

Sky Harbour
Monthly Construction Report
January 2024

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Executive Summary

As previously reported in our SEC and EMMA filings, Sky Harbour determined in December 2023 that its Denver (APA) and Phoenix (DVT) developments, currently under construction, require structural enhancements to comply with Sky Harbour's prototype standards and surpass local construction codes.

Sky Harbour is working with the structural engineering firm, Thornton Tomasetti (TT), to deliver both the reinforcements necessary to the already-erected Denver and Phoenix structures, and the enhancements for the Sky Harbour prototype hangar design in accordance with Sky Harbour structural standards.

Sky Harbour is not updating the schedule and cost estimates provided in the 8K filed on January 4, 2024, as we are working through final enhancements and the execution plan. Sky Harbour will provide a comprehensive update on the costs and schedule in the March 10K filing.

Progress continues at Sky Harbour's other projects. At ADS Addison Airport in Addison, Texas, Holt Construction completed all subgrade preparations necessary for the commencement of the concrete pier and foundation installations. At OPF Phase 1, Opa Locka Airport in Miami, Florida, permit revisions to incorporate the hangar 12 nose notch buildout were submitted for approval. The general contractor, Link Construction, held its pre-construction meeting onsite with their subcontractors while the steel fabricator completed the fabrication of all steel elements. At OPF Phase 2, the design team held coordination meetings with the mechanical and fire reviewers to clarify remaining permit comments. Sky Harbour has made the decision to change from its SH30 prototype to the larger SH34 for OPF Phase 2. These larger hangars can accommodate up to 3 heavy jets (e.g. Global 7500s, Gulfstream G700s, or Falcon 10Xs, etc.), thus maximizing our leasing revenue psf.

The following is a summary of progress at each development.

Field: OPF Phase 1 – Opa-Locka, Florida

Reporting Period: January 2024

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: January 2024

1. Design & Permitting Status:

Additional permit comments were received by Miami-Dade. Multiple review meetings were held to resolve remaining comments with the Miami Dade County mechanical and fire department's plan reviewers. Sky Harbour has made the business decision to implement the new, larger SH34 prototype on this project instead of the existing SH30. Construction drawings will be resubmitted for permit approval once plans are revised to reflect the new SH34 prototype.

2. Construction Status:

Changing from the SH30 to the SH34 prototype hangar will impact the start of construction by several months. The development and design teams are still working to identify the total cost and schedule impact, but early assessments indicate an additional 4-5 months to revise and resubmit the construction drawings and to receive permit approvals from Miami Dade.

