



APPROVED FEBRUARY 15, 2022

**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING**

**Scottsdale Airport Aviation Business Center
Stearman/Thunderbird Meeting Room
Second floor 15000 N. Airport Drive
MEETING HELD ELECTRONICALLY
Scottsdale, Arizona
Wednesday, January 19, 2022**

MINUTES

PRESENT: John Berry, Chair
Charles McDermott, Vice Chair (Telephonic)
Larry Bernosky
Ken Casey
Cory Little
Peter Mier
Rick Milburn

STAFF: Gary Mascaro, Aviation Director
Carmen Williams, Aviation Finance & Administration Manager
Sarah Ferrara, Aviation Planning & Outreach Coordinator
Chris Read, Assistant Aviation Director-Operations
Tiffany Domingo, Staff Coordinator

GUESTS: David Best Jet Aviation
Danny Larsen, Jet Aviation

CALL TO ORDER

Chair Berry called the meeting to order at 5:00 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director stated that the Airport is prepared for the upcoming event season, beginning with Barrett-Jackson beginning on Sunday as well as the golf show.

1. Regular Meeting: November 17, 2021

COMMISSIONER BERNOSKY MADE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF NOVEMBER 17, 2021 AS PRESENTED. COMMISSIONER MILBURN SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR BERRY, VICE CHAIR MCDERMOTT, COMMISSIONERS BERNOSKY, CASEY, LITTLE, MIER AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENT

Public comments were provided and discussed under Agenda Item 2.

REGULAR AGENDA ITEMS 1-14

1. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business Permit for JJS Investments, LLC to conduct hangar/shade leasing services at the Scottsdale Airpark.

Carmen Williams, Aviation Finance & Administration Manager, stated that the applicant's hangar and office facility is located on the southwest side of the Airpark near 74th Street. They have met all of the requirements for the Aeronautical Business Permit and have submitted the proper documentation. Ivan Milosavljevic (phonetic) was present representing JJS Investments.

Commissioner Milburn asked about the business operations and activities. Mr. Milosavljevic stated that at this time, a single company, Quantum Leasing, LLC is run out of the space and owns several aircraft. The purpose for seeking the permit is to lease to a friend who is also an aircraft owner. This will fill excess space and provide a modest additional income. In response to a question from Commissioner Milburn, Mr. Milosavljevic estimated that they currently have approximately 1,500 square feet of unused space.

COMMISSIONER CASEY MADE A MOTION TO APPROVE THE APPLICATION FOR JJS INVESTMENTS, LLC. COMMISSIONER LITTLE SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR BERRY, VICE CHAIR MCDERMOTT, COMMISSIONERS BERNOSKY, CASEY, LITTLE, MIER AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. Discussion and information regarding Jet Aviation development at Greenway Shades/Hangars location

Gary Mascaro, Aviation Director, stated that the Airport has been receiving comments from tenants, specifically of Jet Aviation currently operating out of the Greenway Shades and Hangars facility. He introduced David Best, Jet Aviation, to speak on this item. Mr. Best provided a brief history of Jet Aviation's time at Scottsdale Airport since 2020. In April, 2020, the company began

to invest in Airport infrastructure. Upon completion of the final phase, they will have invested over \$50 million in infrastructure and will have created more than 40 jobs. The purpose of the project is in response to term requirements contained in the lease. This includes development of the site at Greenway. If it is not developed by 2025, they must forfeit the site. The project includes a 30,000 square foot hangar, 13,000 square foot two-story terminal and 225,000 square feet of ramp. This is a first of its kind facility for a large fleet operator.

The public infrastructure improvements made as part of the project include repaving of the Greenway taxiway. The company has also invested \$2.5 million for the purchase of a site, which will provide the Airport permanent easement from Greenway into the Airport parking. It also eliminates significant vehicle traffic on the Airport itself. The project also includes creation of a new taxiway and connector, which will bolster the existing taxiway. Currently there are 70 tenants who fly a total of 81 aircraft. A total of 25 tenants were past due on lease payments when they were served with notice of the project. In addition, 35 tenants have never purchased fuel, which is a requirement of the lease. Sixteen tenants have been accommodated in box hangars. Three tenants requested to be let out of their leases early and this was honored. It is hoped that the project will break ground in the second quarter for completion in 2023. All tenants have received the required notices. The company has committed to cease charging tenants from the point that the official notice to terminate leases comes due.

