



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ
September 21, 2016**

MINUTES

PRESENT: Brad Berry, Chairman
John Celigoy, Vice Chair
Ken Casey
Bob Hobbi (telephonic)
Cory Little
Kevin Maxwell
Steve Ziomek

STAFF: Sarah Ferrara, Aviation Planning & Outreach Coordinator
Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager
Carmen Williams, Management Analyst
Bryan Cluff, Senior Planner

Guests: Paul Gilbert, Kaplan Development Company
Mike Kaplan, Kaplan Development Company
Jerry Davis, Kaplan Development Company

CALL TO ORDER

Chair Berry called the meeting to order at 6:00 p.m. He acknowledged that this was Commissioner Casey's last meeting and thanked him for his six years of service. He welcomed new Commissioners Cory Little and Kevin Maxwell. Commissioners Little and Maxwell introduced themselves.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above. Chairman Berry thanked Commissioners Schuckert and Goode for their service.

PLEDGE OF ALLEGIANCE

Chairman Berry led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director acknowledged soon to be commissioner and audience member, Mr. John Berry. He announced three new staff members, including Thomas Moloney, Kyle Springerly and Carmen Williams.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: July 20, 2016
Special Meeting: August 16, 2016

Commissioner Ziomek made one correction.

Vice Chair Celigoy made a motion to approve the minutes of the July 20, 2016 regular meeting and August 16, 2016 special meeting as amended. Commissioner Casey seconded the motion, which carried by a vote of seven (7) to zero (0).

PUBLIC COMMENT

There were no public comments.

REGULAR AGENDA ITEMS 1 - 10

1. Discussion and possible action regarding application for Airpark Aeronautical Business Permit for Central Implement, Inc., to conduct Hangar/Shade Leasing Services

Commissioner Casey recused himself from the vote.

Carmen Williams, Management Analyst stated that Central Implement is located on the east side of the Airport and has met the requirements of the Airpark Aeronautical Business Permit and has submitted proper documentation. Commissioner Casey stated that the same owner already owned the hangar and now has purchased an aircraft in a different name, so the aircraft is going into a hangar he already owned.

Vice Chair Celigoy made a motion to approve Airpark Aeronautical Business Permit for Central Implement, Inc., to conduct hangar/shade leasing services. Commissioner Ziomek seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Casey was recused.

2. Discussion and possible action regarding application for Airport Aeronautical Business Permit for RV Stripes & Graphics, Inc., to conduct Specialized Aircraft Repair Services

Ms. Williams stated that RV Stripes & Graphics., Inc. is seeking ratification of the business permit to conduct mobile specialized aircraft repair services, including primarily installation and removal of vinyl decals,. The applicant, Steve Zacher, is the President of RV Stripes & Graphics. He has commitments to his Boy Scout Troup on Wednesday night, so he is unable to be present for the meeting, however he did provide a written statement in support of the request. All necessary documentation was submitted.

Vice Chair Celigoy made a motion to waive the in-person requirement and approve Airport Aeronautical Business Permit for RV Stripes & Graphics, Inc., to conduct specialized aircraft repair services. Commissioner Casey seconded the motion, which carried by a vote of seven (7) to zero (0).

3. Discussion and Possible action for a recommendation to the Planning Commission and City Council on cases 3-GP-2016 and 8-ZN-2016, a request for a Non-Major General Plan Amendment from the Airpark Mixed Use (AMU) and Employment (EMP) land use designations to the Airpark Mixed Use Residential (AMU-R) land use designation and a Zoning District Map Amendment from Industrial Park (I-1) District to Planned Unit Development (PUD) District zoning on a 10.29+/- gross acre site located at 15501 N. 73rd Street (AKA Dial Blvd.) and 15450 N. Greenway-Hayden Loop, to allow for a mixed-use development containing residential and non-residential uses.

