

**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, May 16, 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/cityofphoenix/j.php?MTID=m2418313b7b028da53d77b1bec5893c3b>

**Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2631 689 0615#. 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, May 16, 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 & 7.

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 April 18, 2024**

### **DISCUSSION AND POSSIBLE ACTION (ITEMS 4 & 5)**

#### **4. New Ground Lease with Cornerstone Aviation LLC at DVT**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Cornerstone Aviation LLC for approximately 3,049,200 square feet (approximately 70 acres) of vacant property at Phoenix Deer Valley Airport.

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

#### **5. Terminal 4 Lobby Food and Beverage Spaces – New Concession Lease**

This report requests the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new concession lease agreement with CASA Unlimited Enterprises, Inc. and Swire Coca-Cola to operate concession outlets in the vacant food and beverage spaces located in the Terminal 4 Lobby area at Phoenix Sky Harbor International Airport.

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

### **INFORMATION AND DISCUSSION (ITEMS 6 & 7)**

#### **6. Economic Impact Study Update**

This report provides the Phoenix Aviation Advisory Board an update on the recently completed Phoenix Aviation System Economic Impact Study.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

#### **7. Proposed Sky Harbor Public Parking Rate Increase**

This report provides the Phoenix Aviation Advisory Board an update on a proposed increase in hourly, daily, valet and premium public parking rates at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

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

### **CALL TO THE PUBLIC**

This is the time for the public to comment. Members of the Board may 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](http://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, August 15, 2024.



**PHOENIX AVIATION ADVISORY BOARD  
SUMMARY MINUTES  
April 18, 2024**

***Meeting held via WebEx***

**Board Members Present**

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

**Board Members Absent**

Sandra Ferniza  
Stephanie Cherny  
Tyler Gonzalez – Ex-Officio

**Staff Present**

Abbe Slade  
Adam Peterson  
Alexandria Van Haren  
Carolina Potts  
Chris Baranowski  
Cindy Lizarraga  
Heather Shelbrack  
Jason Gitkin  
Jay DeWitt

Jennifer Maples  
John Mure  
John Trierweiler  
Kelly Scali  
Kristina Pylant  
Maria Wagar  
Marshall Kain  
MaryHelen Martinez  
Matthew Becker  
Matthew Heil

Michael Hughes  
Michael O'Shaughnessy  
Moe Yacut  
Pearl Meza  
Richard Graham  
Roxann Favors  
Ryan Hartnett  
Thomas Sawyer  
Tim Spahr  
William Robinson

**Members of the Public Present**

Chad Beedle  
Jerry Agnew  
Jesus M. Cervantes

Joel Ericson  
Kyle Bess

Mira Preston  
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 Assistant Director of Aviation Services**

Ms. Roxann Favors, Assistant Aviation Director, welcomed the board members and began by providing an overview of February passenger traffic, which was up 8% in 2024 compared to 2023.

Ms. Favors continued with recent air service developments; she discussed a new route for American Airlines flying daily to Provo, Utah starting in October 2024. In addition, she mentioned the Southwest Airlines route flying five times per week to Washington D.C. starting in April 2024.

She then provided an overview of the NCAA Final Four and aviation related activities, including passenger arrivals team arrivals, employee volunteering and community engagement events throughout the airport.

She next discussed the department's recognition by WTS with its Advancing Women in Transportation Employer of the Year award at the WTS Metro Phoenix Annual Scholarship and Awards Ceremony, where Sky Harbor was recognized for its inclusion of women in executive and senior positions, and those leading major initiatives.

Ms. Favors then discussed the new funding for central plant upgrades and roadway enhancements which was recently highlighted at a media event with Mayor Kate Gallego and Congressman Ruben Gallego.

She then discussed aviation job fair statistics from March and April before introducing Ms. Sarah Demory to give a brief overview of the Aviation safety fair that took place on April 17.

Finally, she discussed previously approved council action items, one upcoming council item, and the appointment of the new interim council member Carlos Galindo-Elvira.

Ms. Fisker commented that she appreciates the addition of council items to the summary in order to be updated on items that the board has actioned.

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

Mr. Tyler Gonzales was not present.

## **MINUTES OF MEETING**

### **3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on March 21, 2024**

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

No public comments.  
The motion carried.

