



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Terminal Lobby  
15000 N. Airport Drive, Scottsdale, AZ  
April 20, 2016**

**MINUTES**

**PRESENT:** Ken Casey  
Michael Goode  
Bob Hobbi  
William Schuckert  
Steve Ziomek

**ABSENT:** Brad Berry, Chairman  
John Celigoy, Vice Chair

**STAFF:** Gary Mascaro, Aviation Director  
Chris Read, Airport Operations Manager  
Sarah Ferrara, Aviation Planning & Outreach Coordinator

**GUESTS:** Donald Henry (telephonic), Appearance Group, Inc.  
John Meyer, representing AK Air, LLC

**CALL TO ORDER**

Commissioner Ziomek called the meeting to order at 6:00 p.m.

**ROLL CALL**

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

**PLEDGE OF ALLEGIANCE**

Commissioner Ziomek led the meeting in the pledge of allegiance.

## **AVIATION DIRECTOR'S REPORT**

Gary Mascaro, Aviation Director, reported that Ms. Johnson no longer works for the City of Scottsdale. Recruiting for a management analyst is underway.

The self-service island located at the Landmark South area has been open and active for approximately a month. In the first two weeks alone, the island pumped over 800 gallons of gas. A complete update will be provided as available. The fuel price fluctuates, but is generally 75 to 90 cents higher than Sibrant self service fuel in Deer Valley and several dollars less than avgas out of a fuel truck.

Acting Chair Ziomek provided comments on Optima Kierland and these comments can be found under Agenda Item 5.

## **APPROVAL OF MINUTES**

### 1. Approval of Minutes

Regular Meeting: March 8, 2016

Commissioner Goode made a motion to approve the minutes of the March 8, 2016 regular meeting as presented. Commissioner Schuckert seconded the motion, which carried by a vote of four (4) to zero (0). Commissioner Schuckert abstained. Chair Berry and Vice Chair Celigoy were absent.

## **PUBLIC COMMENT**

There were no public comments.

## **REGULAR AGENDA            ITEMS 1 - 12**

1. Discussion and Possible Action Regarding Application for Airport Aeronautical Business Permit for Appearance Group, Inc. to Conduct Mobile Aircraft Washing Services

Sarah Ferrara, Aviation Planning & Outreach Coordinator, introduced Donald Henry, Appearance Group, Inc., who was present by telephone. Mr. Henry stated that his company has been providing washing services since 1991 and operates in 20 states. They have previously held a permit at Scottsdale Airport, which terminated when their client was no longer in need of services. Appearance then acquired the assets of a company that was operating at the Airport and have since replaced the company's permit with Appearance's own permit. The permit requested today reflects a continuation in workforce and services provided. He stated that Appearance provides dry washing services and clarified that it is not a mobile service, as it is operating out of the FBO.

Commissioner Schuckert made a motion to ratify the Airport aeronautical business permit for Appearance Group, Inc. to provide aircraft washing services. Commissioner Casey seconded

the motion, which carried by a vote of four (4) to zero (0). Commissioner Goode abstained. Chair Berry and Vice Chair Celigoy were absent.

2. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business Permit for Vaerus Aviation, Inc., to Conduct Aircraft Management Services

Ms. Ferrara stated that Patrick Traul, Vaerus Aviation Representative, was scheduled to participate telephonically, however, he has not yet called in. Vaerus Aviation is seeking ratification of its permit for Aircraft Management Services. Acting Chair Ziomek stated that as set by precedence, a company representative is required to be present at the time of the permit request. As such, he recommended tabling a vote on the permit request for a future meeting.

3. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business for AK Air, LLC to conduct Hangar/Shade Leasing Services

Ms. Ferrara stated that John Meyer was present as a representative of AK Air. Mr. Meyer stated that AK Air has recently moved to the Airpark, located in a large hangar that belongs to Services Group of America. To offset the hangar operating costs, there is room to bring in an additional airplane. There is a requirement for a leasing permit for this purpose. In response to a question from Acting Chair Ziomek, Mr. Meyer explained that AK Air is currently leasing its hangar and is seeking a sublease permit.

