

## **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 21, 2025 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/r9a49a4912437248e19522a7f3b083495>

**Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2343 202 9388 #. 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](mailto:pearl.meza@phoenix.gov) no later than 10 a.m. on Thursday, August 21, 2025. 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.

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 15, 2025

## **DISCUSSION AND POSSIBLE ACTION (ITEMS 4 - 7)**

4. **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 Mr. Ron Price to the position of Chairperson of the Board.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

5. **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 Ms. Annette Musa to the position of Vice-Chairperson of the Board.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

6. **Lease Extension Amendment with the Civil Air Patrol at Phoenix Deer Valley Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Corporate Hangar Lease 136822 with the Civil Air Patrol at Phoenix Deer Valley Airport to extend the term for ten years plus one five-year extension option and incorporate approximately 10,400 square feet of additional premises.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**7. Amendment of Ground Lease No. 148261 with Cutter Aviation Deer Valley Inc. at Phoenix Deer Valley Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Ground Lease 148261 with Cutter Aviation Deer Valley Inc. to add approximately 4,193 square feet to the leased premises at Phoenix Deer Valley Airport to enable the construction of an additional executive hangar facility.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**INFORMATION AND DISCUSSION (ITEM 8)**

**8. Childcare Programs Update**

This report provides an update on the Aviation Department's American Rescue Plan Act funded childcare programs.

**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](http://skyharbor.com).



**PHOENIX AVIATION ADVISORY BOARD  
SUMMARY MINUTES  
May 15, 2025**

***Meeting held in person and via WebEx***

**Board Members Present**

Ruben Alonzo – Chairperson  
Ron Price – Vice-Chairperson  
Stephanie Cherny  
Sandra Ferniza  
Sharon Hwang  
Verma Pastor  
David Shilliday  
Dan Brownlee – Ex-Officio  
Chad Makovsky – Ex-Officio

**Board Members Absent**

Annette Musa

**Staff Present**

Abbe Slade  
Amy Turner  
Andrew Durket  
Candace Huff  
Chris Baranowski  
Cindy Lizarraga  
Clif Looper  
Daver Malik  
Greg Roybal  
Ivy Huang

Jason Gitkin  
Jeremy Galovich  
Karen Ratliff  
Maria Wagar  
Mary Helen Martinez  
Matthew Heil  
Michael Hughes  
Michael O'Shaughnessy  
Mike Pluff

Pearl Meza  
Prasan DeSilva  
Richard Graham  
Robert Hawes  
Roxann Favors  
Ryan Hartnett  
Sarah Asta  
Valerie Hurtado  
William Robinson

**Members of the Public Present**

Scott Sikel

**CALL TO ORDER**

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

**SUMMARY OF CURRENT EVENTS**

## **1. Summary of Current Events from the Aviation Director**

Mr. Chad Makovsky reported on March 2025 activity at Sky Harbor Airport. Domestic passenger numbers were flat, with a slight 0.1% year-over-year decrease. International traffic increased 2.3%; however, he noted mixed results related to Canadian traffic that staff will continue to monitor closely.

Goodyear Airport experienced a slight decrease in operations after a record-setting 2024 due to changes in flight school activity. Deer Valley Airport remains one of the busiest general aviation airports, and cargo traffic at Sky Harbor is trending up in 2025.

He discussed the City of Phoenix's heat ordinance, emphasizing tenant and airport compliance efforts, including posted safety resources in English and Spanish. He highlighted events in the Culture Corner, including an April event with the Heard Museum and an upcoming Hawaiian & Pacific Islander heritage celebration.

Additionally, Sky Harbor participated in Earth Day with events across the airport and introduced Garrett Popcorn Shops in Terminal 4, the brand's first Arizona location. Volunteer Appreciation Week was celebrated May 1–7, highlighting the 25th anniversary of the Navigator Program, which has accrued over 1.6 million volunteer hours.

City Council actions approved on May 7 included an extended hangar lease at Phoenix Deer Valley Airport, a facility lease with Worldwide Flight Services, and an environmental on-call consulting contract.