## **INFORMATION ONLY (ITEM 4)**

### **4. Peer-to-Peer Car Sharing Program Update**

Chairperson Alonzo noted this was an information-only item and no presentation would be given.

No public comments.

## **INFORMATION AND DISCUSSION (ITEMS 5 & 6)**

### **5. Sky Harbor Security Screening Infrastructure and Future Needs**

Ms. Sarah Demory, Assistant Aviation Director, introduced the presenter, Mr. Jerry Agnew, the Arizona Federal Security Director for the Transportation Security Administration (TSA).

Mr. Agnew started with a high-level overview of the current security screening infrastructure at Sky Harbor, including credential authentication technology. Sky Harbor was the first airport to receive the technology in January, 2022. He stated that Sky Harbor will be receiving more units to fully outfit all checkpoints, allowing TSA to eliminate the manual identification checks.

He moved on to describe the Computed Tomography X-ray which is the new standard, installed at 9 of 46 screening lanes, with a 10<sup>th</sup> scheduled for May. Computed Tomography will eventually replace the remainder of the Advanced Technology X-ray units.

He then noted that Sky Harbor uses three different alarm resolution devices including the Explosives Trace Detection, Bottled Liquids Scanner, and a Chemical Analysis Device.

Mr. Agnew described the checked baggage Explosives Detection System (EDS) both Type 1 and Type 2, where Sky Harbor has 26 Type 1 machines that screen 900 bags per hour, and 1 Type 2 EDS designed to screen oversized baggage.

He stated that the screening technology used is the most advanced in the TSA system. He mentioned there was a question related to self-screening, which is a prototype used in Las Vegas in a testing phase only.

Mr. Cohn asked if there was a per plane or per passenger dollar amount spent on screening technology units that is used to compare Sky Harbor's security screening budget with other airports in the country, and if there is where would the airport stand either above or below the goal so the board can have a better understanding whether or not additional funding will need to be secured for future needs.

Mr. Agnew responded by stating that it is not based on the number of passengers or equipment needed and that it is based on the type of technology available in the region during the time that the TSA appropriates funding to purchase new equipment.

He stated there is a capability acceptance program where the TSA collaborates with industry partners to purchase the equipment they would like to see in the airport and gift it back to the TSA for installation.

Mr Alonzo asked about the one Type 2 scanner for oversized baggage in Terminal 3, and inquired what would happen to an oversized bag checked in Terminal 4.

Mr. Agnew stated there are different procedures for the oversized bags in Terminal 4, with the Type 2 scanner being located in Terminal 3 due to the amount of traffic and footprint of the scanner itself.

No public comments.

## **6. Heat Safety Plan**

Mr. Adam Peterson, Deputy Aviation Director, presented this item, providing an overview of Aviation's proactive approach to employee safety.

He continued with a high-level overview of the Aviation Department's heat mitigation plan, starting with the Aviation Department's Heat Illness and Injury Prevention program. The program is updated annually, applies to all Aviation Department employees, and covers topics such as rest breaks, acclimatization, proper hydration, and training.

He then discussed City Ordinance G-7241 enacted in March of 2024 for the mitigation of heat-related illnesses and injuries in the workplace. He stated it applies to any person or entity that is a party to any City contract, lease, or license and includes subcontractors or sublessees, and does apply to stakeholders or tenants at the airport. It requires the companies to have a heat plan including access to cool water, access to shade, and training.

He stated that he is happy to confirm that the overall response from the airport community has been positive, and many stakeholders have reported that they already have heat safety plans in place that meet or exceed the requirements of the ordinance.

Mr. Peterson moved on to the City of Phoenix Administrative Regulation (AR) 2.31 (B) issued in March of 2024, an AR applying to all city employees outlining roles and responsibilities for Department Management, Safety Teams, and staff, detailing the minimum safety controls for departments to follow, and stated that the Aviation Heat Illness and Injury Prevention Program meets or exceeds all requirements of the AR.

He then provided an image of the Police and Fire Department heat-related calls in the airport campus area and correlated the number of calls with the rest of the City, indicating there was a correlation between airport heat response calls and the City's overall heat call statistics.

Next, Mr. Peterson covered the Department's external outreach efforts to airport stakeholders, addressing the monthly safety meetings and individualized heat-awareness meetings with the stakeholders and tenants of the airport where heat-related information is shared.

