

Sky Harbour
Monthly Construction Report
November 2023

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Executive Summary

Sky Harbour continued to make progress at each of its developments during the month of November. At APA Centennial in Denver, Colorado, A&F General Contractors has substantially completed the primary steel structure installation of all hangars in building A and all but the SH30 in building B. At DVT Deer Valley in Phoenix, Arizona, Haydon has completed the siding of the first four hangars and has begun the fit-out of the model hangar. At ADS Addison Airport in Addison, Texas, Holt Construction has begun to excavate under the hangars and install moisture conditioned fill dirt. At OPF Phase 1, Opa Locka Airport in Miami, Florida, Sky Harbour has contracted with its selected general contractor (Link Construction) and has released the PEMB manufacturer to begin design of the hangar 12 nose notch extension. At OPF Phase 2, comments received from Miami-Dade for the permit submission are being addressed.

In consultation with the company's structural engineers and after an independent peer review, Sky Harbour will begin fortifying certain structural elements of the SH16C / SH16A / SH10 prototypes to enhance stability, safety, and standardization to accommodate and exceed the nation's highest wind, snow and seismic loading requirements. Existing hangars at APA and DVT will be retrofitted with additional pre-engineered metal building (PEMB) components to meet the required structural effect. The cost of this retrofit is projected to be approximately \$3.2 million at DVT and \$2.0 million at APA. This additional fortification work is expected to extend the completion date at DVT from March 2024 to June 2024, and at APA from June 2024 to August 2024.

As vertical construction at Sky Harbour's Addison (ADS) campus has not yet begun, the company anticipates a significantly lower budget impact at that campus, albeit a similar schedule delay. All future campuses will be planned and constructed in accordance with the enhanced SH16C and (future) SH34 designs. Completed campuses at Houston (SGR), Nashville (BNA) and Miami (OPF) employed a different prototype design and do not need retrofitting.

The following is a summary of progress at each development.

Field: OPF Phase 1 – Opa-Locka, Florida

Reporting Period: November 2023

1. Property Status:

The project has been completed and turned over to Sky Harbour operations.

2. Progress Photos:



Site Plan



Sky Harbour



The picture above is looking southeast. Wright Road is toward the middle of the photo.
Phase 2 is in the lower right corner of the photo.



Sky Harbour



03-27-23

The picture above is looking Northeast. Phase 2 is in the bottom left corner of the photo.

Field: OPF Phase 2 – Opa-Locka, Florida

Reporting Period: November 2023

1. Design & Permitting Status:

Permit review comments were received from Miami-Dade Aviation Department (MDAD) and Miami-Dade County on November 3rd. The design team has been working to address all comments, with an expected resubmission by the end of December.

2. Schedule Variances:

Sky Harbour has changed the structural engineer of record to Burns Engineering. Burns has enough engineers on staff to complete the PEMB structural drawings in a timely manner. Construction is expected to start by the end of 1st quarter 2024.

