year Drive-Thru Celebration
- 47 Virtual speaking engagements
- 2,800+ attendees (English & Spanish)

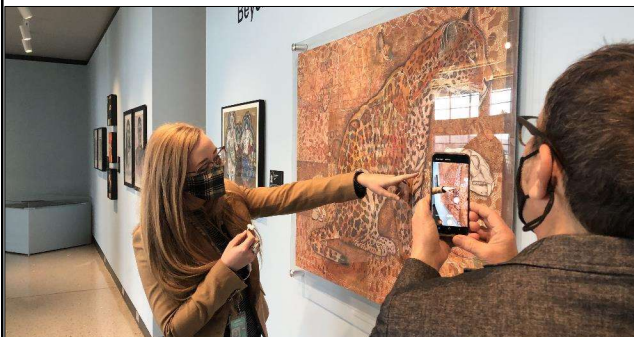


3

Airport Museum



- 9 new exhibitions in 21 spaces
- Virtual presentations and STEAM-based “field trips” for 671 students and community members



4



Communication



Coronavirus (COVID-19) PHX - Here for You

The health and safety of our customers is our top



- Video Walkthrough: Safety Protocols
- Frequent website/social media updates
- New PHX Check-In monthly newsletter



5



Employee Engagement






Aviation Weekly News


AVIATION DEPARTMENT UPDATE




6




Customer Service





- Restocking bins with FEMA-provided masks
- Front line customer service while Navigator program is on hold



7

Air Service Development



8

PHX PHOENIX SKY HARBOR
INTERNATIONAL AIRPORT

118 Nonstop Destinations

January 2021

Source: Innovata Schedules, via Cirium.



9

New Destinations

Domestic

American

Billings
Bismarck
Cincinnati
Cleveland
Nashville
Pittsburg
Raleigh NC
Tulsa

Southwest

Chicago O'Hare
Palm Springs
Colorado Springs
Memphis
Long Beach

Other Airlines

Frontier

Oakland
Ontario
Orlando
Sacramento
San Jose

Spirit

Orange County

Both American and
Hawaiian resumed service
to Honolulu

International

American

La Paz
Loreto
Culiacan
Calgary
Toronto

Southwest

Cancun
Cabo
Puerto Vallarta

Air Canada

Jetz aircraft for Vancouver

Source: Innovata Schedules, via Cirium.

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Business and Properties



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Concessions

CLOSED	OPEN

PHX DVT BYR

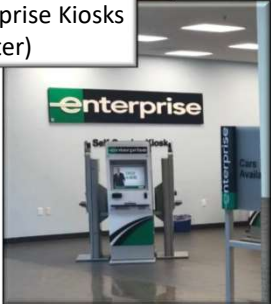
12

Rental Car Center

Rental Car Center - Typical Service Site (Fleet Management for Peak Season)


Rental Car Center Enterprise Kiosks (Before and After)