3. Change Orders that Impact Project Completion date:

None

4. Loss Events:

None

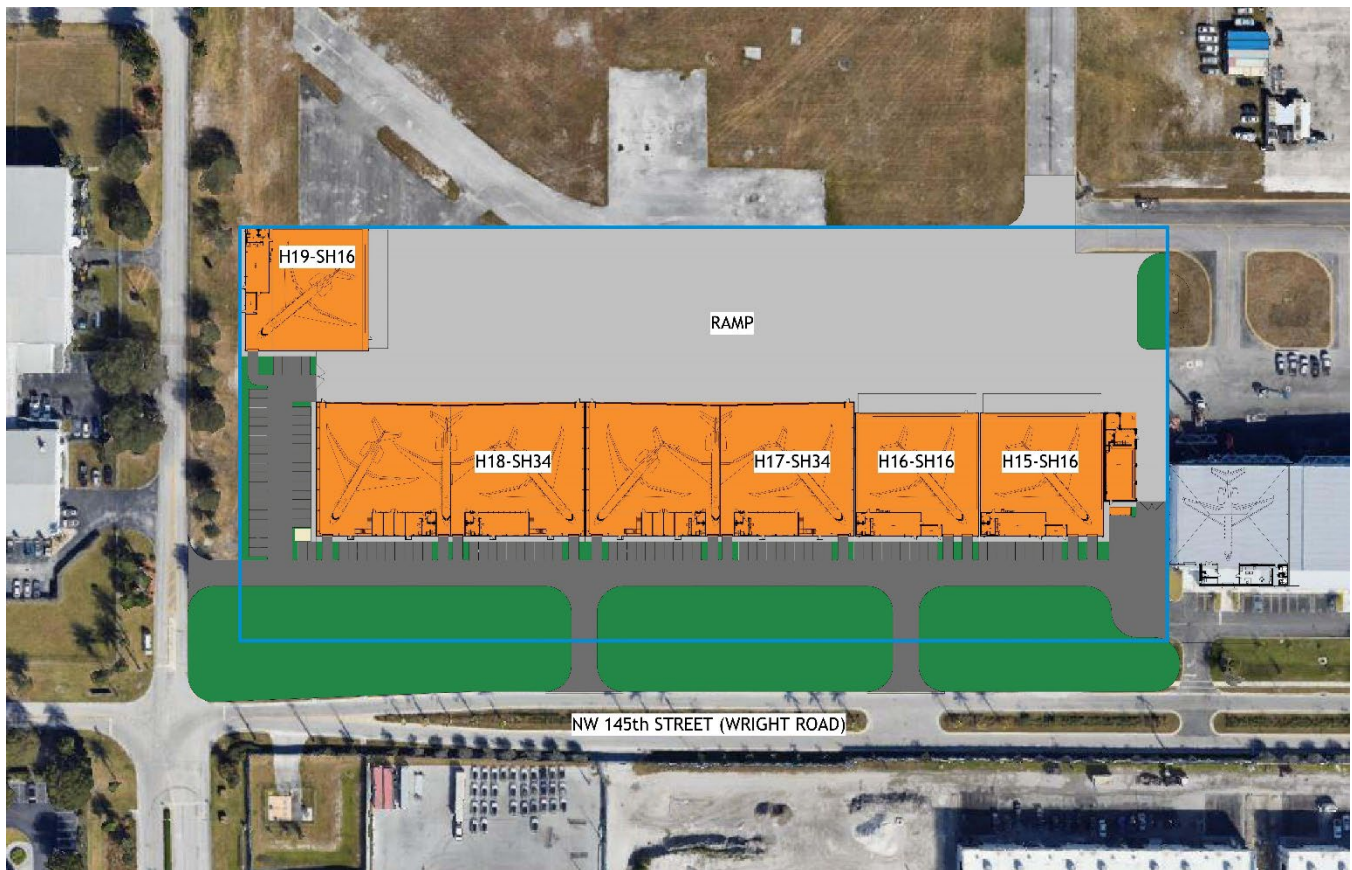
5. Design, Construction and Manufacturing Critical Issues:

- Complete the structural design drawings for the GSE building by the end of February.
- Complete the revised site plan and permit set incorporating the new SH34 campus plan for filing.

6. List of construction activities / milestones to be completed in February:

- Receive second round of permit review comments from Miami-Dade and MDAD on the original submission which include the SH30 hangars.