3. Change Orders that Impact Project Completion date:

None

4. Loss Events:

None

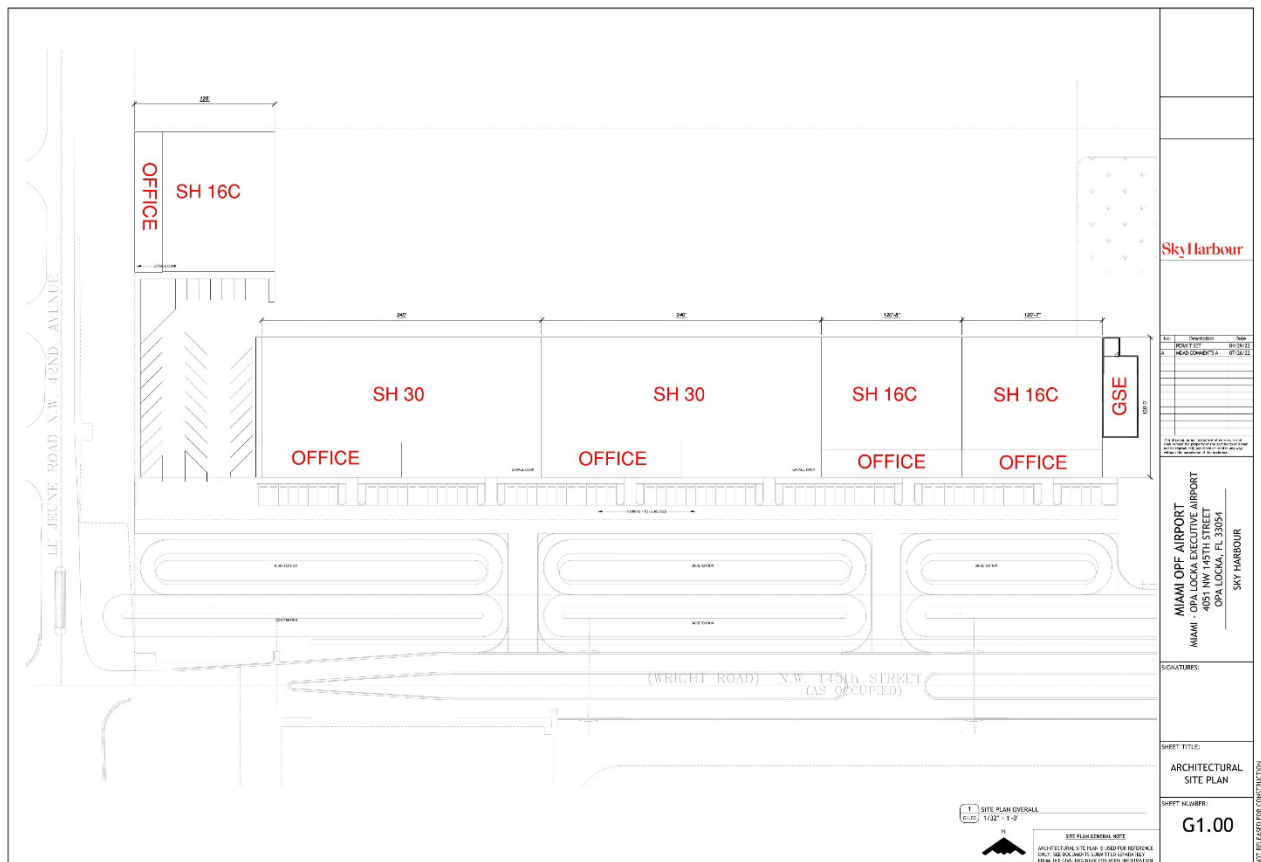
5. Design, Construction and Manufacturing Critical Issues:

- Respond to all permit review comments by end of December 2023.

6. List of construction activities / milestones to be Completed in December:

- Resubmit revised permit documents to MDAD and Miami-Dade.