PHX DVT BYR

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Cargo Operations







Increased Cargo Operations

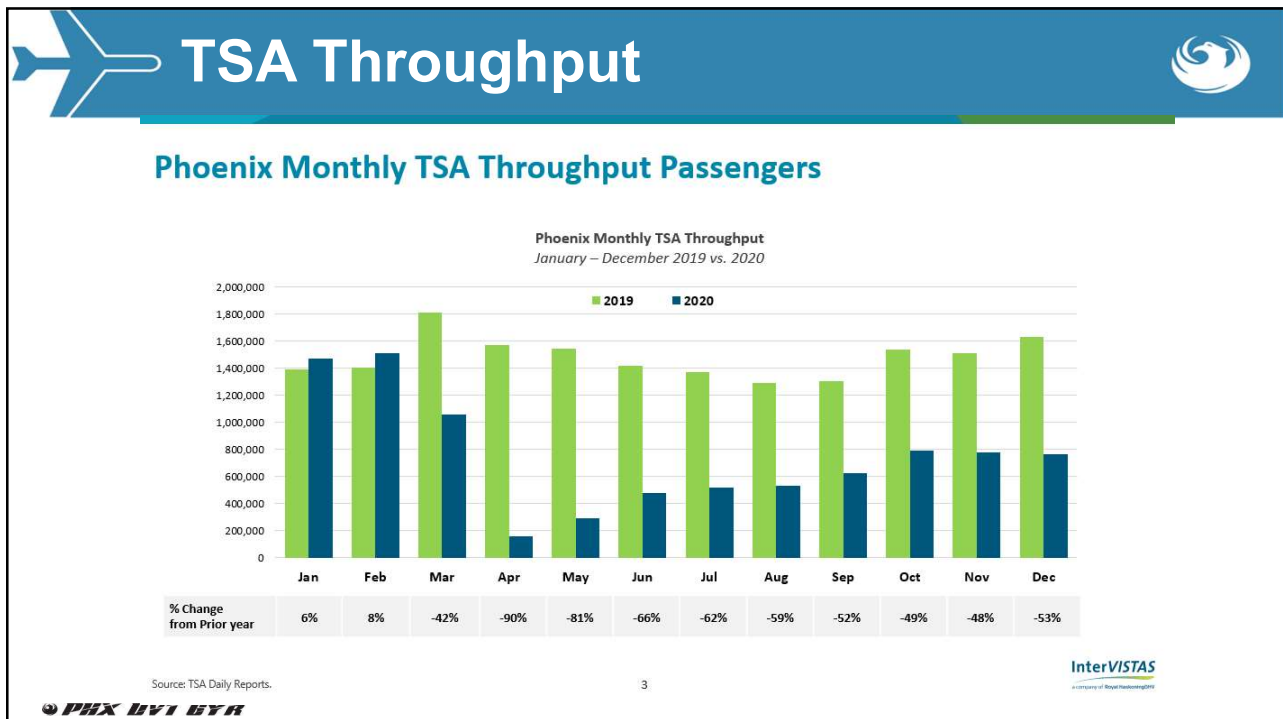
PHX DVT BYR

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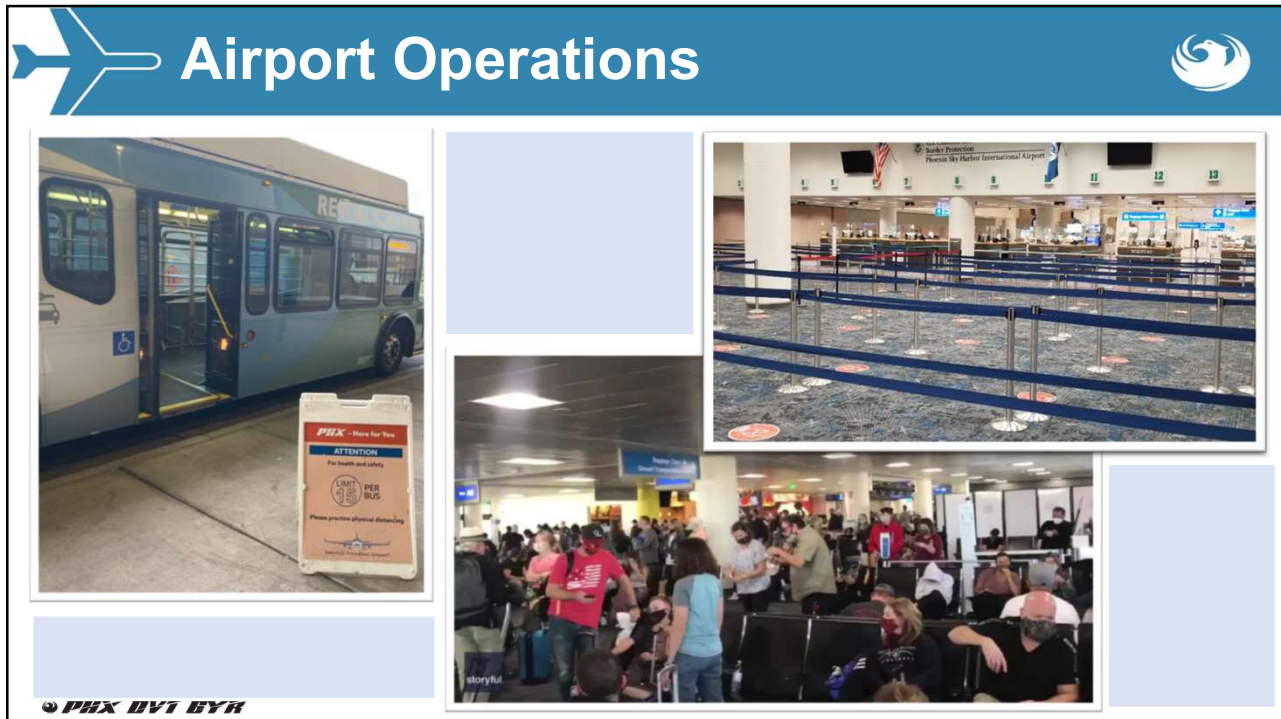
Airport Operations