7. Progress Photos:

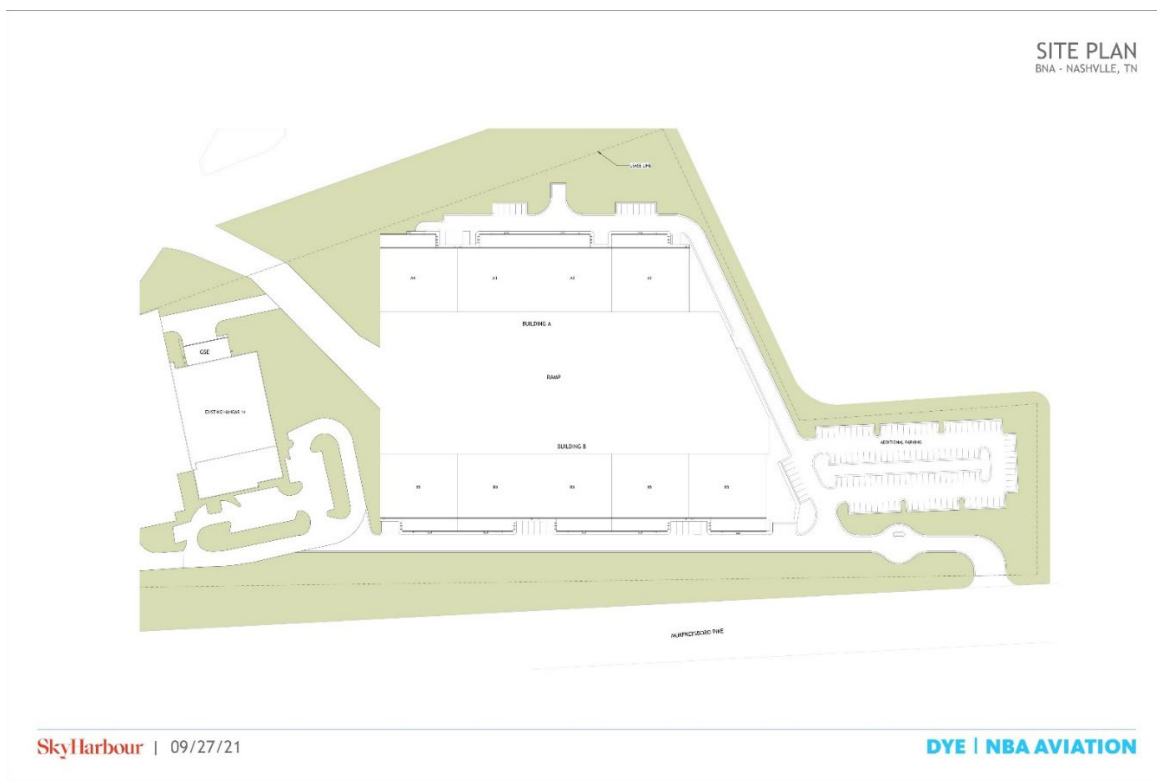


OPF Phase 2 Site Plan

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: January 2024

1. Design and Permitting Status:

Two deferred submittals and one plan revision are currently outstanding for this project. The first is for the hangar B4 (SH30) pre-engineered metal building (PEMB), which is still pending. The submittal is delayed due to the redesign and required reinforcement of the PEMBs. The second deferred submittal is for the hangar B4 fire sprinkler system. The sprinkler design is complete but will need to be redesigned depending on the probable redesign and required reinforcement of the PEMBs.

The low voltage drawings that were submitted to Arapahoe County for approval on December 20, 2023, are still pending review and comment / approval from the County.

2. Construction Status:

The landside trim and roof package for the Hangar A building have been designed, fabricated, and were delivered to the project in January.

Structural engineering firm, Thornton Tomasetti (TT) has begun designing the necessary modifications and enhancements for the company's SH10, SH16A, and SH30 prototypes. TT has finalized a temporary bracing plan for the existing hangars at APA so that construction activities can resume. This plan was provided to the general contractor at the end of January with the required bracing material delivered the first week in February.

TT has begun to design permanent structural enhancements that will enhance the stability, safety, and standardization across the SH10 and SH16A prototypes. It is anticipated that TT will complete the permanent structural design drawings by the end of February. Once plans are received, Rapid Built will fabricate the necessary steel components for delivery to the site in March.

3. Change Orders that Impact Project Completion Date:

- The additional structural fortification work is expected to extend the completion date at APA by several months. The impact on the project completion schedule is still being determined.

