

**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 18, 2008, at 3:00 p.m. located at Terminal 3, Phoenix Aviation Advisory Board Conference Room, Third Floor, West Mezzanine, 3400 E. Sky Harbor Blvd., Phoenix, Arizona.**

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, Section 38-431.03 (A) (3) are as follows: 5.a., 5.b., 6.a., and 8.

One or more board members may participate via teleconference.

The agenda for the meeting is as follows:

1.	Call to Order	Mr. Bruce Mosby, Chairman
2.	Announcements/Reports by the Aviation Director	Mr. Danny Murphy
3.	Announcements/Reports by the Airline Station Manager	Mr. Anthony Arms
4.	Approval of the June 19, 2008 Meeting Minutes	Mr. Bruce Mosby, Chairman
5.	Discussion and Possible Action Items:	
	a. Salt River Project Executive Hangar Lease at Phoenix Sky Harbor International Airport	Ms. Tamie Fisher
	b. Hangar 18 Lease Agreement at Phoenix Goodyear Airport	Ms. Tamie Fisher
6.	Advisory Board Information and Follow-Up Requests (not for discussion or recommendation)	Mr. Bruce Mosby, Chairman
	a. ASDEX Informational Update	Mr. Chad Makovsky

7.	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(G), 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.	Mr. Bruce Mosby, Chairman
8.	Update on Airport Security Program	Mr. Chad Makovsky
9.	Adjournment	Mr. Bruce Mosby, Chairman

For further information, please call Kate O'Malley, Management Assistant I, Aviation Department at 602-273-2075.

For reasonable accommodations, please contact Kate O'Malley/Aviation Administration at Voice/602-273-4510 or TTY relay 1-800-781-1010 as early as possible to coordinate needed arrangements.

The next Phoenix Aviation Advisory Board meeting is scheduled to take place Thursday, October 16, 2008.

**City of Phoenix Aviation Department
Phoenix Aviation Advisory Board Minutes
August 21, 2008**

Board Members Present

Art Hamilton
Andrew Cohn
Vince Roig
Patty Johnson

Jeff Moorad
Paulina Vasquez-Morris (by
telephone)

Board Members Absent

Benito Almanza
Anthony Arms

Jack Tevlin
Bruce Mosby

Staff Present

Danny Murphy
Carl Newman
Paul Blue
Jane Morris
Nancy Kesteloot
Art Fairbanks
Jay Dewitt
Gary Mascaro
Judy Ross
Paula Kucharz
Lt. Rob Settembre
LaVonne Morris

Larry Felix
Tamie Fisher
Robyn Sullivan
Jeff Foland
Moe Yacut
Brent Cagle
Chad Makovsky
Alex Peric
Sandra Torres
Julie Rodriguez
Bill Bayham

Public

Douglas Gabriel
Michael DeBell
Patrick Colceri
Ed Chauza
Richard Merkin
Teri Decker
Terri Sperry
Yolanda Kizer
Theresa Dominguez
Gregg Paradies
Gregory Torrez
Zella Zannies
Dave Coutts

Item 1 – Call to Order

Mr. Hamilton Called the meeting to order at 3:04 p.m.

Item 2 – Announcements by the Aviation Director

Mr. Murphy gave an update on airport operations including passenger forecasts that show a moderation of passenger activity at Phoenix Sky Harbor. Mr. Murphy introduced Bill Bayham, the newly appointed Deputy Chief Information Officer assigned to the Aviation Department.

Item 3 – Announcements by the Airline Station Manager

Mr. Arms was not present. The meeting proceeded without a report.

Item 4 – Approval of the June 19, 2008 Meeting Minutes

Mr. Cohn moved for approval of the meeting minutes. Ms. Johnson seconded the motion. Motion approved 6-0.

Item 5 – Discussion and Possible Action Items

5a – Election of a New Chairperson

Mr. Hamilton placed the name of Bruce Mosby into the record for Chairperson as approved by the Nominating Committee. A motion to support the nomination was made by Mr. Cohn. Mr. Roig seconded the motion. Motion approved 6-0.

5b – Election of a New Vice - Chairperson

Mr. Hamilton placed the name of Patty Johnson into the record for Vice - Chairperson as approved by the Nominating Committee. A motion to support the nomination was made by Mr. Cohn. Mr. Moorad seconded the motion. Motion approved 6-0.