15



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Facilities & Services



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Facilities & Services



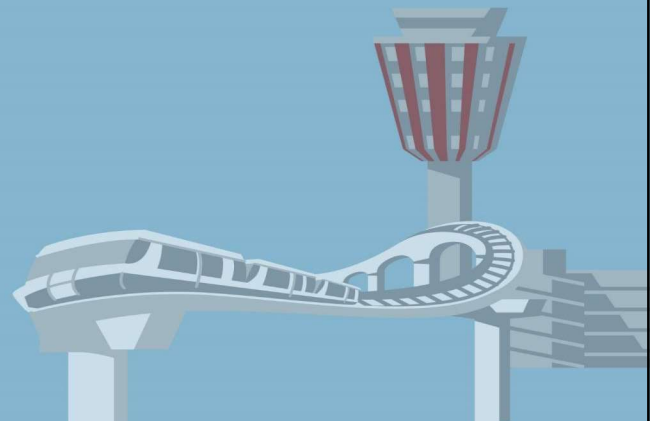
- Supplies and PPE
- Enhanced cleaning/sanitizing
- Continued innovation
- Certification – GBAC and ACI




PHX DOT BYR

19


Public Safety & Security



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Public Safety & Security




- Emergency Preparedness / Vaccine Planning
- Safety and Security

Potential COVID-19 Vaccine Prioritization Overview*

Phase 1 <small>DECEMBER 2020 - SPRING 2021</small>			Phase 2 <small>SPRING 2021 - SUMMER 2021</small>	Phase 3 <small>SUMMER 2021 - BEYOND</small>
1A	1B	1C		
Healthcare Workers	Education and Childcare Providers <small>Priority Within 2B</small>	Adults 65 and Older	Any Remaining Phase 1 Populations	Any Remaining Phase 1 or 2 Populations
Emergency Medical Services Workers	Law Enforcement/Protective Services <small>Priority Within 2B</small>	Adults of Any Age with High-Risk Medical Conditions	Additional High-Risk/Critical Populations	General Population
Long-term care Facility Staff & Residents	Adults Age 75 and Older <small>Priority Within 2B</small>		General Population	
	Adults Living in Congregate Settings			
	Other Essential Workers**			






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General Aviation

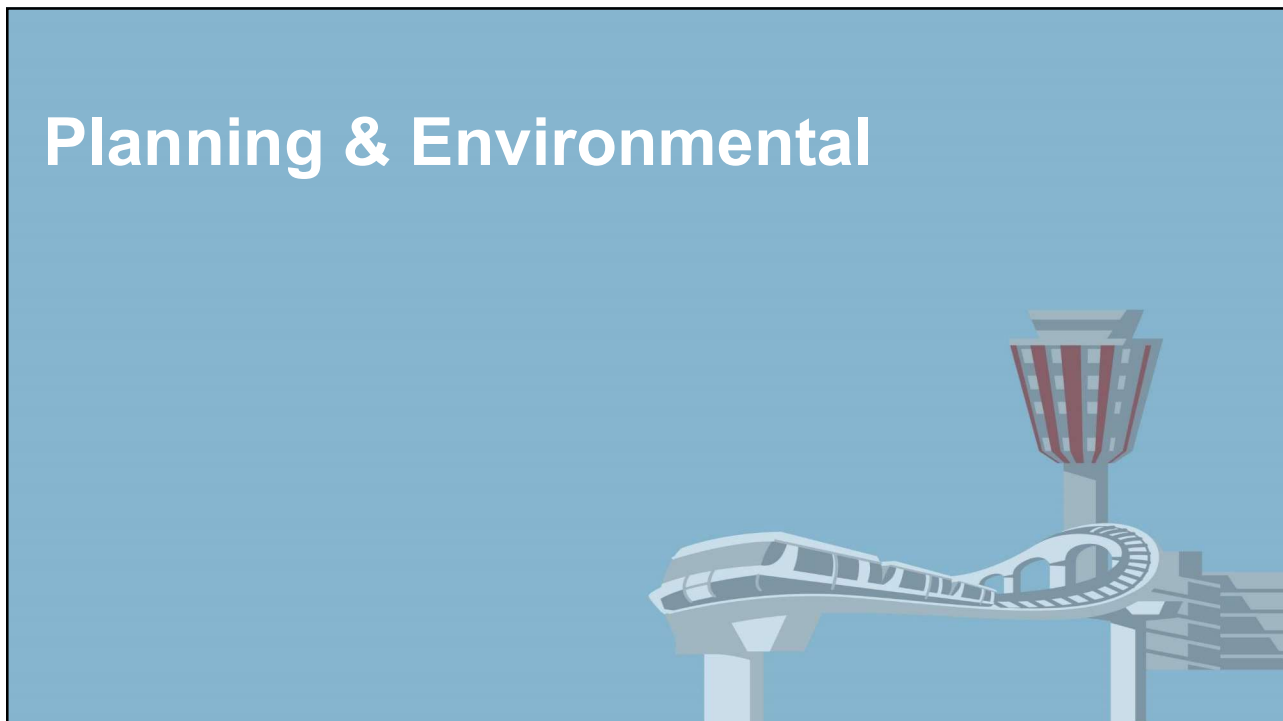
- Deer Valley Airport
- Goodyear Airport