Brian Cluff, Senior Planner stated that this is a minor General Plan amendment and rezoning request. The subject site is located at the northwest corner of 73rd Street and Greenway-Hayden Loop. Key considerations include:

- Proximity of proposed site to Scottsdale Airport (approximately 3,000 feet northwest of runway)
- Proposed site located within the AC-1 Airport Influence Zone
- Entire proposed development is located outside of the 55 DNL noise contour
- Scottsdale Airport 14 CFR Part 150 Noise Compatibility Study Land Use Measure #2, #4 and #6 are triggered
- Sec. 5-356 of the City Code permits the proposed uses within the conditions of submitting a fair disclosure statement and an aviation easement
- Removal of employment land use designation on subject site
- Allowed building height will decrease from 52 feet to 48 feet
- 622 residential units proposed (apartments)
- Non-residential uses focused around the intersection of 73rd and Greenway-Hayden Loop, including restaurants, office, clubhouse and fitness
- Four story development
- Planned unit development caps building height at 48 feet
- As part of the approval process, the applicant will be required to conduct an FAA height analysis and submit the response prior in terms of any final City approvals

Commissioner Ziomek stated that noise complaints are an ongoing issue for the Airport. Typically, noise complaints come with ownership in condos as opposed to apartments. He asked about sound attenuation measures. Paul Gilbert, Kaplan Development, stated that Kaplan only builds apartments. Kaplan is aware of the sound attenuation suggestions from the City and is fully prepared to comply with them. They are amending the Airpark plan by going

from Airpark mixed use to Airpark mixed use residential. The site is comprised of approximately 10.29 acres. They are adding the uses of 22,000 square feet clubhouse, office, fitness center and live/work units. They looked to the Greater Airpark Character Area Plan as a planning resource and met all the underlying criteria.

Vice Chair Celigoy asked whether it was an omission that they did not add the Residential (R) to the AMU designation, particularly with respect to the 15 mentions of population density. Bryan Cluff, Senior Planner, replied that it was not an omission of the plan. The plan was contemplating future uses and much of what went into planning the land uses that are shown in the character area plan were current uses. The effort was to forecast development along Scottsdale Road and meld it together with the current development. The land use designation is accurately depicted as AMU-R, which means this is a general plan amendment with City Council approval required for the requested change. The Residential (R) was not necessarily left out, but was based on current development patterns. The focus along Scottsdale Road was identified to be more appropriate for residential as the live and play portion of the live, work and play designation.

Mr. Gilbert indicated that the housing portion fits into the housing designation required by the plan. One of the other requirements for the AMU-R residential is that it be located on a pedestrian corridor, which it is. He provided a list of reasons why the Plan is consistent with the Airpark Character Area Plan and should be approved:

- FAA has signed off. There is a determination of no hazard to air navigation.
- Outside the 55 DNL line.
- The residences are apartments, not owner occupied.
- The site is located in the Type C higher scale regional core, which is designated area for highest intensity.
- Located along two signature corridors.
- Landmark intersection.
- Located within shopping/housing activity area, consistent with the Plan.
- Located along two designated bicycle and pedestrian corridor.
- Consistent with the live, work and play concept envisioned in the Plan.

Commissioner Casey commented that with apartments, if a resident is unhappy living in the area, they are free to easily move. The issue is regarding the potential for apartment units to turn into condominiums. He asked whether there could be language included that the units would not be transitioned to condos. Mr. Gilbert stated that the units will be built, marketed and developed as apartments. There would be no problem stipulating that the units should be apartments. He acknowledged, however, that there is questionable enforcement of the stipulation from a legal standpoint. Mr. Cluff added that this issue has come up previously with apartment developments in the Airpark area. Similar stipulations have been made and carried forward. However, as the process moves closer to City Council review, there is not support from the City Attorney's Office on such language that would have the City placing a restriction on the type of residential development put in place. Zoning allows for multi-family residential dwellings and does not specify the ownership type.

Mr. Mascaro stated that one of the benefits of the developer's willingness to put on the record that they want the units to remain apartments is that it provides some flexibility in the future, should the units flip to condos, that complaints can be addressed by a review of records stating that the original agreement was for the units to be apartments only.

Commissioner Ziomek asked whether the developer would have to return to the Commission for approval prior to converting the apartments to condos. Mr. Gilbert stated that the developer would be willing to agree to a stipulation that if there were any attempt to change from apartments to condominiums, the developer would be willing to come back before the Commission for further discussion. Mr. Cluff stated that this could be carried forward as part of the Commission's recommendation to the City Attorney's Office.

