

**NOTICE OF PUBLIC MEETING
PHOENIX AVIATION ADVISORY BOARD
BUSINESS AND DEVELOPMENT SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX AVIATION ADVISORY BOARD, BUSINESS AND DEVELOPMENT SUBCOMMITTEE** and to the general public, that the **BUSINESS AND DEVELOPMENT SUBCOMMITTEE** will hold a meeting open to the public on **Thursday, September 5, 2024 at 2:30 p.m. located at the City of Phoenix Aviation Department, 3 North Conference Room, 2485 E. Buckeye Road, Phoenix, Arizona 85034, or via WebEx teleconference.**

Meeting Attendance Options:

- **Watch the meeting virtually using the WebEx link provided below.**
<https://cityofphoenix.webex.com/weblink/register/re5111f580f9d1a705848a856e0df0dec>
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- **Call-in to listen to the meeting,** dial 602-666-0783 and Enter Meeting ID 2632 061 2204# Press # again when prompted for attendee ID.
- **Attend the meeting in person at the Aviation Headquarters.**

Public Comment: If you wish to provide a written comment or speak at the meeting virtually or by phone, please submit a request to matthew.heil@phoenix.gov no later than 10 a.m. on Thursday, September 5, 2024. The email should include your first and last name, email address, the item number(s), and whether you would like your comment read 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.

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

MINUTES OF MEETING

1. **For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on August 1, 2024**

DISCUSSION AND POSSIBLE ACTION (ITEMS 2 - 3)

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

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board 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 DISCUSSION AND POSSIBLE ACTION.

3. Facility Lease Extension with Galaxy International, Inc. at GYR

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board 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 DISCUSSION AND POSSIBLE ACTION.

SUBCOMMITTEE 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 Matthew Heil, Deputy Aviation Director, Aviation Department at 602-273-3487. For further documentation related to this meeting, please visit skyharbor.com.

Persons with a disability may request a reasonable accommodation, please contact Matthew Heil, Deputy Aviation Director, Aviation Department at 602-273-3487. Or 7-1-1 friendly.

The next Business and Development Subcommittee meeting is scheduled to take place Thursday, October 3, 2024.



**PHOENIX AVIATION ADVISORY BOARD
BUSINESS & DEVELOPMENT SUBCOMMITTEE
SUMMARY MINUTES
August 1, 2024**

Meeting held in person and via WebEx

Subcommittee Members Present

Stephanie Cherny - Chairperson
Valencia Fisker
Annette Musa
Andrew Cohn

Staff Present

Ann Fusco	Jay DeWitt	Prasan DeSilva
Chad Makovsky	John Ojeda	Richard Graham
Chris Baranowski	Janet Lee	Robert Hawes
Christy Gomez	Latasha Crawford McLaughlin	Roxann Favors
Clif Looper	Maria Wager	Ryan Hartnett
Corrine Harbaugh	Moe Yacut	Sarah Demory
Heather Shelbrack	Pearl Meza	Thomas Sawyer

Members of the Public Present

Mark Carlisle

CALL TO ORDER

Ms. Cherny called the meeting to order at **2:30 p.m.**

MINUTES OF MEETING

- 1. For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on May 2, 2024.**

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

No public comments.
The motion carried.

DISCUSSION AND POSSIBLE ACTION (ITEMS 2 - 4)

2. 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 continued by providing details related to a new 5-year lease the credit union wishes to execute for the 900-square-foot facility. The proposed term includes two one-year renewal options. The current lease 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 7 years.

Mr. Cohn commented that he believes the Aviation Director should have the discretion and authority to execute these types of agreements without the need for Board or Council review.

Ms. Fisker stated that it is her understanding that the credit union is open to all airport employees and noted that it will help entry-level clients become financially established.

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

No public comments.
The motion carried.

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

Ms. Corrine Harbaugh presented this item. She began by describing the service the kiosks are intended to provide, which is to convert cash into prepaid debit cards, allowing customers to conduct transactions with businesses who do not accept cash as a form of payment. The debit card cost is \$6, and the cash limit is \$1000. She also shared the location of the kiosks in each terminal at the ticketing level.