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23




24




Planning & Environmental







Airspace and Noise




Environmental Services




Planning and Grants



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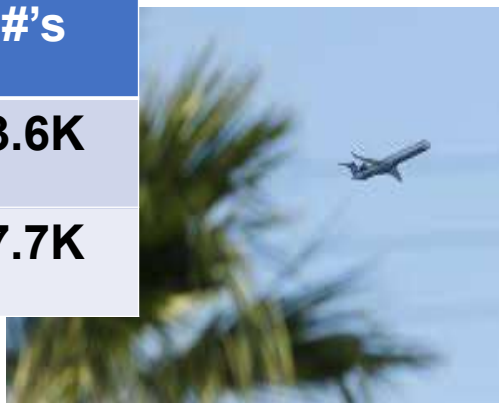



Airspace and Noise



Noise Complaints

Nov	Ops	HH's	#'s
2020	27K	60	3.6K
2019	37K	96	7.7K





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Environmental Services



Environmental Management Information Systems




Environmental Sustainability






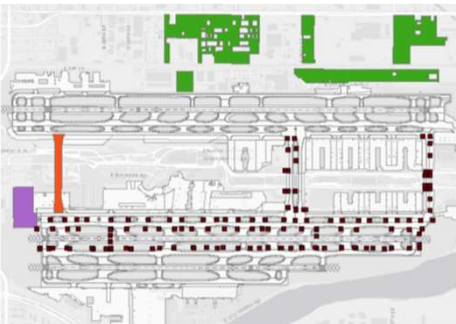
27




Planning and Grants



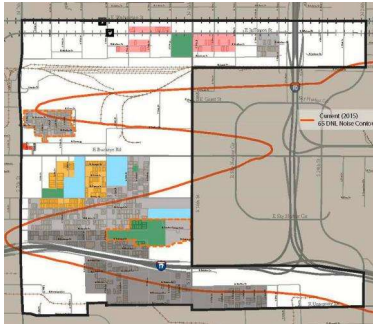
Federal/State Funding




CAMP Implementation



Land Reuse Strategy





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Technology



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Touchless Bag Tag Printing





1

Passenger scans
their boarding pass

2

Kiosk prints
the bag tag(s)