7. Progress Photos:



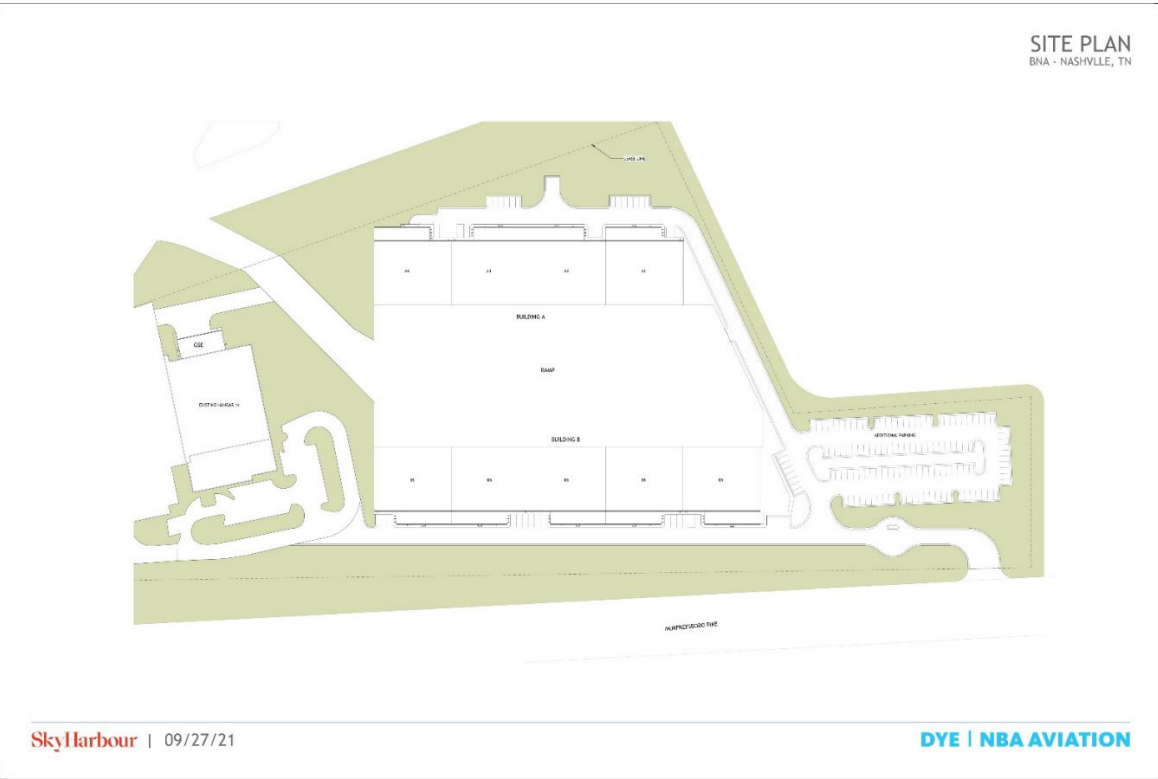
OPF Phase 2 Site Plan

Field: BNA – Nashville, Tennessee
Reporting Period: November 2023

1. Property Status:

The project has been completed and turned over to Sky Harbour operations.

2. Progress Photos:



Site Plan



The picture above is looking west. Murfreesboro Pike runs into the tunnel under the runway to the south of the hangar campus.

Field: APA – Englewood, Colorado

Reporting Period: November 2023

1. Design and Permitting Status:

There are two deferred submittals pending for the SH30 (hangar B4). The first deferred submittal currently being engineered is for the pre-engineered metal building (PEMB). The design and fabrication drawings for the SH30 PEMB are expected to be completed by the end of January. The second submittal in for permit is for the fire sprinkler system. The General Contractor (A&F) and Aero Fire Sprinkler completed the design of the SH30 fire sprinkler system and submitted to Arapahoe County for review in November.

The team replied to comments received from Arapahoe County on the drawings related to ice melt system modifications and electrical grounding updates within the hangars. Approval from Arapahoe County is expected in January.

A detailed set of low voltage and app integration drawings will be ready for submission to the building department by the end of December.

2. Construction Status:

Sky Harbour will begin fortifying certain structural elements of the SH16A & SH10 prototypes to enhance stability, safety, and standardization to accommodate and exceed the nation's highest wind, snow and seismic loading requirements. Existing hangars at APA will be retrofitted with additional pre-engineered metal building (PEMB) components to meet the required structural effect.

The General Contractor (A&F) has substantially completed all final site grading, the entire concrete apron, all asphalt paving, and 60% of the site concrete scope. The primary steel erection for hangars A1, A2, A3, A4, A5, GSE, B1, B2, and B3 has been completed. The cleaning and priming of the steel structures on site has been completed in all hangars of building A and the general contractor is underway in building B.

The project team completed the design and coordination of all trim pieces for the hangars in building A and the trim order has been placed. The responsibility for procuring the trim package has shifted from the PEMB supplier to our general contractor to expedite delivery. The wall sheathing is expected to arrive in January with work commencing in early February. Roofing work will immediately follow installation of siding panels. Structural steel for the SH30 (B4) is expected to be delivered to the site by March 2024.

3. Change Orders that Impact Project Completion Date:

- The additional structural fortification work is expected to extend the completion date at APA from June 2024 to August 2024.

