



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING**

**Scottsdale Airport Aviation Business Center  
Stearman/Thunderbird Meeting Room  
15000 N. Airport Drive  
Scottsdale, Arizona  
Wednesday, September 20, 2023**

**MINUTES**

**PRESENT:** Charles McDermott, Chair  
Peter Mier, Vice Chair  
Larry Bernosky  
Michael Goode (telephonic)  
David Reid  
Ken Casey

**ABSENT:** John Spalj

**STAFF:** Gary Mascaro, Aviation Director  
Kelli Kuester, Aviation Planning and Outreach Coordinator  
Sarah Ferrara, Aviation Planning and Outreach Coordinator  
Chris Read, Assistant Aviation Director-Operations  
Bryan Cluff, Planning Manager

**GUESTS:** Shannon Day, Out West Aviation, LLC  
Kevin Trager, WC Aviation, Inc.  
Danny Larson, Jet Aviation  
John Berry, Law Firm of Berry and Riddell

**CALL TO ORDER**

The meeting was called 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, congratulated Sarah Ferrara on her upcoming retirement and welcomed Kelli Kuester to the Aviation Department as Sarah's replacement. In addition, he thanked Commissioner Bernosky for his six years of service on the Airport Advisory Commission.

1. Regular Meeting: June 21, 2023

VICE CHAIR MIER MADE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF JUNE 21, 2023 AS PRESENTED. COMMISSIONER BERNOSKY SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

## **PUBLIC COMMENT**

There were no public comments.

## **REGULAR AGENDA            ITEMS 1-16**

1. Discussion and possible action regarding application for Airport Aeronautical Business Permit for Out West Aviation, LLC, to conduct hangar/shade leasing services at Scottsdale Airport

Kelli Kuester, Aviation Outreach and Planning Coordinator, stated that Out West Aviation, LLC, currently leases a box hangar from the Airport. They are looking to sublease additional space. They have met the requirements of the permit. Manager Shannon Day was present to answer any questions from the Commission. In response to a Commission question, Mr. Day stated that Out West currently has one hangar.

COMMISSIONER REID MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR OUT WEST AVIATION, LLC TO CONDUCT HANGAR/SHADE LEASING SERVICES AT SCOTTSDALE AIRPORT. COMMISSIONER CASEY SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. Discussion and possible action regarding application for Airport Aeronautical Business Permit for WC Aviation, Inc., to conduct aircraft maintenance and repair services at Scottsdale Airport

Ms. Kuester stated that WC Aviation has met the requirements of the permit. Kevin Trager was present to answer question from the Commission.

In response to a question from Chair McDermott, Mr. Trager stated that they envision having approximately 20 full-time employees.

In response to a question from Commissioner Bernosky, Mr. Trager stated that they specialize in AOG services for multiple aircraft, mostly corporate jets. They will be doing limited inspections.

COMMISSIONER CASEY MADE A MOTION TO APPROVE THE APPLICATION FOR AN AIRPORT AERONAUTICAL BUSINESS PERMIT FOR WC AVIATION, INC., TO CONDUCT AIRCRAFT MAINTENANCE AND REPAIR SERVICES AT SCOTTSDALE AIRPORT. VICE CHAIR MIER SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Adopt Resolution No. 12923 authorizing a Second Amended and Restated Lease Agreement No. 2018-193-City of Scottsdale-A2 with Jet Aviation Scottsdale, LLC

Mr. Mascaro stated that this item is brought for action to discuss changes negotiated between the City and Jet Aviation for updating and reinstating their lease. A redline of changes and the final version were provided in the Commission packets. Most changes involve clarity in terms; modification of lease square footage; update exhibits; provide options for term extension; modify time periods for improvements. The original lease was executed in December 2018, involving the FBO operation (also referred to as original first hangar), with the original term expiration of 2059. A first amendment reflected an increase in monthly base rent and lease apron square footage to address further plans. This eventually changed, requiring a reduction to accommodate current development. Also included was updates to construction milestones. If the Lessee demonstrates an expenditure of \$29 million in improvements to the satisfaction of the Aviation Director, the Lessee shall be vested with an option to extend this lease for an additional 15-year period beyond the original term and automatic extension set forth. The Lessee is certainly moving forward with the new NetJet set and completion of the Hangar Two facility. If the Lessee completes all of the Phase IIB improvements no later than May 22, 2026, the term shall be automatically extended an additional five years to January 31, 2064. Administrative changes were made to the insurance section. Mr. Mascaro answered questions about development and hangar space locations within the lease area.

