



Facility and Ground Leases for PGT Trucking, Inc. (Ordinance S-47706)

Request to authorize the City Manager, or his designee, to enter into a facility lease and a ground lease with PGT Trucking, Inc. at Phoenix Sky Harbor International Airport for one year with one, one-year option to extend the terms. Total rent over the terms of the leases, if options are exercised on both leases, will be approximately \$115,412.

Summary

PGT Trucking, Inc. (PGT) hauls freight to locations throughout the United States. PGT has recently expanded its operations in the Phoenix area and requires office and trailer parking space to support its operations. PGT has requested to up to 2,067 square feet of office space and up to 33,560 square feet of land for parking.

Contract Term

The terms will be one year with one, one-year option to extend the terms.

Financial Impact

Rent for the first year of the facility lease will be approximately \$1,872 per month (\$10.87 per-square-foot per year). Rent for the first year of the ground lease will be approximately \$2,937 per month (\$1.05 per-square-foot per year). Rent will be adjusted based on the Phoenix-Mesa-Scottsdale Consumer Price Index if the options to extend the terms are exercised. Total rent over the terms of the leases, if options are exercised on both leases, will be approximately \$115,412.

Concurrence/Previous Council Action

The Phoenix Aviation Advisory Board recommended this item for approval on May 20, 2021, by a vote of 8-0.

Location

Phoenix Sky Harbor International Airport - 3400 E. Sky Harbor Blvd.
Council District: 8

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.