Commissioner Goode made a motion to ratify the Airpark aeronautical business permit for AK Air, LLC. to conduct hangar/shade leasing services. Commissioner Goode seconded the motion, which carried by a vote of five (5) to zero (0). Chair Berry and Vice Chair Celigoy were absent.

4. Discussion and Possible Action to Accept the Proposed Aviation Enterprise Fund Five-Year Financial Plan

Gary Mascaro, Aviation Director provided the presentation. Highlights included:

- The five-year plan is a forecast tool used to assess the adequacy of the existing rates and fees to ensure continued support of Airport operations and any related capital improvements.
- Final adoption is completed by City Council during the full budget process.
- Forecasts are very conservative.
- State law requires that actual costs do not exceed the legal appropriation. The five-year plan is the legal appropriation which is rolled into the full City Council budget.
- Revenues must be sufficient to cover budgeted expenditures.
- The Airport Enterprise is self-sustaining with no General Fund monies used to subsidize Airport operation. Costs associated with the Airport are covered by the rates and fees charged to users.
- The Airport has not raised its fee rates since 1999/2000.
- The Plan implements a modest one percent revenue growth up to Fiscal Year 2021.
- There are modest increases in expenditures over time, mostly for CPI.

- A fully funded operating reserve, which is required by ordinance and City Council policy, ensures 90 days of operating funds in reserve.
- With the recommendation of the City Treasurer's Office, staff placed in some of the issuance of the MPC bonds as part of the financial plan. The financial plan does not include the anticipated fixed and miscellaneous revenues for the lease agreements that were just adopted by City Council, however this will be incorporated into the revised financial plan during the second round before City Council.
- Revenues reflect a slight upward trend, with a plan to keep the existing rates and fee schedule.
- The approved year-to-date growth for the 2015/2016 budget is \$3.9 million. The proposal is for zero percent increase for next year, at approximately 3.9 percent.
- Actuals for 2014/2015 from July 1, 2014 to June 30, 2015, revenues totaled \$4.2 million collected, the largest portion coming from fixed tenant rents.
- The FAA frowns upon airports becoming cash cows. Additionally, they do not allow revenue to be diverted out of the Airport to anywhere else in a municipality. This is a major violation of federal law.
- For operating expenditures, there is a slight increase scheduled for next year of approximately \$60,000 with a total of \$2.2 million requested for the operating fund.
- For the operating budget, as of March 31st, operating costs are under budget in all line items. There is a built-in contingency for emergency situations.

Acting Chair Ziomek asked for confirmation that the MPC bond funding was earmarked for the redo of the terminal and the hangars, to which Mr. Mascaro concurred. Acting Chair Ziomek asked why the estimated cost is \$25 million, yet only \$18 million is reflected in the report. Mr. Mascaro replied that the finance department wanted to use some figure in the proposed finance plan. The revised plan, which will be updated based on City Council's April 5th approval of the tenant leases, will include all of the MPC bonds.

- Along with the cash reserve, a 90-day operating reserve is maintained over the planning period.
- There is also a repair and replacement reserve, a fleet fund reserve and a fully funded grant contingency of approximately \$250,000.

Commissioner Goode commented that significant revenue will be lost during construction and demolition of the business center and asked about the effects on the budget. Mr. Mascaro replied that this has been incorporated and reflected in the financial plan. He noted that the largest revenue comes from rental cars, which will still be in operation throughout the process. The revenue rate is 8 percent of gross sales.

Commissioner Goode made a motion to approve the Aviation Enterprise Fund Five-Year Financial Plan. Commissioner Casey seconded the motion, which carried by a vote of five (5) to zero (0). Chair Berry and Vice Chair Celigoy were absent.

## 5. Discussion and Input Regarding the Quarterly Noise Complaint Summary Report

Ms. Ferrara presented the complaint data for January, 2016 through March of 2016.

- The total complainants were as follows: January: 40, February: 44, March: 26, for a total of 112 complainants.

- Total complaints: January: 278, February: 259, March: 283, for a total of 820 complaints, including regional.

Mr. Mascaro clarified that complaints can be received either by phone or via online.

Ms. Ferrara stated that there were a total of 800 complaints for the quarter, not including the regional area, and only within the Airport influence area. There were 100 complainants for the quarter.