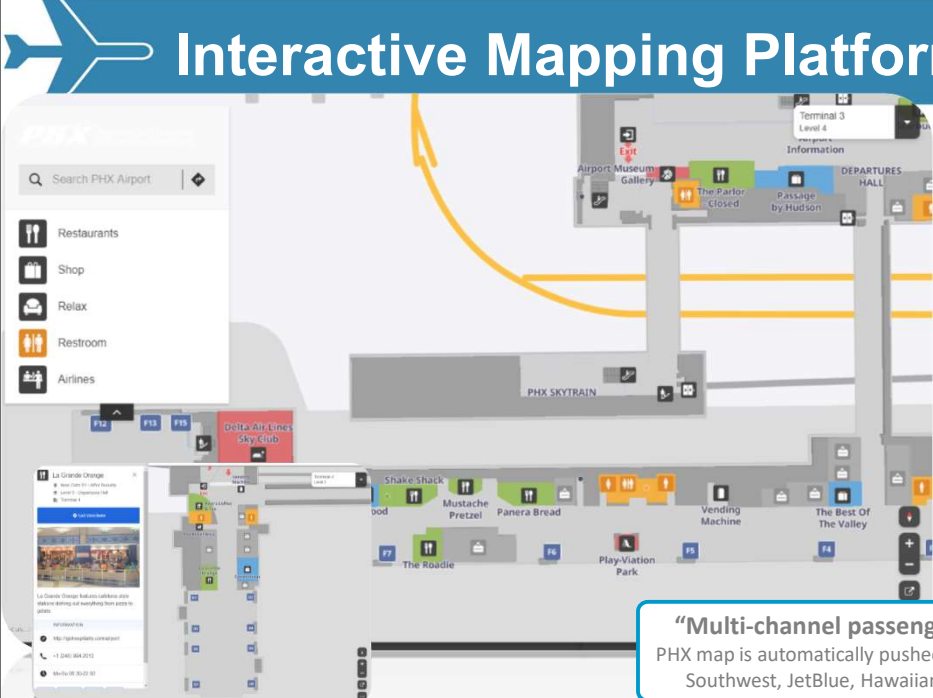
3

Attach bag tag to
luggage and check bag

PHX DVT GYR

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Interactive Mapping Platform



- Replace legacy PDF maps of the airport with a single Dynamic Interactive map
- High resolution map with “Search” and “Navigation” for every device
- Drive retail and dining discovery with rich point-of-interest detail
- Provide pertinent dynamic info re: Parking, Security, Concessions to pax

“Multi-channel passenger-facing PHX map data”
PHX map is automatically pushed to airline apps (Delta, American, Southwest, JetBlue, Hawaiian) and other 3rd party products

