

**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, November 21, 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/r028e3771a400c740134dc4aa801c501b>

Call in to listen to the meeting, dial 602-666-0783, and Enter Meeting ID 2635 016 4914#. 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, November 21, 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) and (A)(4) for discussion of potential settlements, 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) through A(9) 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 October 17, 2024

CONSENT ACTION (ITEM 4)

4. **Correction to the Oct. 17, 2024, Phoenix Aviation Advisory Board Agenda - Request to Issue a Revenue Contract Solicitation for a Fixed Based Operator at Phoenix Deer Valley Airport**

The purpose of this report is to correct an error in the presentation regarding “Combined Fuel Gallons Sold” and related staff remarks on the Request to Issue a Revenue Contract Solicitation for a Fixed Based Operator at Phoenix Deer Valley Airport, approved by the Phoenix Aviation Advisory Board meeting of October 17, 2024. Upon Board approval, the meeting minutes will be corrected to reflect the following:

“The most recent five-year average from CY2019 through CY2023 recorded 2.3 million gallons of fuel sold at DVT, with a peak of 2.6 million gallons of fuel pumped in CY2021.”

THIS ITEM IS FOR CONSENT ACTION.

DISCUSSION AND POSSIBLE ACTION (ITEM 5)

5. **New Lease Agreement with Arizona State Lottery at Phoenix Sky Harbor International Airport**

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter a new lease agreement with the State of Arizona by and through the Arizona State Lottery Commission (Arizona Lottery) for the sale of lottery tickets at Phoenix Sky Harbor International Airport (PHX).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

INFORMATION AND DISCUSSION (ITEM 6)

6. Update on Terminal 4 Concessions Leases at Phoenix Sky Harbor International Airport

The purpose of this report is to provide an update to the Phoenix Aviation Advisory Board on the Terminal 4 food, beverage, and retail concessions with agreements set to expire between 2026 and 2030.

THIS ITEM IS FOR INFORMATION AND DISCUSSION ONLY.

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.

EXECUTIVE SESSION (ITEM 7)

7. Executive Session

Discussion regarding negotiations to resolve litigation and legal consultation re: City of Phoenix v City of Tempe (in-house counsel Carolina Potts).

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, December 19, 2024.



**PHOENIX AVIATION ADVISORY BOARD
SUMMARY MINUTES
October 17, 2024**

Meeting held in person and via WebEx

Board Members Present

Ruben Alonzo – Chairperson
Dan Brownlee – Ex-Officio
Andrew Cohn
Sandra Ferniza
Valencia Fisker
Chad Makovsky – Ex-Officio
Ron Price– Vice-Chairperson

Board Members Absent

Stephanie Cherny
Annette Musa
David Shilliday
Verma Pastor

Staff Present

Alexandria Van Haren
Andrew Durket
Carolina Potts
Chris Baranowski
Daver Malik
Ed Faron
Heather Shelbrack
Janet Lee
Jason Gitkin
Jay DeWitt
Jon Rudd

Kelly Scali
Kimberly Whetstone
Maria Wagar
Marshall Kain
Matthew Becker
Matthew Heil
Michael Hughes
Moe Yacut
Pearl Meza
Richard Graham

Robert Hawes
Roxann Favors
Ryan Hartnett
Sarah Asta
Sarah Demory
Shawna Larson
Thomas Sawyer
Timothy Spahr
William Robinson

Members of the Public Present

Joel Ericson
Lillian Osborne

Paul Hunt
Peter Hokanson

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 welcomed the members of the board and began with August passenger activity. He covered the total passenger numbers, up roughly 9% year over year, international passengers, up 15.9% year over year, and the airport systems operations and cargo numbers.

Mr. Makovsky next shared highlights of the Porter Airlines launch with the inauguration of their new daily nonstop service between Phoenix and Toronto. Attendees included Vice Mayor Stark, Councilwoman Hodge-Washington, and board member Ferniza. Event speakers included the executive director of the Arizona Office of Tourism Lisa Urias, and Porter president Kevin Jackson. Attendees were treated to a tour of their new aircraft and passengers celebrated at the gate with giveaways and snacks.