In response to a question from Commissioner Hobbi, Ms. Ferrara stated that the Airport influence area is bordered by Happy Valley Road, past Shea to the Doubletree area, extends to 120th Street and 40th Street on the west side.

Commissioner Casey stated that it would be helpful to see the complaint statistics in a side-by-side view with operational activity statistics.

Commissioner Hobbi asked about the process for responding to complaints. Ms. Ferrara stated that complainants may submit a complaint without a request for a response. If they would like a callback, the information is forwarded to Ms. Ferrara for follow-up. The number of callbacks is tracked.

Comments moved from the Aviation Director's Report:

Acting Chair Ziomek discussed the current construction of Optima Kierland, which consists of four 12 story mixed use and condominium buildings. While the buildings are within the City of Phoenix, they are well within the Scottsdale traffic area, just 5,400 feet from the exact center of the airport and 4,635 feet from the closest point to the runway, well within Class D airspace of five miles. The FAA approved construction without any discussions with the Scottsdale Airport or the City of Scottsdale. While the FAA approved the construction, they were concerned with safety. However, their letter of approval stated that there were no hazards to air navigation. Acting Chair Ziomek stated that it does pose hazards to navigation. Additionally, there are noise impacts.

While the construction is already approved, there is a need for the system to change. These changes are likely to occur commensurate with the new law passed recently by the senate and due to lawsuits related to Phoenix noise complaints in response to the FAA moving its flight paths. He recommended that the City investigate further and submit complaints to the FAA. He stated that if the complaints are not addressed, the Airport will be in danger of closing.

#### 6. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations or Revocations

Ms. Ferrara cited the new business permits, including Appearance Group and AK Air. Vaurus Aviation is pending for the next meeting.

## 7. Discussion and Input Regarding Monthly Construction Report

Chris Read, Airport Operations Manager stated that Airport Operations Center building is 99.9 percent complete. It is hoped that movement of items into the building can begin in May. The Runway 3 erosion control project was completed in two and a half weeks.

Planned projects include pull box projects. Currently, there is a wait for materials as the lids have a long lead time. It is hoped that work can begin next month.

The Taxiway A reconstruction, power vault and rotating beacon relocation project consists of reconstructing the southern two-thirds of Taxiway A, overlaying and seal coating the northern one-third of the taxiway, replacing all taxiway lighting and signage with LED fixtures, demolishing the existing power vault, constructing a new power vault near the Operations Center building and relocating the rotating beacon on top of the new Operations Center building. This project is currently in the design phase and is a federally funded project. The grant monies will be received from the FAA. The total construction cost is approximately \$4.6 million.

Acting Chair Ziomek asked about the expected raising date of the terminal area and business park. Mr. Mascaro replied that that information is not included on the report, as the design contract has not yet been finalized. However, the anticipated schedule is that demolition will begin on February 1st. April of 2018 is the target date for opening of the new facility.

## 8. Discussion and Input Regarding Monthly Operations Reports for March

Mr. Read referred to the monthly report, citing the number of based aircraft as compared to last year as well as a snapshot of the operations, total versus IFR this year to last year. There were four Alert 2s. There were three enforcement actions. Total revenue fiscal year-to-date for U.S. Customs is \$379,850 with anticipated expenses at \$197,519. Total uses for the month were 119. Total uses fiscal year-to-date were 669. There were 14 U.S. visit flights. Revenues and uses continue to increase year over year. The total of 75,000 pounds plus PPR is 16 for the calendar year.

In response to a question from Commissioner Goode, Mr. Read agreed that this is a significant number, as there were a total of 12 for the previous calendar year in total. This may be as a result of the Global Express aircraft based at the airport, which operates more overseas flights.

Commissioner Goode noted that total operations have reached and almost surpassed the statistics for March of 2007. Mr. Read agreed, noting that Universal Helicopters is currently conducting a significant amount of pattern work with touch and goes, approaches and take-offs.

In response to a question from Commissioner Goode, Mr. Read stated that he was unable to provide a comparison to other single runway airports in terms of operations, however he noted that this information was available on the FAA website.