5c – Lease Award of Corporate Hangar Development of Unimproved Land at Phoenix Deer Valley Airport

Ms. Tamie Fisher presented terms of a potential lease agreement with Scottsdale Hangar One. Ms. Fisher gave an overview of the proposal process and indicated one bidder was deemed responsive to the process. The leadership of the responsive group, Scottsdale Hangar One, was introduced and their qualifications were mentioned. Ms. Fisher showed renderings of the proposed development and outlined the terms of the agreement.

Chairman Hamilton opened the floor for questions or comments. Mr. Cohn thanked staff for their diligence and expressed confidence that this will give Deer Valley the kind of development it needs.

Mr. Cohn motioned for approval, Mr. Moorad seconded the motion. Motion approved 6-0.

5d – Amendment to Extend Eleven Terminal 3 Retail Leases at Phoenix Sky Harbor International Airport.

Ms. Tamie Fisher presented background related to staff's recommendation that Terminal 3 leases be extended until October 31, 2009 and continue on a month to month basis until a new contract is signed.

Ms. Fisher indicated that a Disparity study is underway that will allow the Aviation Department to better manage the contracts. A table of retail shops and sales figures were displayed for 2006, 2007, and 2008. Ms. Fisher presented a table showing retail sales per enplaned passenger.

Chairman Hamilton opened the floor for questions or comments. Ms Johnson asked if there is an industry target sales amount per enplaned passenger. Ms Fisher replied that while higher is certainly better, one must be careful about sales per square foot equivalents. Ms Fisher assured the Board that Terminal 3 retail sales were very good indeed and that newly initiated concepts were doing particularly well. Mr. Blue indicated that retail sales at Sky Harbor are amongst the top three in the country which is notable given a lack of Duty Free opportunities. Mr. Blue indicated that their strength was in large part due to the work the retailers do.

Mr. Roig asked if this contract will be coordinated with the Terminal 4 project. Ms Fisher responded that even though they will not be bid at the same time, the same expectations will be in place and they should be comparable contracts.

Mr. Roig motioned for approval. Ms. Johnson seconded the motion. Motion approved 6-0.

6a – Sky Harbor Automated Train Update

Mr. Jay DeWitt presented an update of the Automated Train Project. The presentation outlined the two stage development process and showed animation outlining the construction plan. Mr. DeWitt indicated that the train is on schedule for a 2013 opening. A transit center is being developed at 44th Street to connect with light rail.

Mr. DeWitt indicated that approximately \$200 million dollars was saved by using the State Route 153 alignment, and another \$50 million was saved by building a bridge over taxiway Romeo.

Mr. DeWitt indicated that the train has received FAA approval and the plans are currently 30% complete. The foundation work has commenced at the 44th Street Light rail station and approximately 500,000 cubic yards of fill is in the process of being removed from the Maintenance and Storage Facility. Currently a process is underway to select the Automated Train service provider. The companies competing are IHI, Bombardier, and Sumitomo.

Chairman Hamilton opened the floor for questions or comments. Mr. Cohn asked if the contractors who were stating construction were the same as the light rail contractors and also mentioned concerns about unfavorable experiences with some contractors. Mr. DeWitt responded that Hensel Phelps is currently designing the train and they have a very good track record including the installation of a similar system in Dallas.

Mr. Cohn inquired about the selection process for the system provider. Mr. DeWitt stated that there are very clear procurement rules in Title 34 of the Arizona Revised Statutes. Ms. Jane Morris indicated that the cost of the train provider is budgeted at \$180 million.

Ms. Johnson indicated that she was recently asked why light rail does not go to the airport. Mr. DeWitt indicated that for the Light rail to travel through the airport would add an additional seven stops, which was not acceptable to the design. Mr. DeWitt indicated that Aviation staff is working with Valley Metro and various media outlets to get the word of a connection out. Mr. Murphy stated that he is working with Mayor and Council to emphasize the connection's publicity.

Mr. Roig inquired about the amount of space available for large planes to go under the taxiway Romeo Bridge. Mr. Newman indicated that there is 10-15 feet of space between the largest class of aircraft (Class VI) and the bridge.

Mr. Hamilton stated that he has heard presentations that cite a specific number of dollars and a specific timeline that the project will cost and he expects that the project will meet its goals for time and budget.

Ms. Kesteloot mentioned that the procurement of the Train Provider is under the protection of the Aviation Contract Policy and all contact with interested parties must be appropriately referred to Jay DeWitt.

Item 7 – Advisory Board Information and Follow Up Requests

None

Item 8 – Call to the Public

Mr. Richard Merkin stated that the cost of gasoline and the cost of living has risen while taxicab ridership has gone down. Mr. Merkin stated that the taxicab drivers need a raise and recommended that a blue sign with red or yellow letters directing people to for hire limos would stand out more.