4. Loss Events:

None

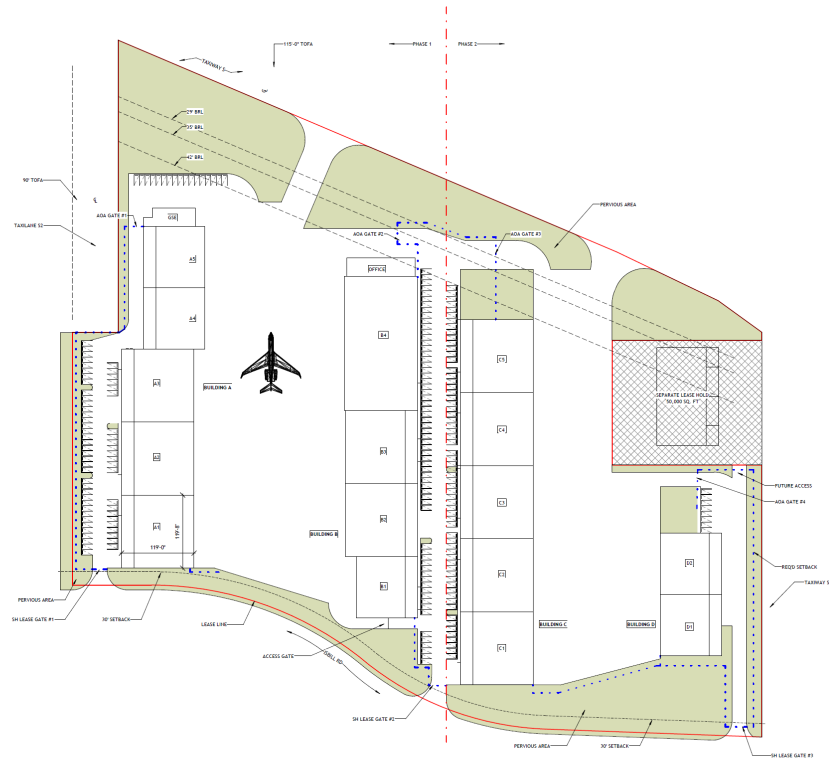
5. Design, Construction and Manufacturing Critical Issues:

- Complete the design of the SH30 (hangar B4). The team is evaluating whether to award the SH30 PEMB to a third party. The date for PEMB delivery from this third party is being coordinated with the team.
- Complete the sheathing and trim designs for the SH16A and SH10 PEMB façade by the end of February.
- Complete the design, engineering, and fabrication of the SH16A and SH10 bi-fold hangar doors by the end of March.

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

- Begin the temp bracing activities on the PEMBs.

7. Progress Photos:



Site Plan



Northeastern view of the project showing structure for hangars B1–B3 erected. To the north of these three structures is where the B4 hangar grade beams and foundations have been poured.



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.



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

Field: DVT – Phoenix, Arizona
Reporting Period: January 2024

1. Design and Permitting Status:

The City of Phoenix had requested Sky Harbour to construct a portion of the future Taxiway Delta extension within our phase 1 development. The project team has compiled an order of magnitude estimate for the proposed extension and modification to Taxiway Delta which was submitted to the City of Phoenix for review. The city of Phoenix staff has approved the ROM estimate, and the plan has been submitted to the FAA for approval. As part of this submission, the city of Phoenix has requested a baseline schedule for the design, permitting, and construction of this taxiway extension which the team is currently working to provide in early March. Once the schedule is finalized, a decision will be made if this work can be completed during Phase 1 or if it will need to be deferred to Phase 2.

2. Construction Status:

The GSE building siding and insulation has been substantially completed and remaining trims are to be delivered to the site by the end of February. The interior finishes and drywall installation has begun and will be substantially completed by the end of February.

Structural engineering firm, Thornton Tomasetti (TT) has begun designing the necessary modifications and enhancements for the SH16C prototype. Enhancement details are expected to be issued by the end of February for the team to incorporate into the project.

TT has designed a temporary shoring plan for the existing hangars at DVT that will provide worker safety while the permanent structural enhancements are being refined and ultimately installed. The signed and sealed shoring plan is being designed by a licensed shoring engineer with planned completion by mid-February. Once completed, several shoring contractors will bid on the assembly / disassembly work. It is expected the shoring contract will be awarded by the end of February with the shoring towers installed in March. Once the temporary shoring towers are installed and inspected, construction activities can resume within the hangars (subject to constraints).

