

**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, September 19, 2024 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/r1ff20688b88f55270d5d9c28d4a63b23>

Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2630 605 4662#. Press # again when prompted for attendee ID.

Public Comment: If you wish to provide a written comment or speak at the meeting virtually or by phone, please submit a request to pearl.meza@phoenix.gov no later than 10 a.m. on Thursday, September 19, 2024. 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.

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 August 15, 2024

CONSENT ACTION (ITEMS 4 - 5)

4. **New Facility Lease with Aerial Engagement LLC at DVT**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a Facility Lease with Aerial Engagement, LLC for approximately 500 square feet of office space at Phoenix Deer Valley Airport.

THIS ITEM IS FOR CONSENT ACTION.

5. **Facility Lease Extension with Galaxy International, Inc. at GYR**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to extend Facility Lease No. 134004 with Galaxy International, Inc. at Phoenix Goodyear Airport for two years with two five-year options.

THIS ITEM IS FOR CONSENT ACTION.

INFORMATION AND DISCUSSION (ITEM 6)

6. **Passage of the Federal Aviation Reauthorization Act of 2024**

This report provides an overview of the Federal Aviation Administration Reauthorization Act of 2024, which was signed into law earlier this year.

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.

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 on Thursday, October 17, 2024.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
August 15, 2024**

Meeting held in person and via WebEx

Board Members Present

Sandra Ferniza – Chairperson
Ruben Alonzo – Vice-Chairperson
Andrew Cohn
Annette Musa
Valencia Fisker
Ron Price
Verma Pastor
David Shilliday
Chad Makovsky – Ex-Officio
Dan Brownlee – Ex-Officio

Board Members Absent

Stephanie Cherny

Staff Present

Abbe Slade	Jennifer Maples	Munjed Hassan
Alexandria VanHaren	Karen Ratliff	Nicole Donothan
Carolina Potts	Maria Wagar	Pearl Meza
Chad Blotkamp	Marshall Kain	Prasan DeSilva
Christy Gomez	MaryHelen Martinez	Richard Graham
Daver Malik	Matthew Becker	Roxann Favors
Gina Huerta	Matthew Heil	Ryan Hartnett
Heather Shelbrack	Michael Hughes	Sara Asta
Jay DeWitt	Michael O’Shaughnessy	Sara Demory
Janet Lee	Michael Pluff	Shawna Larson
	Moe Yacut	Timothy Spahr

Members of the Public Present

Kyle Fukuhara Peter Hokanson

CALL TO ORDER

Vice 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 welcomed the board members and introduced the new Airline Station Manager on the Board, Dan Brownlee of Southwest Airlines.

Mr. Makovsky then discussed current passenger growth, stating that traffic is 8.3% higher in the first six months of the year compared to 2023, and international travel is at approximately 16% year over year for the first six months.

He then discussed recent air service developments, including Condor's new fuel-efficient Airbus A330neo that will be flown on its Phoenix to Frankfurt route; and the introduction of new Air France Phoenix to Paris service.

[Chairperson Ferniza joined the meeting.]

Mr. Makovsky then shared new international arrivals signage placed throughout the Terminal 4 international walkway to welcome arriving passengers. He then welcomed the airport's 25th airline, Porter Airlines. Porter will provide daily service to Toronto starting in October. He also explained the pause in service for American Airlines' Phoenix to London service for the winter season, which is planned to return in the spring of 2025.

Next, Mr. Makovsky discussed the WNBA All-Star game that was held in Phoenix. The All-Star game drew record-breaking viewers. He explained the efforts the City and Sky Harbor made to welcome attendees and athletes during the weekend of the event.

Mr. Makovsky then highlighted that the Aviation Department recently hosted a Bring Your Child to Work Day. With 240 parents and children participating, the day involved a number of activities at areas of interest around the airport including the Southwest maintenance hangar, Air National Guard base, Customs and Border Protection, and Phoenix Fire and Police sites.

Next, Mr. Makovsky recognized the department's Employee Excellence Award winners.

He then shared the Phoenix Airport Museum's activities for National Coloring Book Day, in which airport-themed artwork coloring books were given to guests, along with photo opportunities with Sky Harbor mascot Amelia and Navigator Buddy Abby.

Mr. Makovsky then discussed the Aviation Department's recent recognition by the Government Finance Officers Association for excellence in financial reporting.