In response to a Commission question, Mr. Best stated that notice was provided to the tenants in December, 2021. Tenants will vacate in a phased manner over the next six months.

In response to a Commission question, Mr. Best confirmed that the box hangars will be filled in an effort to accommodate tenants. Concessions have been made on the rents.

A Commissioner referred to the new tenants for the new tenant space and asked whether these will be new aircraft to the Airport or are existing tenants. Mr. Best stated that they are an existing tenant, a large fleet operator, who will be increasing their presence in Scottsdale as their flagship facility.

In response to a question from Commissioner Casey, Mr. Best said that no tenants have received official termination dates as yet. Commissioner Casey sympathized with tenants who will have to vacate and are unable to find other space.

A Commissioner inquired as to whether the project includes accommodation for similar sized aircraft parking and rates. Mr. Best clarified that the new development is a dedicated facility for a single customer.

A Commissioner asked about the condition of aircraft that are not being flown. Mr. Best said that he is not aware of those details and suggested that the Airport comment. Mr. Mascaro stated that because these are not Airport tenants, the Airport is unaware of whether or not the craft are airworthy. The FBO general manager may know.

Chair Berry asked for clarification that these actions were required under the lease and whether there was a timing issue. Mr. Mascaro confirmed that when the deal was originally negotiated with Santa Fe Jet Center, they were interested in taking responsibility for the Greenway Shades and Hangars as well. This involves the same owner. The lease was expiring at the date that Mr. Best suggested. The goal was for them to have a performance measure to meet the needs of the Master Plan. The lease was acquired in December of 2018.

A Commissioner asked for clarification on the project schedule. Mr. Best deferred the question to and introduced Danny Larsen, Vice President of Business Development and Real Estate in charge of the product, who stated that demo will start in the second quarter. Ramp work and foundation work will be largely completed in 2022. Breaking ground on the actual structure is planned for late summer, followed by 12 to 16 months of construction.

In response to a question from Commissioner Milburn, Mr. Mascaro stated that the Master Plan was adopted by City Council in 2015. It serves as a guideline to evaluate the Airport's aviation demand over a 20-year span. The Plan was based on information and forecasts created in 2013 to evaluate the needs of the Airport in the future. A graphic depicting the Master Plan and specifically the Greenway Shades and Hangars was reviewed. Based upon the forecast demand, the Plan anticipated taking down the Greenway Shades and Hangars at the time frame of the intermediate term of the Master Plan, which is the ten-year mark, to develop conventional corporate executive-type hangars. In response to a question from Commissioner Casey, Mr. Mascaro confirmed that this represents Phase 2 of the original Master Plan.

The following public comments were received:

- David Rumulo expressed concern regarding where light twin and single engine planes will park after the destruction of Greenway Hangars.
- Chris Winterholler expressed concern about parking for single engine planes at the Airport.
- John Phelps spoke about the lease Jet Aviation has at Scottsdale Airport and the plans in the lease.

3. Election of Officers

Mr. Mascaro discussed the requirements pursuant to the By-Laws for the Commission to elect its members, Chair and Vice Chair and provided an overview of the guidelines.

Nominations were made as follows:

CHAIR BERRY MADE A MOTION TO NOMINATE VICE-CHAIR MCDERMOTT AS THE CHAIR. COMMISSIONER CASEY SECONDED THE MOTION WHICH CARRIED 7/0 WITH CHAIR BERRY, VICE-CHAIR MCDERMOTT, COMMISSIONERS BERNOSKY, LITTLE, CASEY, MILBURN AND MIER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

CHAIR BERRY MADE A MOTION TO NOMINATE COMMISSIONER PETER MIER AS VICE CHAIR. COMMISSIONER CASEY SECONDED THE MOTION WHICH CARRIED 7/0 WITH CHAIR BERRY, VICE-CHAIR MCDERMOTT, COMMISSIONERS BERNOSKY, LITTLE, CASEY, MILBURN AND MIER VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

Newly elected Chair McDermott requested that John Berry continue to preside over the remainder of the meeting.