3. Change Orders that Impact Project Completion Date:

- Evaluation of the additional fortification work is expected to be concluded in late February and a comprehensive updated schedule will be included in the March 10-K filing.
- 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 are substantially completed. During the installation of the conduits, APS discovered an issue with their design and have begun a revision to the primary services which feed the complex. The revision and survey from APS was completed and received in January, and the electrical subcontractor re-mobilized to complete the APS service work. The primary service conduits will be completed by the end of February.
- The design team finalized the final dimensions for the IMP panel cover trims that Rapid Built will provide, with delivery to the site expected in February.

4. Loss Events:

- None

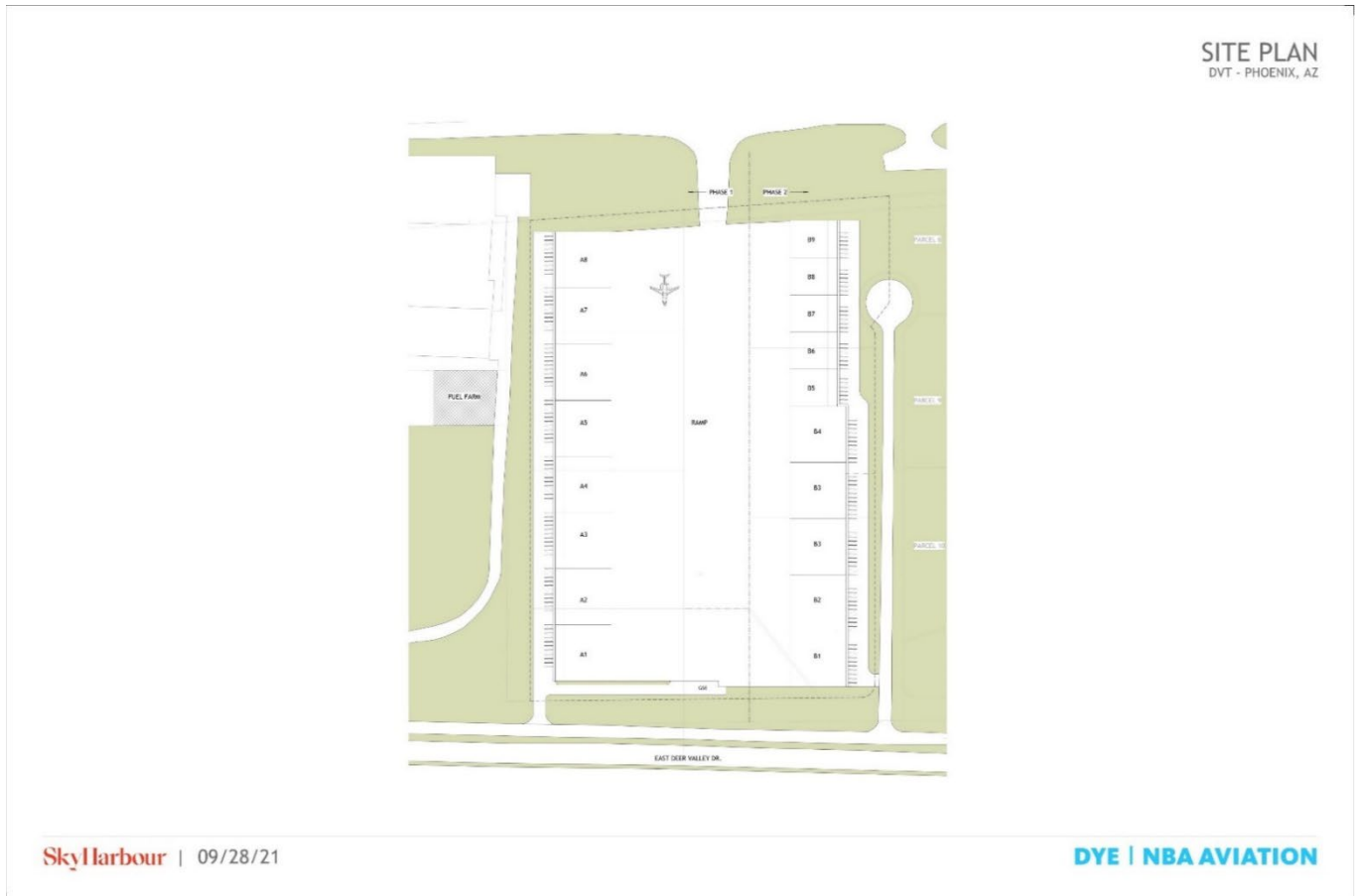
5. Design, Construction and Manufacturing Critical Issues:

- Fabricate and deliver the trims for the IMP wall caps by the end of February.