Next, Mr. Makovsky covered the 9th Wings for Autism event with City of Phoenix Mayor Kate Gallego. The event is designed to alleviate some of the stress that families who have children with autism experience as they travel by air. Over 160 families from the area and neighboring states joined with American Airlines Vice President for the Phoenix hub Sophia Philis-Ortiz, State Director for the Arc of Arizona Melanie Mills, and representatives from the TSA, Phoenix Police, and Phoenix Fire for a night of activities and familiarization with airport practices.

Mr. Makovsky then highlighted the Support Sky Harbor Neighborhood Cleanup event, which aims to maintain meaningful relationships and create a positive impact on the communities surrounding Sky Harbor. Councilwoman Hodge-Washington and more than 175 people and 15 different companies joined to remove weeds, graffiti, and trash. More than 20 tons of trash was removed at the event.

Next Mr. Makovsky described the NASCAR Countdown Clock unveiling in Terminal 4 with Mayor Kate Gallego, PAAB Vice Chair and Visit Phoenix CEO Ron Price, Phoenix Raceway President Latasha Causey, Avondale Councilmember Max White, and Josh Coddington who represents the Arizona Office of Tourism.

Mr. Makovsky revisited the USA Today 10Best Readers Choice Awards and explained the outcome of the ranking. Sky Harbor placed #4 in the Best Airport for Shopping category, #5 in the Best Airport for Dining category, #7 in the Best Large Airport category, #8 in the Best Airport Bar category, and #9 in the Best Airport Sit-Down Restaurant category.

Finally, Mr. Makovsky summarized the items that were approved by City Council on October 2nd, including the Terminal 3 Micro-Restaurant and Kiosk Small Business Opportunity, the Ready Credit Cash to Card Kiosk Concession Lease Agreement, and the American Airlines Federal Credit Union Facility License.

Ms. Ferniza commented on the NASCAR impact on Goodyear.

Ms. Sarah Demory commented it is expected to be just as busy if not more than the last time.

2. Summary of Current Events by the Airline Station Manager

Mr. Dan Brownlee provided a brief summary of the airline's updated hydration plan, which includes additional provisions for hydration, and airconditioned beverage cars. Southwest will be holding their own safety fair on November 6th at the C concourse. Alaska and Hawaiian Airlines have been approved for their mergers, and airlines have seen a significant increase in flight operations at Sky Harbor.

MINUTES OF MEETING

3. For Approval or Correction, the Minutes of the Phoenix Aviation Advisory Board Meeting on September 19, 2024

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

No public comments.
The motion carried.

CONSENT ACTION (ITEMS 4 - 5)

4. Contract Award for Photography Services

Ms. Heather Shelbrack presented this item. She began with a background on the need for a photography service including high-quality photographs for publications, press releases, websites, in-airport ads, and signage. The current contract ends in January 2025 and therefore the department is in need of a new contract.

Ms. Shelbrack then explained the RFP components, including a photography service that can provide high-quality pictures for events, ribbon cuttings, photos of the exterior airport buildings, construction projects, and professional headshots for employees.

She explained that the RFP was issued in June of 2024, and four proposals were received. The evaluation panel was made up of Aviation Public Relations, the City of Phoenix Communications Office, and the Neighborhood Services Department. The RFP Criteria included a minimum of five years of service, work samples, qualifications, and fees.

Ms. Shelbrack stated that the evaluation panel recommended Mark Skalny Photography for a 5-year term not to exceed \$250,000 over the life of the contract.

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

No public comments.
The motion carried.

5. Request to Issue a Revenue Contract Solicitation for a Fixed Base Operator at Deer Valley Airport

Mr. Richard Graham introduced the item. He explained the growing needs of Deer Valley Airport and turned it over to Mr. Robert Hawes to present the item.

Mr. Hawes began with an aerial view of Deer Valley Airport and explained the past and current services provided by the FBO's. He also explained the increased interest in the land at Deer Valley from several FBO's.

Next, Mr. Hawes explained the other positive indicators for a new FBO, including the increase in fuel demand based on the additional hangars that have been built and others that are currently under construction. Anecdotally from the Deer Valley Airport manager, while all airports are different, Scottsdale Airport currently supports 4 different FBOs.

Mr. Hawes then provided the proposed site for the FBO in an undeveloped parcel in the Southeast corner of the airport. The unused parcel is 20 acres, and a minimum of 9 acres must be used by an FBO. The respondent is to develop hangars & aeronautical facilities, ramps, connectors, an access road, and parking.