4. Discussion and possible action regarding Airport Advisory Commission By-Laws pursuant to the By-Laws of the Scottsdale Airport Advisory Commission Section IV, Rules and Amendments, Paragraph 401 Amended Procedures

Mr. Mascaro discussed that the Commission is required to review the By-Laws on an annual basis and make amendments as necessary. Commissioner Bernosky requested a revision, which would require permit applicants to be present either in person or over the phone at the time of Commission consideration and vote for approval of such application. Mr. Mascaro stated that discussion on this specific request would be deferred to the next meeting to allow him the opportunity to discuss this with legal staff.

5. Discussion and possible action to approve the Airport Advisory Commission Annual Report

Mr. Mascaro referred to the annual report provided to Commissioners and noted that this a standard format report for all boards and commissions. He welcomed comments, additions or changes. There were no requested changes.

COMMISSIONER MILBURN MADE A MOTION TO APPROVE THE AIRPORT ADVISORY COMMISSION ANNUAL REPORT AS PRESENTED. COMMISSIONER BERRY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE-CHAIR MIER, COMMISSIONERS BERRY, BERNOSKY, LITTLE, CASEY AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

6. Discussion and Possible Action to Recommend Adoption of Resolution No. 12359, Authorizing Lease Agreement 2022-007-COS with 21 Luna, LLC for the lease of General Aviation Box Hangar Space at the Scottsdale Airport

Ms. Williams provided a brief historical overview of the issue. The City and tenant agreed to a mutual termination, which required the existing tenant to reimburse the City for commission fees for leasing the hangar. 21 Luna, LLC is looking to lease the last available unit. Following approval by the Commission, the lease will go before City Council for approval at its February 22nd meeting.

COMMISSIONER BERNOSKY MADE A MOTION TO RECOMMEND ADOPTION OF RESOLUTION NO. 12359, AUTHORIZING LEASE AGREEMENT 2022-007-COS WITH 21 LUNA, LLC FOR LEASE OF GENERAL AVIATION BOX HANGAR SPACE AT SCOTTSDALE AIRPORT. COMMISSIONER LITTLE SECONDED THE MOTION WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER, COMMISSIONERS BERRY, BERNOSKY, LITTLE, CASEY AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

7. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Revocations and Cancellations

Ms. Williams noted that the newly approved permit for JJS Investments is included on the list. There are no other changes.

8. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Assistant Aviation Director-Operations, provided an update on construction. The project to replace two sections of Airport fencing at Frank Lloyd Wright and Thunderbird commenced yesterday. The design phase is under way on the rehabilitation of the north end of Taxiway A and run-up area.

9. Discussion and Input Regarding the Monthly Operations Report

Mr. Read noted the strong IFR totals, being 23 percent higher than last year, even as the runway was closed for 39 days during the year. For December, there were five alerts and five incidents. U.S. Customs revenue was \$109,525 with 191 uses and 52 U.S. visits. Revenues are increased over the same period last year. Total uses were 191, compared to 168 last year. Fiscal year-to-date total uses are 703 compared to 718 last year, likely due to the runway closure. PPRs totaled 66 for the calendar year.

Commissioner Casey asked about the commencement of the requirement for aircraft coming from out of the country and utilizing Customs to complete application paperwork online. Ms. Williams confirmed that the program was implemented on January 3rd. Out of country arrivals are now required to go to an online system and pay fees in advance.

Commissioner Bernosky asked about any repercussions to the Airport with commencement of 5G. Mr. Mascaro stated there was a halt to implementation with a focus on commercial aircraft. No other specific concerns have been reported.

Commissioner Casey referred to the based aircraft report and said it would be helpful to have a breakdown of single engine piston, piston twin and turbo prop single. Mr. Read said he would be happy to provide that breakdown.

Commissioner Casey asked for clarification on the distinction between an alert and an incident. Mr. Read discussed that an alert is called by the tower when an in-flight aircraft is having an issue or has crashed. The tower labels the alerts by degree of severity.