Ms. Harbaugh then shared information about the Revenue Contract Solicitation, which was issued on May 6, 2024, with responses due on May 30, 2024. One response was received. The minimum qualifications for the solicitation were at least three years of experience within the last five years and that the proposer must have processed at least 10,000 cash to card transactions within a one-year period.

She then introduced the recommended business for the award, the Ready Credit Corporation. The corporation has extensive experience offering these services. The new contract term is three years with two one-year renewal options at the discretion of the Aviation Director. The contract will contain 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 is expected to be at least \$50,000.

Ms. Fisker asked if the customers can reload the card received from the kiosk or is it another \$6 transaction fee.

Ms. Harbaugh replied that it would be another \$6 fee, the cards are not reloadable since they are a debit card.

Mr. Cohn stated that it is good to have alternatives and options for customers within the airport.

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

No public comments.
The motion carried.

4. 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 discussed the growing demand for additional concessions in the pre-security areas of Terminal 3. She also noted that with the relocation of the airport badging office, there will be a greater need for food and beverage options for employees.

Ms. Lee explained the rationale for the placement of the proposed concessions in Terminal 3. She emphasized that the kiosks can be deployed quickly and easily relocated as demand changes.

Ms. Lee then detailed 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, including proposed concepts and menu plans, experience and qualifications, management, marketing, and operations plans, and the proposed business plan.

She discussed the lease term, which would be three years with two one-year renewal options. The rent required would be a percentage rent only. She also noted that the solicitation will target eligible ACDBE concessionaires or small businesses with experience operating a food and beverage concept for three of the last six years. The award is anticipated to occur in the spring of 2025.

Ms. Cherny stated she is excited to see these additions as someone who has waited in Terminal 3 with few food and beverage options.

Mr. Cohn asked how many square feet this would encompass.

Ms. Lee replied the square footage for the kiosks would be 100-200 square feet, and the micro-restaurant would be approximately 1,000 square feet.

Mr. Cohn asked if there is an estimate of revenue from the restaurants.

Ms. Lee stated when the restaurant was operated out of Terminal 4 by The Grove, Inc., the total revenue was approximately \$5 million over 1 year.

Mr. Makovsky stated this is an innovative way to reduce barriers for small businesses who want to move into an airport setting but may not have the upfront capital to do so on their own.

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

No public comments.

The motion carried.

SUBCOMMITTEE INFORMATION AND FOLLOW-UP REQUESTS

None.

CALL TO THE PUBLIC

None.

ADJOURNMENT

The meeting adjourned at **2:45 p.m.**

BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Facility Lease Agreement with Aerial Engagement LLC at DVT

Description

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board 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 (DVT).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE 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 DVT Terminal lobby under Temporary License Agreement No. 159913. Aerial Engagement is requesting to enter into a new facility lease at DVT to continue operating their flight training concession.

Contract Term

The term of the lease will be for two years, with three, one-year options to extend the term to be exercised at the sole discretion of the Aviation Director. The proposed lease commencement date will be retroactive to August 6, 2024, and expire on August 5, 2029, if all three lease extensions are exercised.

Financial Impact

Annual 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 options to extend are exercised.

Location

Phoenix Deer Valley Airport, 702 West Deer Valley Road, Phoenix, Arizona

Recommendation

Request that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a facility lease with Aerial Engagement LLC.

BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT	
To:	Business Development Subcommittee
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 Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board 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 DISCUSSION AND POSSIBLE ACTION.

Report Summary

Since July 2012, Galaxy has operated a maintenance, repair, and overhaul 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 to align the contract expiration date with their Ground Lease Agreement No. 154928 to be coterminous on July 27, 2036.

Contract Term

The term extension will be for two years with two, five-year options to extend the term to be exercised at the sole discretion of the Aviation Director. If both five-year options to extend are exercised, this Facility Lease will expire on July 27, 2036, which is coterminous with expiration date of their Ground Lease Agreement No. 154928.

Financial Impact

Annual rent for the first year of the term extension will be approximately \$73,809 (\$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.

Location

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

Recommendation

Request that the Business Development Subcommittee recommend to the Phoenix Aviation Advisory Board to extend the facility lease with Galaxy International, Inc.