Next, Mr. Hawes provided the minimum standard services the FBO would need to provide including, aircraft fueling, ground services, aircraft maintenance, aircraft storage, and aircraft flight training. The FBO development must include the construction of an aircraft apron, terminal building, aircraft maintenance space, aircraft storage hangers, flight training space, and a fuel farm.

Responses to the RCS will be evaluated based on the following criteria: experience in qualifications, method of approach to design, build, and operate, and proposed design.

Mr. Hawes then provided the evaluation criteria, including the experience and qualifications, method of approach to design, build, and operate, operations and management plan, and proposed capital investment. The lease term and RCS development would follow the current practices at DVT and GYR airport, along with standards at other GA airports, and analysis of the current local market.

He then explained the lease terms, which would be 30 to 40 years depending on the level of investment, with a development term of up to 36-months. Portions of the land not developed by the FBO can be developed as maintenance, repair and overhaul, air cargo, aircraft final assembly, and other approved aeronautical uses.

Finally, Mr. Hawes covered the financial impact of the FBO and how the ground rent will be determined by the successful respondent with land lease, fuel flowage charges, and SASO's. Rent will be adjusted annually by the greater of the Phoenix-Mesa-Scottsdale Consumer Price Index, or 3%.

Mr. Cohn stated he appreciates the proposal and finds it beneficial to upgrade our FBO's throughout our network as other airports have aged facilities.

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

No public comments.

The motion carried.

6. Amendment to Bimbo Bakeries, Inc. Ground Lease 151988

Mr. Robert Hawes presented this item. He began with an overview of the current lease area of Bimbo Bakeries, and their request to increase the area in which they occupy.

He then explained that the amendment will not affect the lease term, which expires in 2026, with options to extend until 2028. Rent for the additional space will be approximately \$35,000 per year (\$1.40 / sq. ft.) and an additional \$140,000 if all options are exercised. Bimbo currently pays \$1.27 - \$1.29 / sq. ft. for the existing premises. Rents will be adjusted annually per the Phoenix-Mesa-Scottsdale CPI, or 3%, whichever is greater. The total revenue generated will be approximately \$990,936.

Mr. Cohn commented that these decisions should be left up to the Aviation Director's discretion.

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

The motion carried.
No public comments.

7. New Ground Lease with Swissport Fueling, Inc.

Mr. Robert Hawes presented this item. He began with an overview map of the locations of the three Swissport facilities on the Sky Harbor Airport property. He then provided a new overview photo, depicting the movement of the old fuel farm to a new location on the northeast side of the airport. He also explained that the move is due to future construction occurring in the current area, and that the cost of movement will be covered by Swissport.

Next, Mr. Hawes overviewed the ground operations center, where Swissport conducts its ground fueling operations. He explained that this site will also be displaced due to the future development of the new west terminal.

Mr. Hawes then explained the termination of the ongoing leases to coincide with the start of 3 new leases for each facility. The new contract term will be from January 1, 2025 to December 31, 2029 with 5 1-year options to extend. The new leases will share a common lease rate of \$1.40 per sq. ft. totaling to \$55,762 for the fuel farm, \$462,000 for the operations center, and \$90,300 for the triturator.

All three leases will be subject to rate changes per the Phoenix-Mesa-Scottsdale Consumer Price Index, or 3%, whichever is greater.

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

The motion carried.
No public comments.

INFORMATION AND DISCUSSION (ITEM 8)

8. FAA Part 139 Inspection

Ms. Sarah Demory presented this item. She began by explaining the necessity of large commercial airports being certified by the FAA, and the work necessary to prepare for the Part 139 inspection from the Operations, Public Safety and Security, and Facilities and Services divisions.

Ms. Demory explained that Sky Harbor was first certified by the FAA back in 1973, and that the regulation has evolved over the years with new requirements. She explained that in order to be certified airports must demonstrate that they comply with specific safety and emergency response requirements, including proper airfield signage, lighting and markings, runway safety procedures, aircraft rescue and firefighting response times, aviation fueling safety, ice control, and wildlife hazard management.

She continued to explain that each year Sky Harbor hosts the regional FAA certification inspector that conducts a comprehensive annual inspection to ensure that we're complying with the regulations within part 139. Last month Sky Harbor hosted two FAA certification inspectors that spent many hours examining all aspects of the airport operation.