Commissioner Casey asked who makes the call for the Airport to go to a ground stop, one of which occurred shortly after Thanksgiving. Mr. Read stated that the FAA would make the call. Commissioner Casey suggested taking a closer look at this, given that the busiest times at the Airport are coming up. Mr. Mascaro stated that this is the first time he has heard of a ground stop. No one informed the Airport or administration. He will have follow-up discussions with relevant sources and provide more feedback.

10. Discussion and Input Regarding Financial Report for October and November

Ms. Williams focused on the November report. Fiscal year-to-date approved budget for revenues was \$2.1 million. Actuals came in at \$2.9 million. The expense budget was \$1.2 million with actuals totaling \$1.05 million. Compared to last year, revenues were significantly higher. The variance is due to a change in how accounts receivable are treated. This should be corrected in January or February. When the adjustment is factored out, totals are higher than last November by approximately \$16,000. Expenses were up by \$47,000, attributed to the NBAA exhibit and

setup booth, additional fees for banking services and landing fee commissions. The Aviation Fund Cash Balance totals \$3.49 million. In terms of fuel, FBO fuel sales accounted for 72.7 percent of the total fuel. AVGAS was at 2 percent and Airpark operators were at 25.3 percent. Totals overall are up 39 percent over last year. Year-to-date totals are up 4.5 percent.

11. Discussion and Input Regarding Quarterly Noise Complaint Summary Report

Sarah Ferrara, Aviation Planning & Outreach Coordinator, stated that during the period, there were 29 callbacks and 3 emails in response to complaints. There were 50 new complainants and 42 repeat complainants for a total of 92 for the quarter. This is slightly higher than the same period last year. A single complainant continues to submit a considerable number of complaints, totaling over 8,800 for the period. Discussion ensued regarding the potential for the online submission form to have a verification method to ensure that complaints cannot be submitted automatically or through a bot program. For a comparison, there were a total of 10,075 complaints for the period last year and 9,768 for the current period. Complaints are mapped by grid and were reviewed.

12. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Ms. Ferrara addressed Next Gen/Phoenix Metroplex, noting that the City Manager sent a letter on December 6 to formally request that the City of Scottsdale be included in the Phoenix Airspace Working Group as the new PBN procedures for Phoenix are considered. Word has been received that this has been delayed at this time.

Airport staff is conducting outreach to Airport users and business that utilized the Customs service regarding new online Airport user fee processes.

For November, 21 voluntary curfew letters were issued and 8 in December.

The Planning and Zoning reports listed three projects within the Airport Influence Area in November and two in December.

Airport staff continues to connect with people via social media and listserv notices. Recent topics included a military aircraft video, Jet Aviation's FBO accolade, a holiday message and the new Customs Airport user fee process.

The Schedulers and Dispatchers convention in San Diego was rescheduled from January to April. Airport staff will be participating. Ms. Ferrara conducted an in-person, 25-person Roundtable session.

13. Administrative report from the Aviation Director or Designee Regarding the Status of Aviation-Related Items

Mr. Mascaro stated that that Council will be reviewing the proposed lease agreement for the new hangar at its upcoming February 22nd meeting. He briefly touched upon other Aviation-related items: Falcon's Nest hangar; new corporate hangar for Set Jet at gate 1 of the Airpark; Scottsdale

Jet Center (Jet Aviation) Phase II submission for staff approval: Hangar on the south end of the Airport as well as Project Cactus, which has been submitted to the Development Review Board.

14. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

Mr. Mascaro requested an adjustment of the February schedule to the 15th of February.

COMMISSIONER BERRY MADE A MOTION TO MODIFY THE AIRPORT ADVISORY COMMISSION MEETING CALENDAR FOR THE MONTH OF FEBRUARY, MOVING THE MEETING FROM WEDNESDAY, FEBRUARY 16TH TO TUESDAY, FEBRUARY 15TH. COMMISSIONER BERNOSKY SECONDED THE MOTION, WHICH CARRIED 7/0 WITH CHAIR MCDERMOTT, VICE-CHAIR MIER, COMMISSIONERS BERRY, BERNOSKY, LITTLE, CASEY AND MILBURN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

There were no items added.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 6:15 p.m.

AYES: Chair McDermott, Vice Chair Mier, Commissioners Bernosky, Berry, Casey, Little and Milburn

NAYS: None

SUBMITTED BY:

eScribers, LLC