In addition, he discussed the Aviation safety fair as part of the outreach that has taken place to bring awareness to heat-safety issues and monsoon preparedness.

He then provided an update on the frequency and delivery methods of weather updates to Aviation employees and airport stakeholders, as well as the use of the new dedicated employee resource web page on [skyharbor.com](http://skyharbor.com) to provide additional heat safety information.

Mr. Peterson next provided a graphic of the Public Safety and Security Safety Resource Dashboard, which includes a map of the location of approximately 281 water dispensing stations as well as future plans to show the location of fire extinguishers, AEDs, Stop The Bleed kits, and First Aid kits.

He continued with various ways for employees and stakeholders to report emergencies including heat-related incidents. These methods included dedicated safety email, hotline, and online forms, the SeeSay Airport app, and the Airport Command Center.

Finally, Mr. Peterson reviewed the types of equipment available to staff to mitigate heat-related illness including sunblock, hats, electrolyte replacements, and tinted safety glasses.



Mr. Shilliday asked if the monthly stakeholder meetings contain a forum where heat-related policies that lessees or subcontractors have implemented can be reviewed or discussed by the department.

Mr. Peterson confirmed there is and ensured that all stakeholders can provide their safety concerns, and their policies can be discussed.

Mr. Cohn stated there is a clear delineation between City employees and stakeholders or lessees, and asked if the heat plan is generic to everyone, or if we give advice to others as to how to address their concerns with heat safety.

Mr. Peterson responded that the division is doing everything possible to provide all employees with resources and educational materials about the new City ordinance and how they can prevent employee heat illness.

Ms. Sarah Demory provided additional detail on the forums to discuss emerging issues and tracking of those issues with stakeholders.

Mr. Cohn stated that he wanted to make sure there is a clear delineation between the people the city is responsible for and those we are only informing.

Mr. Peterson added that is a topic the division has been discussing with legal staff.

Mr. Cohn stated he wanted to have a clear line between those the department is responsible for and those that are being informed as a result of a relationship with the department.

Ms. Favors added that the department has been reaching out to all of the corporate contracts to weigh in on the contract language or the draft ordinance language to make it extremely clear that the heat safety plans flow down to all levels of the contract or subcontractors as well as their third-party service providers.

No public comments.

**ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS**  
**CALL TO THE PUBLIC**

**ADJOURNMENT**

The meeting ended at **3:40 p.m.**

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Ground Lease with Cornerstone Aviation LLC at DVT

**Description**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Cornerstone Aviation LLC (Cornerstone) for approximately 3,049,200 square feet (approximately 70 acres) of vacant property at Phoenix Deer Valley Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

**Report Summary**

Cornerstone is requesting to enter into a ground lease at Phoenix Deer Valley Airport for the purpose of constructing aircraft storage hangars and other aeronautical facilities in three construction phases.

Phase I is approximately 32 acres, Phase II is approximately 15 acres, and Phase III is approximately 22 acres. Hangars will range in size from medium-sized T-hangars to large corporate hangars. To encourage a variety of types of development on the site, the number of T-hangars permitted will be capped at 138 as part of this agreement.

Additional facilities will include aprons, maintenance, repair, and overhaul facilities, a fuel farm for Cornerstone’s tenants, automobile parking, and other facilities as approved by Aviation that support allowed aeronautical uses. The total investment for all three phases is expected to exceed \$100 million.

**Contract Term**

The lease term will be 45 years and will commence on the effective date of the lease. Rent will commence when Phase I improvements are complete, or 24 months from the effective date of the lease, whichever occurs first.

Cornerstone will secure an option to develop the Phase II and Phase III sites by paying 15% of the then current net rent for up to four years from the lease effective date. Cornerstone will have up to 24 months to develop each of the Phase II and Phase III parcels at no rent. At the conclusion of the four-year option period full rent will commence on all the developed parcels; any of the parcels not developed or under construction at the conclusion of the option period will revert back to the City. Following completion of Phase III improvements, a provision for the addition of one option to extend the lease for five years will be added to the lease. Execution of the option will be at the sole discretion of the Aviation Director.