In response to a query from Commissioner Goode, Mr. Mascaro advised that he abstain from voting, due to his relationship with NetJet.

In response to a question from Commissioner Casey, Danny Larson, Vice President of Real Estate for Jet Aviation, provided an estimated overview of the development timeline.

VICE CHAIR MIER MADE A MOTION TO AUTHORIZE A SECOND AMENDED AND RESTATED LEASE AGREEMENT NO. 2018-193-COS-A2 WITH JET AVIATION SCOTTSDALE, LLC. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 5/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES. COMMISSIONER GOODE ABSTAINED.

4. Discussion and Possible Action for a Recommendation to the Planning Commission and City Council regarding case 15-ZN-2022, a request by owner for a zoning district map amendment, amending the stipulations and development plan of case 14-ZN-1991, increasing the allowed building height from 36 feet to 42 feet 4 inches and the allowed

floor area ratio from 0.25 to 0.79 to allow for redevelopment of the site into a new 3-story residential health care facility including up to 143 residential healthcare units having up to 164 beds (both minimal and specialized care) on a +/- 5.78-acre site with Central Business Planned Community District (C-2PCD) zoning.

Bryan Cluff, Planning Manager, provided an overview of the application request. The request does not change the zoning, but amends stipulations from a prior planned community district related to the floor area ratio. The site location, attributions and proposed site plan were reviewed. The proposed healthcare facility development details were outlined. The existing zoning is C-2, commercial, which allows for residential healthcare facility land uses. However, it is part of the planned community district, which originally included specific stipulations relevant to this parcel, which limited the floor area ratio on the property to 0.25 times net lot area. The application seeks to amend the stipulation to allow floor area within the building. Amendments also include land issue revisions via zoning. Conceptual elevations were reviewed. The project is outside of the 55 DNL and Part 150 allows for the proposed land use. The proposed building height is inclusive of rooftop appurtenances.

In response to a question from Commissioner Bernosky, Mr. Cluff stated his understanding that the operation of the facility is intended to be on a rental basis operated as a care facility for tenants.

John Berry, Law Firm of Berry and Riddell, provided additional development details, noting that a zoning change is not being requested. The request is to change requirements that were imposed on the property decades ago. The General Plan 2035 includes promotion of opportunities to allow seniors to age in place as well as to provide for the increasing needs of the City's senior population. Part 150 requirements for this use and this area do not require noise attenuation construction. However, even with its location outside the 55 DNL, the developer will voluntarily implement noise attenuation as a stipulation.

COMMISSIONER CASEY MADE A MOTION TO RECOMMEND TO THE PLANNING COMMISSION AND THE CITY COUNCIL REGARDING CASE 15-ZN-2022 A REQUEST BY OWNER FOR A ZONING DISTRICT MAP AMENDMENT, AMENDING THE STIPULATIONS AND DEVELOPMENT PLAN OF CASE 14-ZN-1991. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

5. Discussion and Possible Action for a Recommendation to the Planning Commission and City Council regarding case 13-ZN-2020#2, a request by owner for a zoning district map amendment from Planned Community District, Industrial Park (P-C I-1) zoning to Planned Community District with P-C comparable Planned Airpark Core, Airpark Mixed-Use - Residential (P-C PCP AMU-R) zoning to accommodate an amendment to the original development plan (13-ZN-2020) to allow for 2,552 multi-family residential units, a hotel, and retail in six five-story buildings, up to 67 feet in height, and an increase in allowed floor area ratio (FAR) from 0.8 to 1.1, on a +/- 41-acre portion of a +/- 68-acre site, located at 8300 E Axon Way.

This agenda item was removed.

6. Discussion and possible action to recommend to City Council adoption of Resolution No. 12920 authorizing Contract No. 2023-134-COS with Mead & Hunt, Inc. to provide Engineering Services at Scottsdale Airport.

Chris Read, Assistant Aviation Director-Operations, stated that this agenda item addresses the need to engage an engineering firm to assist with design and construction administration. He provided an overview of the procurement process that ultimately led to the selection of Mead & Hunt to provide such services. The contract includes a \$1 million per fiscal year maximum.