4. Loss Events:

None

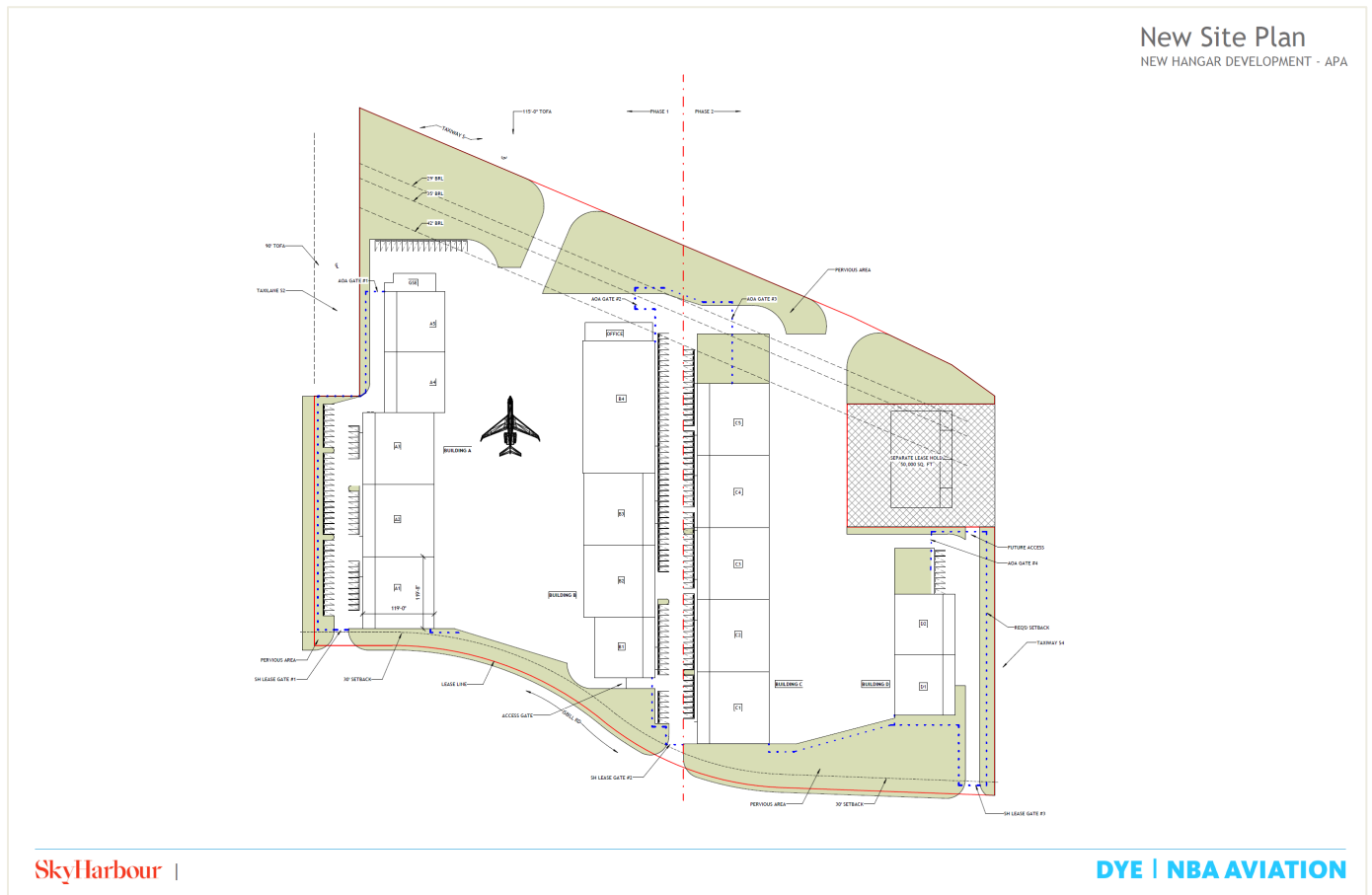
5. Design, Construction and Manufacturing Critical Issues:

- Complete the design of the SH30 (hangar B4) by the end of January.
- Complete the sheathing and trim designs to support completion of the PEMB facade.
- Complete the design, engineering, and fabrication of the bi-fold hangar doors.

6. List of Construction Activities / Milestones to be Completed in December:

- Commence structural fortification activities on the PEMBs.

7. Progress Photos:



Site Plan



Southwestern view of the project showing structure for hangars A1-A5 erected, with slabs A1-A3 poured in the hangars. The shadow from the structures of hangars B1-B3 can be seen on the poured concrete ramp.



Southeastern view of the project showing the structure of hangars A1-A5 along with landside asphalt paving. The structure of hangars B1-B3 and the grade beams of hangar B4 can be seen on the far side of the concrete ramp.



Northwestern view of the campus with phase 2 (foreground) and steel structure of hangars A1-A5 and hangars B1 - B3 erected (background). The ramp has been poured and the base course of landside paving is complete.

Field: DVT – Phoenix, Arizona

Reporting Period: November 2023

1. Design and Permitting Status:

The team is compiling a set of construction drawings related to the low voltage system and app integration for submission to the building department in December. The team is working to finalize the fencing scope of work and fire lane modifications which will allow the parking area to be cordoned off from public access.