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

- Complete the temporary shoring design and engineering for the SH16Cs.
- Complete delivery of trims related to the pre-engineered metal buildings (PEMBs).

7. Progress Photos:



Site Plan



Southwestern view of PEMB superstructure of hangars A-H with IMP walls, roofs installed, and hangar slabs poured. The bifold door on hangar A has been assembled and raised.



Southeastern (landside) view of hangars A-H.



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

Field: ADS Phase 1, Addison, TX
Reporting Period: January 2024

1. Design and Permitting Status

The Town of Addison approved the permit drawings and issued permit fees to Sky Harbour on January 30th.

Thornton Tomasetti is reviewing the pre-engineered metal building (PEMB) gravitational and lateral loads. Once completed, they will provide their findings to Burn's Engineering (foundation engineer of record) to determine if any structural modifications are necessary for the concrete piers and foundations. The finalization of the anchor bolt plans for the SH16C hangars is expected to be completed in February, along with the erection drawing package and any necessary fortifying modifications. Once completed, structural engineering will commence on the SH30 (V6 hangar).

The design of the foundations and anchor bolt plans for the SH16C hangars is currently underway but have been paused as planned reinforcements to the steel structure may impact the building's foundation and anchor bolt layout. The SH16C erection drawings package, including the structural enhancement drawings, is expected to be completed by the end of February 2024.

2. Construction Status

Holt Construction completed the subgrade preparations necessary to start the concrete piers and foundations. This included the excavation of the building pads down to the required depths and backfilling with moisture conditioned clean fill. The concrete piers were originally scheduled to start the last week of January but have been put on hold pending the Thornton Tomasetti and Burns reviews.

3. Change Orders that Impact Project Completion Date:

- The structural enhancements to the current design and the revised design of the SH30 (B6) will likely extend the project completion date. Sky Harbour is currently evaluating the impacts and will issue a comprehensive schedule and cost update in the March 10-K filing.

4. Loss Events:

- None

5. Design, Construction and Manufacturing Critical Issues:

- Engineering reviews of the PEMB, piers, and foundation elements, and incorporation of any required revisions.
- Incorporate structural fortification enhancements into the structural, steel fabrication, and steel erection drawings.

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

- Commencement of concrete pier installation.
- Finalization and issuance of the PEMB anchor bolt layouts.

7. GMP Update

- 64% of the GMP has been bought out by Holt Construction through the end of January 2024.

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.



Southern view of the project 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	32.2	Link Construction	GMP with 100% P&P Surety
OPF Phase II	In Development	Q4-24	Q4-25	21.5 - 26.1	4.4	2.2	28.1 - 32.7	1.7		
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	Q4-24	29.3 - 34.6	4.1	2.3	35.7 - 41.0	26.2	Haydon Building Corp	GMP with 100% P&P Surety
DVT Phase II ¹	Predevelopment	Q4-24	Q1-26	22.8 - 27.4	3.3	2.1	28.2 - 32.8	0.0		
APA Phase I	In Construction	Nov-22	Q4-24	30.4 - 36.4	6.1	2.7	39.2 - 45.2	25.7	A&F General Contractors	GMP with 100% P&P Surety
APA Phase II	Predevelopment	Q1-25	Q2-26	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	6.1	Holt Construction	GMP with 100% P&P Surety
Total				192.1 - 222.2	\$39.3	\$15.7	247.1 - 277.2	\$117.6		

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.