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Cyber Security

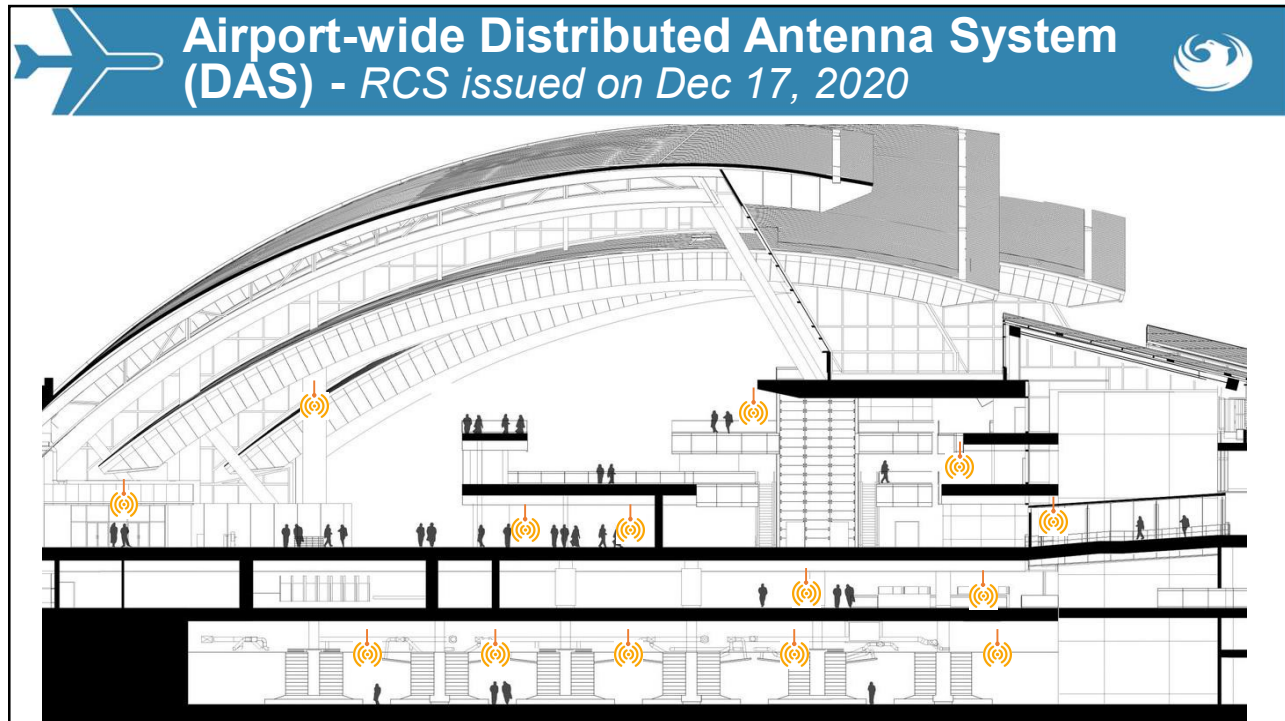


Multi-Factor Authentication – Dec 2020

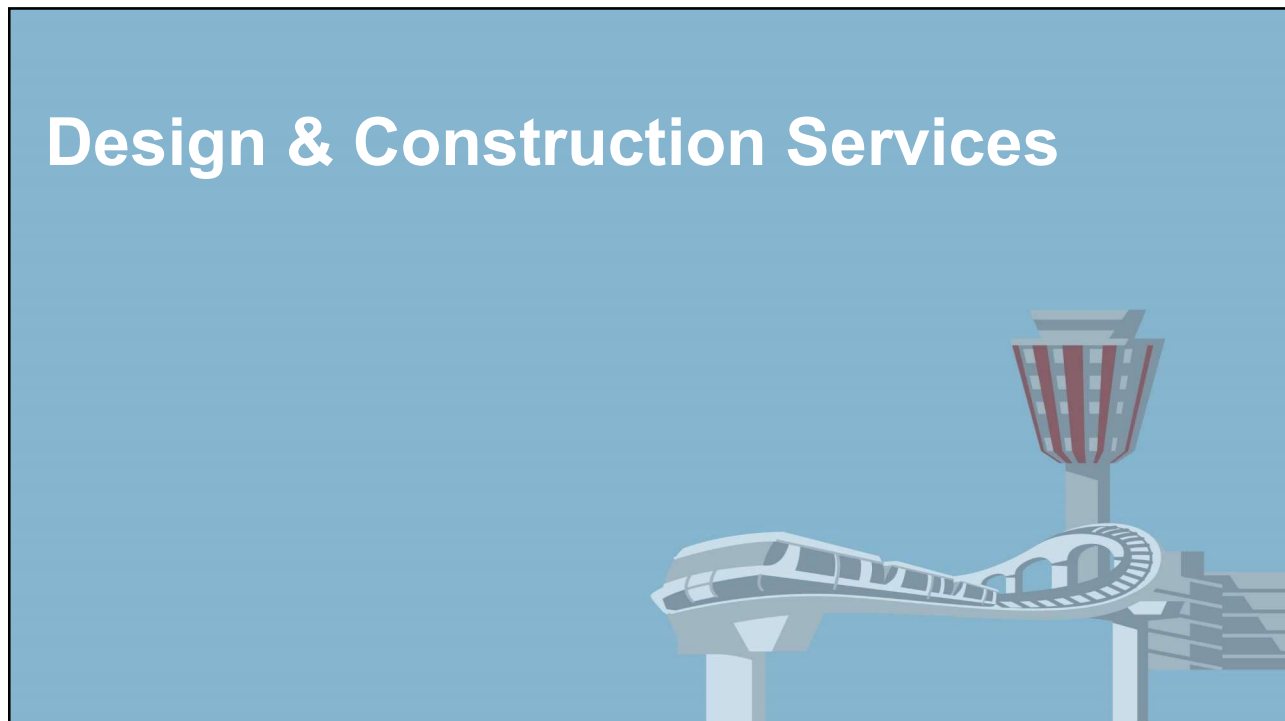
Cyber Security Awareness Training – Nov 2020

PHX DVT BYR

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Design & Construction Services



Ongoing Major Projects



Terminal 4 S1 Concourse



PHX Sky Train Stage 2




Terminal 2 Demolition

DCS Projects	Value of 70 Pre-COVID-19 Projects	Value of 29 Projects Put On Hold	Value of 42 Ongoing DCS Projects
CIP/JOC Projects	\$2,664,313,136	\$780,691,473*	\$1,877,349,383


* Deferred CIP/JOC projects for a savings of \$780M


PHX DVT BYR

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Questions?





PHX DVT BYR

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