In response to a question from Chair McDermott, Mr. Read stated that the projects included in Attachment A scope of work include estimated project costs to be finalized at the time the project occurs.

Mr. Read confirmed Chair McDermott's understanding that although effective this year, CPI increases will result in increased costs, with a cap of no greater than 5 percent.

CHAIR MCDERMOTT MADE A MOTION TO RECOMMEND TO CITY COUNCIL ADOPTION OF RESOLUTION NO. 12920 AUTHORIZING CONTRACT NO. 2023-134-COS WITH MEAD & HUNT, INC. COMMISSIONER CASEY SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

7. Discussion and possible action to recommend to City Council adoption of Resolution No. 12921 authorizing Contract No. IFB-052023-091 with J. Banicki Construction, Inc. in the amount of \$501,745.50 to construct Taxiway A4 improvements at Scottsdale Airport.

Mr. Read discussed that this is an upcoming ADOT and federally funded project. It involves rehabilitation of pavement along the small taxiway that runs between the runway and the Alpha Taxiway as a low-bid project. This project will be funded with a grant from the FAA that will cover 91.06 percent. ADOT will also provide a grant that will cover 4.47 percent and the Aviation Enterprise Fund will provide a match of 4.47 percent. If approved by the Commission, the item will go before City Council for approval, followed by anticipated construction in October/November 2023. The timeline for completion is nine working days.

Commissioner Reid inquired whether the project is a repaving or reconstruction process. Mr. Read stated that they refer to it as a rehab project, which includes stripping four inches of pavement and cleanup of the sub-grading, followed by repaving and restriping. The work will be performed during overnight hours. Notifications are provided in advance. Other procedures followed during construction projects were reviewed.

In response to question from Commissioner Casey, Mr. Mascaro stated that based on a previous study for the runway closure, there was an average of two operations between 9 and 10 p.m., with no operations after 10 p.m.

CHAIR MCDERMOTT MADE A MOTION TO RECOMMEND TO CITY COUNCIL ADOPTION OF RESOLUTION NO. 12921 AUTHORIZING CONTRACT NO. IFB-052023-091 WITH J. BANICKI CONSTRUCTION, INC. IN THE AMOUNT OF \$501,745.50 TO CONSTRUCT TAXIWAY A4 IMPROVEMENTS AT SCOTTSDALE AIRPORT. COMMISSIONER REID SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND

COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

8. Discussion and possible action to modify the Airport Rules and Regulations

Mr. Read stated that the revisions address cleanups and clarifications within the primary guiding documents. Two of the three FBOs do not lease ramp space. The revisions provide clarification in Section 2-10 to identify which ramp areas that are City owned, operated and maintained, their proximity to the FBOs and the areas the FBOs are permitted to utilize. Clarifications under Section 4.5 address required equipment to operate on the taxiways and runways and specifically call out the requirement for the rotating beacon to be on and operating.

VICE CHAIR MIER MADE A MOTION TO MODIFY THE AIRPORT RULES AND REGULATIONS. CHAIR MCDERMOTT SECONDED THE MOTION, WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER AND COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

9. Discussion and input regarding Monthly Operations Report

Mr. Read stated that there were 5 alert type 1s over the period. Customs revenue fiscal year to date totaled \$99,275, compared with \$99,075 last year. Total uses per month were 84 compared with 95 last year. Total uses fiscal year to date were 173, compared with 184 last year. PPRs totaled 91 for the calendar year. The FAA Business Jet Report for August lists Scottsdale Airport at number 10.

10. Discussion and input regarding Monthly Construction Report

Mr. Read provided an update on the perimeter road project, which the Commission approved prior to the summer break. The pavement has been completely laid and the markings are in progress, with the project substantially complete by the end of the evening. There was minimal disruption to operations. Photos were reviewed. The next project schedule is the Airport Drive Rehabilitation with a timeline of 19 days and an overnight schedule. Notifications will be provided. The roadway will remain open. The final project for the season is the main apron lighting rehabilitation, to include replacement of aged and inefficient light fixtures with new LED fixtures.

11. Discussion and input regarding Airport and Airpark Aeronautical Business Permit additions, revocations and cancellations

Ms. Kuester noted that the two approved permits are illustrated in green in the report. Two AVPs were revoked, Detail Boys, LLC and Jeffare Catering. Shiny Jets Phoenix, LLC has recently cancelled its permit.