Mr. Makovsky also announced that Board Member Andrew Cohn had resigned after 17+ years of service. His numerous contributions, especially to the Tempe Entertainment District negotiations, were acknowledged with deep appreciation.

## **2. Summary of Current Events by the Airline Station Manager**

Mr. Dan Brownlee reported that most airline carriers are in full compliance with the City's heat ordinance. Southwest Airlines implemented refrigerated provisioning trucks and a tiered hydration support strategy including water, electrolyte supplements, and cooling towels.

Mr. Brownlee thanked the City of Phoenix for the opportunity to participate in the recent Safety Expo and reaffirmed the airline community's commitment to safety and partnership.

### **APPROVAL OF MINUTES**

#### **3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on April 17, 2025**

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

No public comments.

The motion carried.

### **CONSENT ACTION (ITEMS 4 - 5)**

#### **4. Passenger Boarding Bridge Ownership Transfer Between American Airlines and the City of Phoenix**

#### **5. Video Surveillance System Licensing, Maintenance and Repair Services Award Recommendation**

Ms. Cherny noted that both items were heard in the Business and Development Subcommittee.

**A motion was made by Mr. Price seconded by Ms. Cherny that this item be approved.**

No public comments.

The motion carried.

### **DISCUSSION AND POSSIBLE ACTION (ITEM 6)**

#### **6. Wi-Fi Service Provider Concessions Lease Agreement Contract Extension**

Mr. Daver Malik presented a detailed overview of the proposal to extend the City's public Wi-Fi service contract with Boingo Wireless. He began by noting that robust public Wi-Fi has become an essential amenity at Phoenix Sky Harbor, valued by passengers not only for entertainment but also for business connectivity and real-time travel information.

He explained that the existing system, which includes over 400 access points, supported 13.7 million users in the past year and delivered more than 4.5 petabytes of data. Average user session times exceeded an hour, and the airport was recently recognized globally for offering some of the fastest public Wi-Fi speeds, averaging 151 Mbps.

Despite these achievements, Mr. Malik explained that the revenue streams traditionally associated with airport Wi-Fi services have sharply declined. Sources such as direct retail purchase of Wi-Fi access and advertising have faded significantly, and the need for carrier offloading — where mobile phones automatically connect to airport Wi-Fi networks — has also diminished.

In light of these trends, the Aviation Department proposes to transition the entire public Wi-Fi service in-house, leveraging recently modernized Wi-Fi infrastructure. This will allow the department to meet future needs, including powering smart infrastructure, supporting real-time monitoring tools for maintenance teams, and enabling a location-aware digital experience for travelers.

Staff is recommending a one-year extension of Boingo's contract through July 31, 2026, followed by a month-to-month term as necessary until the City assumes full operational control. This approach maintains current service levels, avoids disruption, and enables the City to absorb the network into its 24/7 technology support model without additional staff.

Ms. Cherny confirmed that the item was heard and supported by the Business and Development Subcommittee, emphasizing that it was a well-prepared and forward-looking transition plan.

**A motion was made by Ms. Hwang, seconded by Ms. Cherny, that this item be approved.**

No public comments.  
The motion carried.

## **INFORMATION AND DISCUSSION (ITEM 7)**

### **7. Revenue, Enplanements, and Business Activity Update**

Mr. Andrew Durket presented a comprehensive update on the airport's financial health, enplanement trends, and revenue drivers. He opened by explaining that Phoenix Sky Harbor outperformed other large hub airports in enplanement growth throughout 2024, though like its peers, it experienced a dip in early 2025 due to broader macroeconomic conditions.

He emphasized that this was not unique to Phoenix and supported his assessment with comparative data across the large-hub airport network.

Mr. Durket highlighted that Phoenix's origin-and-destination (O&D) traffic has grown steadily over the past decade. In 2015, O&D traffic made up about 59% of total passengers; today it accounts for more than 72%.