**Financial Impact**

Rent for the first year of the primary term of the lease for the Phase I parcel will be approximately \$766,656, or \$63,888 per month at the rate of \$0.55 per square foot. Option rent for Phase II and Phase III will be approximately \$132,967 per year for up to four years. Primary term rent for Phase II and Phase III will be charged at the same rate for the completed Phase I parcel at the time Phase II and Phase III improvements are completed.

Rent will be adjusted annually commencing on the first year after the rent commencement date based on the Phoenix-Mesa-Scottsdale Consumer Price Index.

Rent credits may be applied towards the construction of common-use facilities and infrastructure that benefit the Airport or other Airport users and are in compliance with Title 34. Once site design is complete, rent credits will be identified for improvements that meet the necessary criteria and staff will bring the rent credit recommendation back to the Board for consideration.

Total anticipated rent over the term of the lease, if the extension option is exercised, will be approximately \$82,655,100. Additionally, Cornerstone will be required to pay minimum standards fees for the various aeronautical services and activities offered as defined and required by Phoenix City Code 4-160.

**Location**

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

**Recommendation**

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a ground lease with Cornerstone Aviation LLC.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Terminal 4 Lobby Food and Beverage Spaces – New Concession Lease

**Description**

This report requests the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new concession lease agreement with CASA Unlimited Enterprises, Inc. and Swire Coca-Cola to operate concession outlets in the vacant food and beverage spaces located in the Terminal 4 Lobby area at Phoenix Sky Harbor International Airport (Airport).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

**Report Summary**

Through its Terminal 4 Concession Contract No. 133475, SSP America Inc. (SSP) was awarded three food and beverage locations, for Joe’s Real BBQ, Yogurtology, and LoLo’s Chicken and Waffles. These locations were in the Terminal 4 lobby, pre-security and the units had a shared back of house area.

In April 2022, SSP requested to permanently close these stores. Upon agreement with the Aviation Department, SSP vacated the three spaces, approximately 2,685 square feet in size, in September 2023.

With the Terminal 4 food and beverage contract set to expire on August 31, 2026, Aviation conducted a solicitation process limited to existing concessionaires to select a new concessionaire to operate this location for the remaining contract term.

The internal solicitation method has historically been used by the Aviation Department to replace a vacant concession when time is of the essence to ensure continued offerings to passengers and revenue for the department, and when there is insufficient term remaining for a new concessionaire to amortize the investment of a new concept.

**Procurement Information**

On October 13, 2023, Aviation notified all current Terminal 4 Airport concessionaires in good standing of the opportunity to submit a proposal for these vacant spaces. Four concession operators expressed interest in the vacant spaces. Subsequently, two concession operators withdrew their interest due to necessary build-out costs and the term limitations of the proposed contract.

The two airport concessionaires that submitted proposals for consideration are:

- *Travel Treat & the Coca-Cola Lounge* by CASA Unlimited Enterprises, Inc., and Swire Coca-Cola
- *Garrett Popcorn Shop* by TMG Services LLC.

The following criteria was used to evaluate the proposals:

- Proposed Concept
- Proposed Merchandise Plan
- Design and Quality of Tenant Improvements
- Operations and Technology Plans

Rent will be based on percentage of gross sales as follows:

- Food, non-alcoholic beverages sales at 13%; and
- Concept-related merchandise sales at 16%, including souvenirs, gifts, and all other merchandise.

Based on the evaluation process, the contract award recommendation is *Travel Treats & the Coca-Cola Lounge*. This concept maximizes the use of all three vacant spaces and features a lounge setting with 24-hour component, pre-packed meals to go with vegan, gluten-free, kid-friendly foods, and Coca-Cola & Go coolers with over 30 varieties of soft drink beverages.

#### **Contract Term**

The lease term expires August 31, 2026, with no options to extend.

#### **Financial Impact**

The estimated annual revenue to the City based on a percentage of gross sales is \$400,000.