## 9. Discussion and Input Regarding Financial Reports for February

Mr. Mascaro stated that for year-to-date totals, revenues are up four percent. Expenditures are down approximately 19 percent, due to budget allocations. Fuel flowage is down four percent

year over year, which is attributed to Super Bowl activity the previous year. Fuel is on track at about 1 percent. Airport jet fuel is down four percent overall, however the Airpark is up 12 percent.

#### 10. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Ms. Ferrara stated that staff has added a category for FAA flight path changes in order to keep tabs on Phoenix and Scottsdale's activities related to the topic. The Senate version of the FAA Reauthorization Bill was passed, with language included in the Bill by Arizona's senators to reflect noise concerns from the City of Phoenix. This amendment requires FAA to include municipality involvement, having prior notice and conducting community outreach.

Press releases were issued regarding the hangar redevelopment leases. There was also media coverage through several avenues. The Run the Runway event was held in early April with over 2,000 participants.

Ms. Ferrara reviewed marketing program activities:

- Another launch of the listserv is scheduled, in order to keep Airport information current for subscribers.
- One highlighted event was Patriot Skies, a documentary being filmed in Scottsdale and other Valley airports.
- The Thunderbird II group held a memorial plaque dedication. Details will be provided as they are received.
- The Beat the Heat campaign is being held at this time with donations being collected for seniors. Tenants are being asked for donations.

As part of community outreach, staff has met with real estate brokers from Ventana Fine Properties, who have expressed an interest in participating in community outreach.

In terms of noise outreach, an email was issued regarding a petition that was presented to City Council on April 5th. City Council directed staff to prepare a report to the City Manager based on the petition. After the City Manager's Office has reviewed the report it will be turned over to City Council and a copy forwarded to the people who submitted the petition.

Aside from noise complaint callbacks, three or four emails were received. Staff worked with residents to address these complaints.

Two projects took place in the Airport influence area in March, which were included in the planning and zoning reports. Several more are scheduled for April.

In March, five voluntary curfew letters were sent.

#### 11. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro stated that the items that have been recommended by the Commission to the City Council by January of 2016 have already been discussed and he was available to answer questions on any listed items. He stated that aviation related items to the Planning

Commission, Design Review Board or City Council are projects that may be on Airport, have taxiway access, have height implications or have noise sensitive uses.

He pointed out that the project addressed by Commissioner Ziomek, Optima Kierland, was on this list some time ago. He agreed with Acting Chair Ziomek that the Commission has no authority over what occurs in the City of Phoenix. He referenced another development, Greystar Kierland, which is similar to the Optima Kierland and is headed toward a similar development path. Staff has requested a noise disclosure notice and FAA 7460. Based on the height and sensitivity of the City of Phoenix, its residents and complaints received, staff has also requested noise attenuation and an aviation easement. The City of Phoenix Planning Department did not accept these requests. The City of Phoenix Aviation Department recommended that staff contact the planner.

Ms. Ferrara clarified that City of Phoenix did accept some of the stipulations. They will be incorporating the FAA 7460 height analysis as well as the disclosure notices that will be part of the process. Just today, she was able to follow up with the planner for the project. Greystar Kierland is being constructed west of Optima Kierland. She submitted the remaining requests for consideration, including the aviation easement and sound attenuation measures. The requests will be considered, however, it is not certain whether they will be adopted. The planner stated that they do not normally entertain such requests as part of the regular planning process.

In response to a question from Acting Chair Ziomek, Ms. Ferrara stated that the buildings will be five stories. Acting Chair Ziomek noted that the zoning location of these residential buildings will inevitably and substantially increase the number of noise complaints. He commented that there should be a process in place that enables Scottsdale Airport to have some say with regard to construction on the Phoenix side which impacts the Airport. Mr. Mascaro stated that if the construction were to be on the Scottsdale side, nothing would be done differently, as the development would be defined as AC1, which would only require the processes being followed in this instance. At the very least, the developer did notify the City of Scottsdale about the developments and took Scottsdale's comments into consideration.

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

Acting Chair Ziomek noted that the May meeting will be Commissioner Goode's last meeting. The June meeting is Commissioner Schuckert's last meeting. The potential cancellation of summer meetings was tabled for the May meeting.

**PUBLIC COMMENT**

No members of the public wished to address the Commission

**FUTURE AGENDA ITEMS**

No agenda items were added.

**ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:09 p.m.

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