Ms. Demory finished by describing the out briefing in which one of the FAA inspectors said that two corrected items is as close to perfect as, as you can get. Achieving a nearly perfect inspection during such a rigorous evaluation reflects the hard work and dedication of the aviation department's employees.

No public comments.

ADVISORY BOARD INFORMATION AND FOLLOW-UP REQUESTS

None

CALL TO THE PUBLIC

None

ADJOURNMENT

The meeting ended at **3:38 p.m.**

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Correction to the Oct. 17, 2024, Phoenix Aviation Advisory Board Agenda - Request to Issue a Revenue Contract Solicitation for a Fixed Based Operator at Phoenix Deer Valley Airport

Description

This report corrects an error in the October 17, 2024 presentation regarding “**Combined Fuel Gallons Sold**” and related staff remarks on the Request to Issue a Revenue Contract Solicitation for a Fixed Based Operator at Phoenix Deer Valley Airport.

THIS ITEM IS FOR CONSENT ACTION.

Report Summary

Staff provided incorrect information regarding historical fuel sales at Phoenix Deer Valley Airport during the October 17, 2024 presentation and request to issue a Revenue Contract Solicitation for a Fixed Base Operator at Phoenix Deer Valley Airport. Given historical fuel volume is among the key metrics prospective proposers will consider when making a proposal, Staff requests to correct the record to reflect the accurate fuel volumes.

The corrected fuel volumes do not change Staff’s recommendation to proceed with the Request for Contract Solicitation for a Fixed Base Operator.

Recommendation

Request the Phoenix Aviation Advisory Board authorize the correction of the October 17, 2024 meeting minutes to reflect the following:

“The most recent five-year average from CY2019 through CY2023 recorded 2.3 million gallons of fuel sold at DVT, with a peak of 2.6 million gallons of fuel pumped in CY2021.”

PHOENIX AVIATION ADVISORY BOARD	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Lease Agreement with Arizona State Lottery at Phoenix Sky Harbor International Airport

Description

This report requests that the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter a new lease agreement with the State of Arizona by and through the Arizona State Lottery Commission (Arizona Lottery) for the sale of lottery tickets at Phoenix Sky Harbor International Airport (PHX).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

Report Summary

Since December 2015, Arizona Lottery has leased space in Terminal 4 under Lease 141902 to operate pre-security retail counter location for lottery ticket sales. In September 2020, Lease with Arizona Lottery expanded their presence in Terminal 4 by adding additional lottery vending kiosks in post-security locations; adjusting the net rent revenue structure to percentage of sales generated by lottery counter and vending locations and extending the term of the Lease to expire on December 31, 2024.

Arizona State Lottery wishes to enter into a new lease agreement to continue offering lottery product sales opportunities through modern, tech-friendly vending equipment, and expanding lottery vending sales locations to Terminal 3 and Rental Car Center at PHX.

Procurement Information

Since the Arizona Lottery is the state-operated entity with exclusive rights to provide and sell lottery products, the Aviation Department will enter the new Lease under a determination in accordance with the Phoenix Procurement Code and Administrative Regulation 3.10.

Contract Term

The term will be three years with four, one-year options to extend at the sole discretion of the Aviation Director. The contract will commence on or about January 1, 2025.

Financial Impact

Arizona State Lottery will pay percentage rent up to eight percent of gross sales generated by lottery tickets sold at PHX. Per Arizona Revised Statutes § 5-555(A)(4), eight percent is the maximum payment compensation percentage to licensed sales location for lottery ticket sold. The estimated annual revenue to PHX is \$144,000.

Location

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

Recommendation

Request the Phoenix Aviation Advisory Board recommend to the Phoenix City Council to enter a new Lease with the State of Arizona by and through the Arizona State Lottery Commission for the sale of lottery tickets at Phoenix Sky Harbor International Airport.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Update on Terminal 4 Concessions Leases at Phoenix Sky Harbor International Airport

Description

The purpose of this report is to provide an update to the Phoenix Aviation Advisory Board on the Terminal 4 food, beverage, and retail concessions with agreement set to expire between 2026 and 2030.

THIS ITEM IS FOR INFORMATION AND DISCUSSION.

Report Summary

On November 20, 2024, the Phoenix City Council will be considering authorizing the Aviation Department to negotiate and execute amendments to extend the terms of leases with Terminal 4 food, beverage, and retail concessions with agreement set to expire between 2026 and 2030. Additionally, the City Council authorized the Aviation Department to execute other amendments consistent with this item.