#### **Location**

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

#### **Recommendation**

Request that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter into a new concession lease agreement with CASA Unlimited Enterprises, Inc. and Swire Coca-Cola to operate a food and beverage concession for the remaining lease term at Phoenix Sky Harbor International Airport.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Economic Impact Study Update

### **Description**

This report provides the Phoenix Aviation Advisory Board an update on the recently completed Phoenix Aviation System Economic Impact Study.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

### **Report Summary**

Arizona State University has prepared periodic economic impact studies for the Aviation Department since an initial project was commissioned by Aviation Director Dutch Bertholf in 1982. The current study is the 13<sup>th</sup> in the series, with the last update occurring in 2016. A brief comparison of 2016 to 2022 information is below:

<b>Comparison of Economic Impacts: 2022 and 2016</b>				
<b>Year</b>	<b>Impact Category</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
2022	Sky Harbor Airport	47,919	\$3,888,685,000	\$13,325,398,000
2016	Sky Harbor Airport	46,928	\$3,073,148,000	\$10,262,912,000
2022	Sky Harbor Center	8,502	\$945,353,000	\$2,423,230,000
2016	Sky Harbor Center	10,504	\$653,504,000	\$2,057,558,000
2022	Airline Visitor Spending	81,313	\$2,963,531,000	\$7,032,225,000
2016	Airline Visitor Spending	77,259	\$2,433,967,000	\$6,467,616,000
2022	Deer Valley Airport	789	\$65,297,000	\$151,571,000
2016	Deer Valley Airport	965	\$72,325,000	\$196,189,000
2022	Goodyear Airport	667	\$67,384,000	\$241,887,000
2016	Goodyear Airport	363	\$26,875,000	\$67,345,000
2022	Direct Impact	140,546	\$8,105,995,000	\$23,948,704,000
2016	Direct Impact	126,203	\$5,949,711,000	\$18,341,880,000
2022	<b>TOTAL IMPACT</b>	<b>245,373</b>	<b>\$14,791,700,000</b>	<b>\$44,349,983,000</b>
2016	<b>TOTAL IMPACT</b>	<b>269,580</b>	<b>\$13,534,238,000</b>	<b>\$38,660,865,000</b>

**Concurrence/Previous Board Action**

N/A

**Location**

Citywide.

**Recommendation**

This item is for information and discussion.

<b>PHOENIX AVIATION ADVISORY BOARD REPORT</b>	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Proposed Sky Harbor Public Parking Rate Increase

**Description**

This report provides the Phoenix Aviation Advisory Board an update on a proposed increase in hourly, daily, valet and premium public parking rates at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

**Report Summary**

The Aviation Department routinely evaluates public parking rates and capacity and adjusts rates to manage current demand, and meet operating and capital costs, and revenue requirements to ensure the airport continues to be self-sustaining. Aviation is proposing to adjust hourly, daily, valet and premium public parking rates effective October 1, 2024. Airport public parking rates were last adjusted in February 2022.

Sky Harbor has seen an unprecedented demand for parking over the past two years with parking occupancy levels exceeding 90 percent and frequent parking lot closures due to occupancy during the airport’s peak travel months. High parking occupancy levels and decreased parking availability are impacting the customer experience. Likewise, peer airports have also experienced this record demand in parking. As a result, 81% of the top 20 airports have increased their public parking rates during the last two years. Increasing the public parking rates will assist in managing demand, increasing the availability of the existing parking spaces and providing a higher level of service to the traveling public.

Current and Proposed Maximum Daily Parking Rates:

<b>Parking Facility</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
24th Street Economy	\$14.00	\$16.00
East Economy Uncovered	\$14.00	\$16.00
East Economy Garage	\$16.00	\$19.00
West Economy Garage	\$16.00	\$19.00
Terminal 3 Garage	\$30.00	\$33.00
Terminal 4 Garage	\$30.00	\$33.00
Valet (T3 & T4)	\$39.00	\$43.00
Premium (T3 & T4)	\$33.00	\$37.00
West Park & Walk	\$ 9.00	\$10.00
Hourly Rate	\$ 4.00	\$ 6.00

The proposed rate increase will be subject to a minimum 60-day public notification as required by Arizona Revised Statutes. Additionally, Aviation has developed a comprehensive communication plan to inform the public of the upcoming rate change



including notices on the airport website, advertising in community newsletters, via social media channels, email notifications to existing frequent parkers, and signage at the entry and exit of each parking facility.

**Financial Impact**

The rate adjustment is anticipated to increase airport revenues by approximately \$16 million per year.

**Location**

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road

**Recommendation**

This item is for information and discussion.