2. Construction Status:

Sky Harbour will begin fortifying certain structural elements of the SH16C prototype to enhance stability, safety, and standardization to accommodate and exceed the nation's highest wind, snow and seismic loading requirements. Existing hangars at DVT will be retrofitted with additional pre-engineered metal building (PEMB) components to meet the required structural effect.

The general contractor (Haydon) has substantially completed the exterior siding on the first four hangars. The hangar door sections are being assembled on the ground.

Model hangar A has been the focus of the work through November and is nearly completed and ready for finishes to be installed within the lounge space. The model fit-out is scheduled for January. The epoxy and polished concrete floors are scheduled to begin after structural fortifications are completed.

The Haydon team has substantially completed the framing, plumbing rough-in, mechanical rough-in, and electrical rough-in within all the hangars. The fire sprinkler system is completed in hangars A, B, C, and D and hangars E, F, G, and H will be completed after structural fortifications are completed.

Work on the fuel farm continues. The fuel tank supports, containment slab, and all curbing at the tanks has been completed. The fuel tanks have been set on the pads and the piping will commence in December.

3. Change Orders that Impact Project Completion Date:

- The additional fortification work is expected to extend the completion date at DVT from March 2024 to June 2024.
- APS (Arizona Public Services) has finalized the utility design and resolved a conflict related to the transformers and fire hydrants on site. Installation of the underground conduit and the electrical and communication duct banks is expected to start in December.
- RapidBuilt has delivered all trim to the site except for the IMP panel cover trims on the roof. Final as-built dimensions for these trims will be measured in December and the final trim package will be ordered at that time.
- The airport has asked Sky Harbour to extend and re-align the taxi lane to the east of our taxi lane connector. This extension and re-alignment are required for a future taxiway extension which Deer Valley Airport has planned. Currently, the project does have direct access to the runway through the existing connector to our apron. Haydon is currently pricing this work and preparing a proposal for submission to Sky Harbour by the end of December.

4. Loss Events:

None

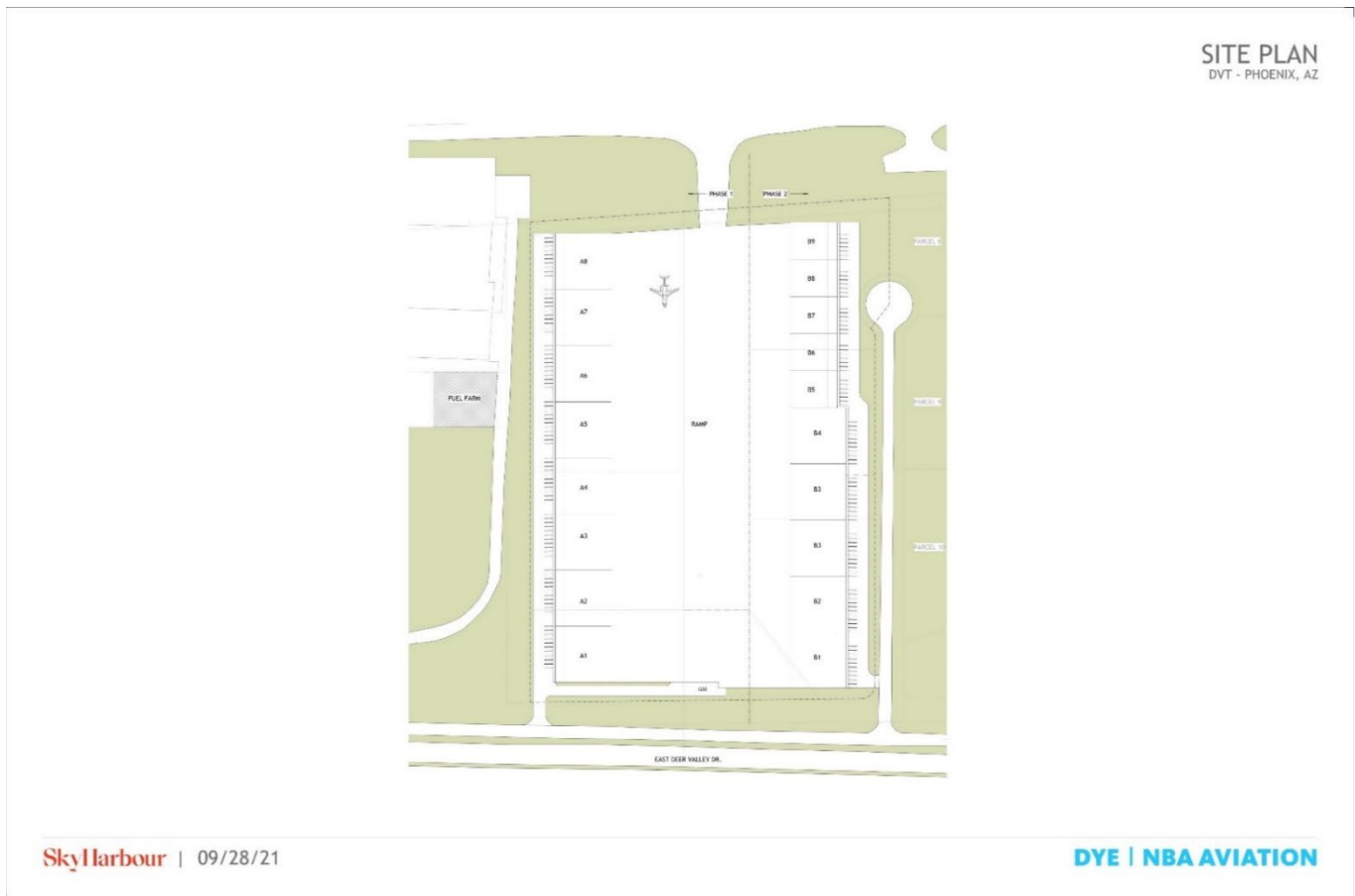
5. Design, Construction and Manufacturing Critical Issues:

- Finalize the trim order for the IMP wall caps.
- Maintain the current design, engineering, and fabrication schedule for the bi-fold hangar doors – deliveries have started and will continue throughout December.

6. List of Construction Activities / Milestones to be Completed in December:

- Commence structural fortification activities on the PEMBs.
- Complete delivery of trims related to the pre-engineered metal buildings (PEMBs).
- Commence grading of site / apron.

7. Progress Photos:



Site Plan



Southwestern view of PEMB superstructure of hangars A-H with IMP walls, roofs installed, and hangar slabs poured.



Northern view of hangars A-H on left side of photo. The GSE building is in the foreground.



Northwestern view of project. GSE building is in the foreground. Exterior sheathing of hangar H remains.

Field: ADS Phase 1, Addison, TX
Reporting Period: November 2023

1. Design and Permitting Status

The resubmission of the master permit documents remains under review by the Town of Addison, with comments expected in early December. The general contractor (Holt) submitted their trailer permit, which will be located across the street in the parking lot of the proposed Phase 2 development.

Design of the anchor bolt plans for the SH16C hangars is currently underway with an expected completion of January to incorporate the fortifying modifications noted in the executive summary above. The SH16C erection drawings package, including the fortifying modifications, is anticipated to be completed by the end of February 2024. Once completed, engineering will commence on the SH30 (V6 hangar).

2. Construction Status

Holt Construction continues to progress with site demolition and clearing activities and has commenced with excavation of the subgrade under the hangars. The subgrade under the V2 hangar has been completely excavated down to the required depth, and then backfilled with moisture conditioned clean fill in accordance with the project geotechnical report. Soil improvements will continue through December for the A11a-c, V4, and V6 hangars.

3. Change Orders that Impact Project Completion Date:

- The structural fortification enhancements will extend the project completion date 2 months from December 2024 to February 2025.

4. Loss Events:

- None

5. Design, Construction and Manufacturing Critical Issues:

- Incorporate structural fortification enhancements into the structural, steel fabrication, and steel erection drawings.