Next, he discussed Sky Harbor's recognition by the Tempe Chamber of Commerce. Sky Harbor received the organization's Business Excellence Award in the large business category for excelling in employee development and making a remarkable impact in the community by delivering world-class customer service. More than 3,000 airport employees earning a combined \$256.2 million in labor income live in Tempe.

Mr. Makovsky then shared that concessionaire TMG Hospitality recently won the Best New Food and Beverage award for its Phoenix Magazine Café and Market. The award was given by Airports Council International at a recent Business of Airports conference.

The Aviation Department was recently recognized as Airport of the Year by the Airport Minority Advisory Council. The award was given at their 39th annual Airport Business Diversity Conference. This award recognizes airports for their contributions to Disadvantaged Business Enterprise, Airport Concessions Disadvantaged Business Enterprise and Equal Opportunity goals and inclusion at the airport.

Mr. Makovsky concluded by highlighting actions taken by the City Council since the last meeting.

2. Summary of Current Events by the Airline Station Manager

Mr. Dan Brownlee thanked the board for the opportunity to serve on the Phoenix Aviation Advisory Board and provided a brief summary of the airline's summer heat safety actions.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on May 16, 2024

A motion was made by Mr. Alonzo seconded by Mr. Price that this item be approved.

No public comments.

The motion carried.

DISCUSSION AND POSSIBLE ACTION (ITEMS 4 - 8)

4. Election of a New Chairperson of the Board of the Phoenix Aviation Advisory Board

Ms. Ferniza stated the nominating committee nominated Ruben Alonzo for Chair of the board.

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

No public comments.
The motion carried.

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

Ms. Ferniza stated the nominating committee nominated Ron Price for Vice-Chairperson of the board.

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

No public comments.
The motion carried.

6. Facility Lease Agreement with American Airlines Federal Credit Union

Mr. Clif Looper presented this item. He began by providing the current lease agreement, operating hours, and services provided by the credit union.

He then discussed the new five-year lease the credit union wishes to enter into for the 900 square foot property. He noted that the current rental rate is \$187.08 per square foot per year, and the rent will be approximately \$168,372 for the first year and \$1,178,604 over seven years.

Mr. Cohn commented that he believes the Aviation Director should be authorized to take this type of action instead of needing to seek authorization through the PAAB.

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

No public comments.
The motion carried.

7. Award Recommendation for Cash to Card Kiosk Services at Phoenix Sky Harbor International Airport

Ms. Corrine Harbaugh presented this item. She discussed the passenger service that the kiosk would provide. The kiosk will transfer cash value onto prepaid debit cards, allowing those traveling with cash to easily purchase airline tickets. The debit card cost is \$6, and the cash limit per card is \$1,000. She also noted the current location of the kiosks, with two located in each terminal at the ticketing level.

Ms. Harbaugh then discussed the Revenue Contract Solicitation and noted that one response was received.

She then introduced the recommended business for award, the Ready Credit Corporation. Ready Credit has extensive experience in offering these services. She noted that the new contract term is for three years with two one-year renewal options, with a minimum annual guarantee of \$10,000 or 10% of transaction fees, whichever is greater. The estimated revenues over the contract period for the airport would be \$50,000 or greater.

Mr. Shilliday asked if the kiosk can convert to other currencies or only issues U.S. dollars.

Ms. Harbaugh replied that the kiosk can only issue U.S. dollars.

A motion was made by Mr. Alonzo, seconded by Mr. Shilliday that this item be approved.

No public comments.

The motion carried.

8. Request to Issue a Revenue Contract Solicitation for Terminal 3 Food and Beverage Micro-Restaurant and Kiosk Small Business Concession Opportunities

Ms. Janet Lee Presented this item. She started by discussing the growing need for concessions in Terminal 3 as there is only one concessionaire pre-security. Additionally, the re-location of the airport badging office will bring a greater need for food and beverage options for employees of the badging office and those waiting for badge services.

Ms. Lee continued by explaining that staff recommended placing the additional concessions in the Terminal 3 meeting area to serve both the public waiting to meet deplaned passengers and those using the badging office.

She also noted the need for concessions on level one near baggage claim. The only other option on level one is Peet's Coffee, so staff recommends placing the concessions kiosk in that area.

She emphasized that the kiosks can be deployed quickly and easily re-located as demand changes.

Ms. Lee then discussed the solicitation goals, which are to increase small business participation, optimize sales and rental revenues, provide quality food and beverage offerings, and incorporate technology and innovative service concepts.