This trend is financially beneficial since O&D passengers are more likely to park, rent cars, and spend money at concessions, making them more valuable from a revenue perspective than connecting passengers.

He then reviewed recent activity with credit rating agencies. Moody's reaffirmed the airport's strong ratings of Aa2 for senior lien and Aa3 for junior lien bonds, both with stable outlooks. Standard & Poor's affirmed similar ratings (AA- and A+ respectively) and upgraded the airport's outlook from stable to positive — a significant step that could lead to future upgrades.

Mr. Durket noted that these ratings reflect the airport's continued fiscal discipline, strong liquidity, and strategic debt management.

On financial metrics, Sky Harbor significantly exceeded its performance targets in 2024. Debt service coverage reached 5.41 times on senior debt and 3.11 times in aggregate — well above minimum thresholds. The airport's PFC (Passenger Facility Charge) leveraging remained conservatively managed at 59%, providing flexibility in case of traffic fluctuations. The airport also reported over 1,000 days of cash on hand, and a cost per enplanement (CPE) of just \$7.84, placing Phoenix among the most affordable large hub airports in the country.

Turning to non-aeronautical revenue, Mr. Durket shared that parking continues to be the airport's largest source in this category. Monthly parking revenue rose from \$8.9 million in 2019 to \$14.7 million in 2024. Rental car transaction days have finally surpassed pre-pandemic levels as of 2024. Meanwhile, rideshare activity has surged, with October 2024 logging over 516,000 trips and generating nearly \$2.6 million in revenue — both roughly 50% increases from 2021.

He concluded with an update on concession gross revenue, noting that spending trends remain strong, indicating a healthy post-pandemic recovery in traveler activity. Mr. Durket's presentation underscored the airport's solid financial footing and its ability to support continued capital development while keeping costs low for airlines and passengers alike.

No public comments.

### **ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS**

Ms. Ferniza requested the continuance of monitoring international traffic trends.



## **CALL TO THE PUBLIC**

None

## **EXECUTIVE SESSION (ITEM 8)**

### **8. Executive Session**

**A motion to enter executive session was made by Ms. Ferniza, seconded by Ms. Pastor.**

The motion carried, and an executive session was entered.

## **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:	Election of a New Chairperson of the Board for the Phoenix Aviation Advisory Board

### **Description**

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

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

The Phoenix Aviation Advisory Board is required to annually elect one of its members to the position of Chairperson for a term of one year. The term of the current Chairperson held by Mr. Ruben Alonzo will expire on August 31, 2025. The next Chairperson will serve a one-year term beginning September 1, 2025, and ending August 31, 2026.

The Nominating Committee is the designated body that nominates and recommends a candidate for Chairperson from the current members. On June 12, 2025, the Nominating Committee recommended the Board elect Mr. Ron Price to serve as Chairperson from September 1, 2025, until August 31, 2026.

### **Recommendation**

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

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
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 Ms. Annette Musa to the position of Vice-Chairperson of the Board.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

The Phoenix Aviation Advisory Board is required to annually elect one of its members to the position of Vice-Chairperson for a term of one year. The term of the current Vice-Chairperson held by Mr. Ron Price will expire on August 31, 2025. The next Vice-Chairperson will serve a one-year term beginning September 1, 2025, and ending August 31, 2026.

The Nominating Committee is the designated body that nominates and recommends a candidate for Vice-Chairperson from the current members. On June 12, 2025, the Nominating Committee recommended the Board elect Ms. Annette Musa to serve as Vice-Chairperson from September 1, 2025, until August 31, 2026.

### **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 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:	Lease Extension Amendment with the Civil Air Patrol at Phoenix Deer Valley Airport

### **Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Corporate Hangar Lease 136822 with the Civil Air Patrol at Phoenix Deer Valley Airport to extend the term for ten years plus one five-year extension option and incorporate approximately 10,400 square feet of additional premises.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

The Civil Air Patrol (CAP) Arizona Wing has leased a corporate hangar of approximately 6,000 square feet, including classroom space at Phoenix Deer Valley Airport. CAP is a not-for-profit United States Air Force Auxiliary that provides aviation-related education and flight training to local youth and adults to assist federal and local state authorities in the event of local and national emergencies. CAP uses the hangar facility for its non-commercial activities to support aerial search and rescue missions, humanitarian aid services, and to operate a cadet program that introduces cadets to aviation.