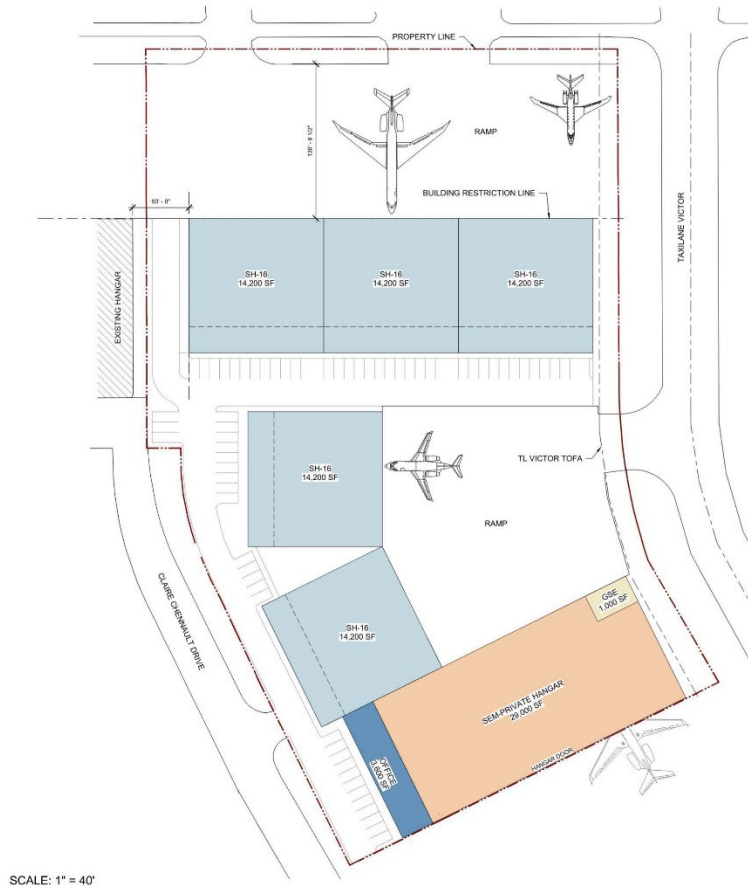
6. List of Construction Activities / Milestones to be Completed in December:

- Master permit review response from the Town of Addison.
- Construction trailer permit and installation of trailer and utilities.
- Continued excavation and soil improvements under hangars A11a, A11b, A11c, and V4.
- Commencement of underground utility installation.

7. GMP Update

With the qualification and selection of Holt Construction as general contractor, an increase in hard costs is now estimated to be \$5.8MM over budget. This increase is due in large part to the effect of inflation on the price of steel and additional PEMB materials, along with owner-initiated improvements (i.e. additional glazing in the lounge, the mezzanine addition, epoxy flooring, low voltage additions, lighting upgrades, monument signs, etc.) to improve the quality and aesthetic of all Sky Harbour campuses for its clients.

8. Progress Photos:



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ADS-1 Approved Site Plan



View looking south across the site of the project towards Claire Chenault Drive and the future Phase 2.



Western view of the project towards Million Air FBO hangar.



Western view of the project site towards Taxiway A

Update to Timing and Spent-to-Date

Facility	Status	Scheduled Construction Start	Scheduled Completion Date	Hard Costs (\$mm)	Soft Costs (\$mm)	Project Contingency (\$mm)	Total Project Cost (\$mm)	Spent-to-Date (\$mm)	Contractor	Contract Details
OPF Phase I	Occupancy	Aug-21	Feb-23	22.6 - 24.6	7.4	1.2	31.2 - 33.2	32.1	Link Construction	GMP with 100% P&P Surety
OPF Phase II	In Development	Q1-24	May-25	21.5 - 26.1	4.4	2.2	28.1 - 32.7	1.5		
BNA	Occupancy	Jul-21	Oct-22	19.0 - 20.0	5.8	1.0	25.8 - 26.8	25.8	Dunn Building Company	GMP with 100% P&P Surety
DVT Phase I	In Construction	Dec-22	Jun-24	29.3 - 34.6	4.1	2.3	35.7 - 41.0	23.6	Haydon Building Corp	GMP with 100% P&P Surety
DVT Phase II ¹	Predevelopment	2Q-24	Feb-25	22.8 - 27.4	3.3	2.1	28.2 - 32.8	0.0		
APA Phase I	In Construction	Nov-22	Aug-24	30.4 - 36.4	6.1	2.7	39.2 - 45.2	21.3	A&F General Contractors	GMP with 100% P&P Surety
APA Phase II	Predevelopment	2Q-24	Nov-24	21.7 - 26.3	4.7	2.2	28.6 - 33.2	0.0		
ADS Phase I	In Construction	Sep-23	Feb-25	24.8 - 26.8	3.5	2.0	30.3 - 32.3	4.2	Holt Construction	GMP with 100% P&P Surety
Total				192.1 - 222.2	\$39.3	\$15.7	247.1 - 277.2	\$108.4		

Change Orders Affecting Scheduled Completion

See discussion for each airfield above.

Loss Events

See discussion for each airfield above.

Critical Issues

See discussion for each airfield above.

Next Month Milestones

See discussion for each airfield above.

¹ Same as footnote 1.