Item 9 – Adjournment

Ms Johnson made a motion to adjourn. Mr. Roig seconded the motion. Meeting adjourned at 3:59 PM.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Danny Murphy Aviation Director
Subject:	Salt River Project Executive Hangar Lease at Phoenix Sky Harbor International Airport

BACKGROUND

Salt River Project (SRP) has occupied a corporate hangar facility at Phoenix Sky Harbor International Airport since 1992 and has requested additional space as their operation has outgrown the current location.

SRP has occupied a 3,600 square foot executive hangar facility located at 2547 E. Air Lane, on a temporary basis to accommodate aircraft changes. The current agreement has expired. SRP would like to continue their occupancy of the executive hangar on a permanent basis.

DISCUSSION

SRP has requested a new lease agreement for the executive hangar. Based on recent bidding for similar hangars at Sky Harbor, \$1666.66 per month is the current market value.

SRP has agreed to the following terms and conditions subject to City Council approval.

1. Month-to-month lease agreement not to exceed five (5) years
2. Initial monthly lease rate of \$1666.66
3. Annual rent adjustments based on changes in Consumer Price Index
4. City reserves right to conduct periodic market studies during SRP's occupancy and adjust rent as needed to align with market value

RECOMMENDATION

The Aviation Department recommends entering into a lease agreement with SRP for an Executive Hangar as outlined above. The Business and Development Subcommittee forwarded this item to the full Phoenix Aviation Advisory Board on September 4, 2008.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Danny Murphy Aviation Director
Subject:	Hangar 18 Lease Agreement at Phoenix Goodyear Airport

This report requests approval to lease up to 190,000 square feet of hangar space in Hangar 18 at Phoenix Goodyear Airport to the Airport's Fixed Base Operator (FBO), Sun Western Flyers, Inc.

BACKGROUND

On November 2, 2007 the City entered into Lease Agreement No. 122516 with Sun Western Flyers, Inc. to operate as a FBO at Phoenix Goodyear Airport. This lease agreement stated that the Lessee would have the option to lease Hangar 18 under terms and conditions of a separate lease.

DISCUSSION

Sun Western Flyers has expressed interest in leasing Hangar 18 to support their FBO activities. Currently, Hangar 18 is in need of refurbishment and Sun Western Flyers has agreed to make the necessary improvements in exchange for rent credits. Initially, Sun Western Flyers will occupy the first floor of the Hangar.

The City has proposed an annual rental rate of \$6.50 per square foot with a term of ten (10) years plus two five (5) year options to extend. Rent will commence on the earlier of one (1) year after execution of the lease or the issuance of a permanent Certificate of Occupancy. Rent will be subject to annual adjustments equal to the greater of three percent (3%) or Consumer Price Index (CPI) adjustments. Rent credits shall not exceed \$1.5 million and will never bring the annual rent to less than half the rental rate due under the lease before credits are applied by the City. All Improvement costs must be amortized during the ten (10) year term. The lease for Hangar 18 will automatically terminate should Sun Western Flyers' current FBO lease terminate or should they fail to execute a long term FBO Unsubordinated Ground Lease as required under the current terminal lease.

RECOMMENDATION

The Aviation Department recommends approval for the lease of up to 190,000 square feet of hangar space in Hangar 18 to Sun Western Flyers at an annual rental rate of \$6.50 per square foot for a term of ten (10) years with two five (5) year renewal options, with rent credits not to exceed \$1.5 million. The Business and Development Subcommittee recommended approved of this item at its September 4, 2008 meeting.

PHOENIX AVIATION ADVISORY BOARD REPORT	
To:	Phoenix Aviation Advisory Board
From:	Danny Murphy Aviation Director
Subject:	ASDEX Informational Update

This report provides information to the Phoenix Aviation Advisory Board regarding the Airport Surface Detection Equipment, Model X (ASDEX) implementation at Phoenix Sky Harbor International Airport. No action is requested.

BACKGROUND

The Airport Surface Detection System model-X is designed to give air traffic controllers an improved picture of airport ground movements, displaying information from a range of surveillance sources, such as radar, multilateration and automatic dependent surveillance-broadcast (ADS-B). The system also includes safety logic that helps warn controllers of potential incursions. The ASDE-X is manufactured by Sensis Corp. and is scheduled to be deployed at 35 U.S. airports over the next few years. The ASDE-X for Phoenix Sky Harbor International Airport is scheduled to be fully commissioned sometime this week.

RECOMMENDATION

This item is for informational purposes only. No action is required.