In response to a question from Commissioner Bernosky, Ms. Kuester stated that the revocations were due to nonpayment.

## 12. Discussion and input regarding Monthly Financial Report for June and July 2023

Ms. Kuester reported that for June, the approved budget for revenues was \$8.28 million, with actuals at \$9.61 million. Expenses were budgeted at \$3.08 million and actuals were \$3.04 million. To close out Fiscal Year 2022/23, the budget finished at \$38,000 below on expenses and \$1.3 million above in revenues. For June, revenues decreased by \$274,000 and expenses are commensurate with last year. The decrease in revenues reflects that during last year, the Airport received a federal grant for COVID relief at \$205,000. The Aviation Fund Cash Balance is \$10.6 million as of June 30th. For June, FBO fuel sales account for 71.8 percent of total fuel. AVGAS was 2.9 percent and Airpark was 25.3 percent. Total gallons pumped were 1.4 million, down 9.7 percent over last June. The total fiscal year comparison reflects a slight decrease of 0.7 percent.

Commissioner Casey commented that AVGAS is up significantly since from May 2022 to May 2023 by nearly 20 percent. Mr. Mascaro cited the significant increase in flight training school activity amidst a pilot shortage and airline grants. Corporate aviation is leveling out compared to COVID time period volumes.

Ms. Kuester noted that there is one month of data for July, as it is the beginning of the new fiscal year. The approved budget for revenues is \$787 with actuals at \$1.33 million. Expenses were budgeted at \$262,000 and actuals were \$348,000, likely due to the timing of the Customs quarterly invoice. Revenues are slightly higher than last year by \$101,000. Expenses are on track. The Aviation Cash Fund balance is \$6.15 million as of July 31st. For July, FBO fuel sales accounted for 65.6 percent of total fuel. AVGAS was 3.6 percent and Airpark Operator were at 30.8 percent. Total gallons pumped was 1.1 million, up 1.1 percent over last July.

Commissioner Reid asked Mr. Mascaro to address the \$101,000 revenue increase. Mr. Mascaro stated that specifics for the increase are not known, but are likely as a result of a mix of items adding up to that amount, rather than one specific item. These may include Customs, permit fees and lease rate increases. The revenue increase is likely to remain in place over the term of the fiscal year.

## 13. Discussion and input regarding Public Outreach Programs and Planning Projects

Sarah Ferrara, Aviation Planning & Outreach Coordinator, stated that there was one voluntary curfew letter in June, six letters in July and five in August. For property development monitored through the Planning Department, there was one project in June, three in July and five in August. Listserv notices were issued for public comment on the proposed pavement improvement within the floodplain, Taxiway B closure, staff changes and summer news. The NBAA-BACE National Conference will be held in Las Vegas in October. A presentation and tour will be given to Scottsdale leadership on September 29th.

## 14. Discussion and input regarding Quarterly Noise Complaint Report

Ms. Ferrara stated that there were 10 callbacks and 1 email from staff in response to contacts to the noise complaint system from April through June. There were 19 repeat complainants and 11 new. There has been a significant decrease in complaints for the same quarter from 389 in 2022 to 182 in 2023. In general complaints relate to low altitudes and pattern work.

15. Administrative report from the Aviation Director, or designee, regarding the status of pending aviation-related items

Mr. Macaro stated that the list of items will be increasing, due to the significant increase in activity, however there no major developments or updates at this time. The Northsight residential development discussed during the meeting will go to the Planning Commission on October 25th. The AXON project will eventually come before the Commission for review and the Banner Health Medical Campus will likely come as well.

16. Discussion and possible action to modify the Airport Advisory Commission meeting schedule and Commission item calendar

Mr. Mascaro requested cancellation of the October meeting, as it conflicts with the NBAA conference. In addition, staff requests to move the December meeting to December 13th.

VICE CHAIR MIER MADE A MOTION TO CANCEL THE OCTOBER 18, 2023, AIRPORT ADVISORY COMMISSION MEETING AND TO MOVE THE DECEMBER MEETING TO DECEMBER 13, 2023. COMMISSIONER REID SECONDED THE MOTION WHICH CARRIED 6/0 WITH CHAIR MCDERMOTT, VICE CHAIR MIER, COMMISSIONERS BERNOSKY, CASEY, GOODE, AND REID 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, the meeting adjourned at 6:25 p.m.

SUBMITTED BY:

eScribers, LLC