The Aviation Department identified the immediate need to address the impacts of key airport terminal construction priorities of Terminal 4 Modernization Program and new West Terminal development, and the timing issues associated with terminal-wide concession program replacement solicitation procurement for the Terminal 4 concession leases expiring between 2026 and 2030. Over the next five years, Aviation will be implementing Terminal 4 modernization program projects exceeding \$400 million to maintain the terminal building systems and passenger experience in the Terminal, which is now more than 35 years old. These projects include upgrading the Terminal 4 Central Plant, terminal-wide structural concourse roofs improvements, electrical systems and plumbing updates, replacements of elevator, escalator, moving sideways, and replacement of airport-owned passenger loading bridges, fire alarm and paging system replacements and additional network cabling infrastructure. The construction of these projects will impact concessionaires, requiring them to adjust business operations throughout modernization program.

Additionally, during this period, the programming and development of the new West Terminal will be underway and will result in a significant reallocation of airlines across the three terminals to balance and accommodate airline operations and forecasted air service growth. These actions disrupt the ability for concessionaires to forecast passenger demand, develop business plans to meet the passenger demand, and amortize fully the capital investments for build out of stores fairly and accurately.

Furthermore, the Terminal 3 concessions lease are set to expire roughly at the same time of the Terminal 4 concession leases expire between 2026 and 2030.

This timeframe of expiring Terminal 3 and Terminal 4 concession leases creates the likelihood of multiple terminal-wide concession program replacement solicitation which would result in overlapping phased concession procurements. Additional staffing resources would be necessary to effectively manage multiple terminal-wide concession solicitation rebid and contract awards processes.

To efficiently provide concession offerings to the traveling public and effectively manage City resources and impacts related to these airport terminal priorities, Aviation recommended a negotiated lease extension to assist these concession businesses in managing the construction impacts and to provide an opportunity for concession companies to re-concept some stores with new local concepts and brands or refresh existing storefronts without long-term disruption of services to passengers.

Staff worked with the airport concession programming consultants to identify an appropriate term extension that would allow for an impactful level of capital reinvestment for refreshing store front-of-house areas and reconcepting brands for several store locations. This analysis determined an eight-year term extension appropriate. Staff further assessed the proposed eight-year extension period for Terminal 4 concessions compared to the time frame required to complete a phased concession solicitation and contract award processes for Terminal 3 concessions prior to the expiration of those concession leases. Staff recommended a proposed lease term extension of eight-years with no options to extend.

The concession contracts eligible for the negotiated lease extension will be food and beverage contracts set to expire in June 2026, and retail contracts set to expire in December 2029 and November 2030. The negotiation framework for the eight-year lease extension will include key business terms of:

- Rent based on percentage rent of gross sales, determined by store category and store location
- Capital reinvestment plan
- Small business partner opportunities
- Brand re-concept and store refresh plans

As part of the negotiations, the following new provisions will be included in the lease extension amendments requiring the concessionaires to:

- Supporting Aviation Department workplace initiatives
- Partnering on customer experience programs.
- Participating in annual financial and operational performance review
- Participating in the Aviation Department's sustainability program and Green Business Partner programs
- Contributing to a new airport marketing program that will support promotion of concessions offerings

The lease extension amendments may contain other terms and conditions deemed necessary or appropriate by the City or the Aviation Director for airport operations and the passenger experience.

The concessions leases that will be amended by these negotiations are lease numbers: 131410; 133475; 143718; 143719; 144047; 144322; 144323; 144324; 145872; 145873; 145977; 146077; 146458; 146459; and a lease approved by Council on June 26, 2024 that is pending full execution with Casa Unlimited for a Terminal 4 Lobby food and beverage concept.

Contract Term

The proposed extension to the lease term will be eight years with no options to extend the term. The lease extensions are anticipated to commence on or about July 2026 for the food and beverage contracts, and on or about either January 2030 or December 2030 for the retail contracts.

Financial Impact

The negotiated percentage rent will commence with the beginning of the extended lease term. Extending the terms eight years for these Terminal 4 food and beverage, and/or retail concession contracts will result in no additional cost to the airport.

Location

Phoenix Sky Harbor International Airport, 2485 E Buckeye Rd.

Recommendation

This item is for information and discussion.