CAP has been a tenant at Deer Valley Airport since 1989 and leases the hangar facility for one dollar per year, consistent with FAA regulations recognizing CAP as a not-for-profit aviation organization producing benefits to the airport and the aviation community.

Corporate Hangar Lease 136822 was amended in January 2021 to extend the term for an additional five years, through December 31, 2025, with two one-year renewal options. The amendment included a provision for an additional five-year extension if CAP made a \$1 million minimum capital investment to expand the hangar.

CAP recently received a \$4.9 million grant from the State of Arizona for hangar facilities improvements. Given the significance of the proposed capital investment, CAP requested the Aviation Department exercise both remaining one-year renewal options and extend the lease term for an additional 10 years, with one five-year renewal option, to complete a remodel and expansion of the hangar.

### **Contract Term**

With City Council approval, the lease term will be extended for 10 years, effective December 31, 2027, with one five-year renewal option, contingent upon CAP investing a minimum of \$4.9 million in the hangar remodel and expansion.

**Financial Impact**

Rent for the lease will remain at one dollar (\$1.00) per year. Total rent under the maximum term of the lease will be seventeen dollars (\$17.00).

**Location**

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

**Recommendation**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Corporate Hangar Lease 136822 with Civil Air Patrol at Deer Valley Airport to extend for 10 years effective December 31, 2027, with one five-year renewal option, and to incorporate approximately 10,400 square feet of additional premises to support the hangar remodel and expansion.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Amendment of Ground Lease No. 148261 with Cutter Aviation Deer Valley Inc. at Phoenix Deer Valley Airport

### **Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Ground Lease 148261 with Cutter Aviation Deer Valley Inc. to add approximately 4,193 square feet to the leased premises at Phoenix Deer Valley Airport to enable the construction of an additional executive hangar facility.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

Cutter Aviation currently leases approximately 1,131,854 square feet of land at Deer Valley Airport to operate a Fixed Base Operator business, which includes covered tie-down units and executive hangars.

Cutter seeks to expand their leased area by approximately 4,193 square feet to accommodate construction of an executive hangar facility totaling approximately 55,000 square feet. The hangar construction will require removal of two rows of Cutter's existing covered tie-down spaces.

### **Contract Term**

The term of Ground Lease 148261 commenced on July 1, 2018, and will expire on June 30, 2048. This amendment does not change the lease term.

### **Financial Impact**

Cutter currently pays approximately \$601,232.27 per year in ground rent. The additional 4,193 square feet will add approximately \$2,851.24 per year, or approximately \$65,578.52 over the remaining 23 years of the lease.

### **Location**

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

### **Recommendation**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to amend Ground Lease 48261 with Cutter Aviation Deer Valley Inc. to add approximately 4,193 square feet to the leased premises.

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

### **Description**

This report provides an update on the Aviation Department's American Rescue Plan Act funded childcare programs.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

### **Report Summary**

As part of the City of Phoenix allocation of American Rescue Plan Act funds, the Phoenix City Council undertook a review of departments and programs to identify areas where additional support could help essential workers.

As part of this effort, the City Council adopted an ARPA funding strategic plan on June 8, 2021. One element of the plan was to provide childcare support to essential workers at Phoenix Sky Harbor International Airport. The Aviation Department was allocated \$5 million as part of that process for badged airport workers.

The program includes two components: a scholarship program for badged airport workers, administered through an intergovernmental agreement with the early childhood agency First Things First; and funding for a purpose-built childcare facility at Phoenix Sky Harbor.

Staff will provide an update on both the scholarship program and the status of the facility construction.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

### **Recommendation**

This item is for information and discussion.