Next, Ms. Lee provided the evaluation criteria for the operator, which includes the proposed concepts and menu plans, experience and qualifications of respondent and partners, management, marketing, and operations plans, and the proposed business plan.

She reviewed the contract term, which would be three years with two one-year renewal options. The contract would also require a percentage rent only

She noted that the concessions opportunity is intended to target current ACDBE operators in good standing, or small businesses that have experience operating a food and beverage concept for three of the last six years. The estimated award would occur in the spring of 2025.

Ms. Fisker stated the item was presented to BDSC and they found it to be beneficial to both customers and employees.

A motion was made by Mr. Alonzo, seconded by Ms. Musa that this item be approved.

No public comments.
The motion carried.

Ms. Ferniza stated she has advocated for ways that small businesses can enter the market at the airport, and that she is excited to see this item come to fruition.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

Mr. Cohn asked for a mechanism for the Aviation Director to be able to approve small leases such as the American Airlines Credit Union.

CALL TO THE PUBLIC

None

ADJOURNMENT

The meeting ended at **3:36 p.m.**

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Facility Lease with Aerial Engagement LLC at DVT

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a Facility Lease with Aerial Engagement, LLC (Aerial Engagement) for approximately 500 square feet of office space at Phoenix Deer Valley Airport.

THIS ITEM IS CONSENT ACTION.

Report Summary

Aerial Engagement conducts flight simulator training for the public and currently occupies approximately 500 square feet of office space located in the Deer Valley Airport terminal lobby under City of Phoenix Temporary License Agreement No. 159913. Aerial Engagement is requesting to enter into a new facility lease at the airport to continue operating their flight training concession.

Contract Term

The term of the new lease will be two years, with three, one-year options to extend at the sole discretion of the Aviation Director. The proposed lease effective date will commence on execution of the agreement and expire on August 5, 2029, if all three lease extensions are exercised.

Financial Impact

Rent for the first year of the lease will be \$9,000. Rent will be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index. Total rent revenue estimated over the term of the lease is approximately \$45,000, if all extension options are exercised.

Concurrence/Previous Board Action

The Business and Development Subcommittee recommended approval of this item on September 5, 2024, by a vote of 4-0.

Location

Phoenix Deer Valley Airport, 702 W. Deer Valley Road

Recommendation

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a Facility Lease with Aerial Engagement LLC.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Facility Lease Extension with Galaxy International, Inc. at GYR

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to extend Facility Lease No. 134004 with Galaxy International, Inc. (Galaxy) at Phoenix Goodyear Airport (GYR) for two years with two five-year options.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Since July 2012, Galaxy has operated a Maintenance, Repair, and Overhaul (MRO) business in approximately 13,900 square feet of space in Hangar 18 at GYR. Galaxy has requested to amend their Hangar 18 Facility Lease Agreement No. 134004 to extend the term by two years with two, five-year renewal options. This will align the contract expiration date with their Ground Lease Agreement No. 154928 so both leases will coterminate on July 27, 2036.

Contract Term

The term extension will be for two years effective upon execution of the agreement, with two, five-year options to extend the term to be exercised at the sole discretion of the Aviation Director.

Financial Impact

Annual rent for the first year of the term extension will be approximately \$73,809 or \$5.31 per square foot. Rent will be adjusted annually based on the Phoenix-Mesa-Scottsdale Consumer Price Index. Total rent revenue estimated over the extended term of the lease will be approximately \$885,708 if both options to extend are exercised.

Concurrence/Previous Board Action

This Business and Development Subcommittee recommended approval of this item on September 5, 2024, by a vote of 4-0.

Location

Phoenix Goodyear Airport, 1658 South Litchfield Road, Goodyear, Arizona

Recommendation

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to extend the Facility Lease with Galaxy International, Inc.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Passage of the Federal Aviation Reauthorization Act of 2024

Description

This report provides an overview of the Federal Aviation Administration Reauthorization Act of 2024, which was signed into law earlier this year.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

Staff will provide a summary of the key elements of the Federal Aviation Reauthorization Act of 2024, and the elements of the legislation that support the Aviation Department’s future goals.

FAA reauthorization typically occurs every five years and requires Congress to balance many competing national interests within the aviation industry for grant funding to support development and construction; adoption of new policy and regulations; and myriad regional interests in supporting airports and the communities where they are located.

This presentation will highlight several of the Aviation Department’s priorities for FAA reauthorization and what elements were adopted in the final legislation.

Recommendation

This item is for information and discussion.