In response to a question from Commissioner Ziomek, Mr. Gilbert replied that none of his company's apartment developments have ever been converted to condominiums.

In response to a request from Commissioner Maxwell, Mr. Gilbert provided a copy of the proposed tenant disclosure of airport proximity. Mr. Gilbert added that tenants are provided the disclosure and specifically informed regarding the noise issues. Commissioner Ziomek complimented the developer for the quality of the disclosure.

Commissioner Hobbi asked about evidence that there is a lower volume of complaints from apartment residents versus condominiums. Sarah Ferrara, Aviation Planning & Outreach Coordinator, stated that from a practical experience perspective, there are less complaints from apartment dwellers.

Commissioner Hobbi commented that the Commission is very sensitive to this topic. Some members joined the Commission solely based on the issue of encroachment on the Airport. The more residential units built around the Airport, the more residents of all types become vocal in complaints regarding the Airport. Mr. Gilbert voiced understanding and added that this the reason the City took such care in developing the Greater Airpark Character Area Plan, which is designed to promote and protect the Airpark. Live, work and play is an integral element of the Plan, which is necessary to make the Airpark successful. The Plan sets forth the criteria for where housing developments are allowed to be located.

Vice Chair Celigoy asked whether this would be setting a precedent for the entire area that is missing the (R) designation. Mr. Cluff acknowledged that setting a precedent is always a possibility. However, the specific location of the site is contiguous with the other AMUR uses and follows the pattern of holding true to the residential uses along Scottsdale Road, including mixed use. Mr. Gilbert commented that the Plan has a housing element. Unfortunately, it does not distinguish between condominiums, single family homes or apartments. Commissioner Ziomek stated that the development is following the letter of the law and that there was nothing in the plans that would prevent the Commission from approving it.

Commissioner Casey made a motion to approve the Cases 3-GP-2016 and 8-ZN-2016 with the stipulation that a future conversion request from apartments to condominiums would be required to come back to the Airport Advisory Commission for approval. Commissioner Ziomek seconded the motion.

Discussion:

Commissioner Ziomek asked whether sound attenuation should be added to the motion. Mr. Mascaro suggested that the Commission incorporate this into the motion, since it is not required by AC1. Commissioner Little asked about an appropriate level of sound attenuation. Mr. Mascaro replied that the noise compatibility study, which was approved by the FAA and adopted by the City Council incorporates an appendix that specifically discusses what types of sound attenuation are required. In addition to this, the building code and Chapter 5 of the ordinance requires this as well. Mr. Gilbert added that the developer is also familiar with the requirements and will comply.

Commissioner Casey amended the motion to approve Cases 3-GP-2016 and 8-ZN-2016 with the stipulation that a future conversion request from apartments to condominiums would be required to come back to the Airport Advisory Commission for approval. In addition, a stipulation will be added to include noise attenuation. Commissioner Ziomek seconded the motion, which carried by a vote of seven (7) to zero (0).

Vice Chair Celigoy referenced the “missing R” issue coming up again for several upcoming projects and asked about the opportunity for planning staff to investigate the issue further. Mr. Cluff replied that there is a process in place for these types of requests and that the Character Area Plan is part of the General Plan. Amendments follow the General Plan amendment process. Vice Chair Celigoy stated that it would be fairly simple for the City to add the (R) to the respective area and asked whether the planning staff could go back and review the disparity between the Character Plan and the AMU zoning designation. Mr. Cluff replied that the staff review of this is fairly extensive and would likely need to be part of the overall General Plan update, which occurs every ten years. From a land use perspective, it is not necessarily wrong. It matches the current development. As development changes and the market changes, the ability is there for property owners to come forward and request the changes on their own.

Vice Chair commented that roughly 1,000 residents are being added to the area with the opportunity for more growth. A ten-year review cycle does not provide due diligence to changes in the community. Mr. Gilbert stated that there is an opportunity to make amendments to the general plan and that a ten-year period is not required. Moreover, the Airpark Commission can ask City staff to initiate a change in the plan.

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

Ms. Williams stated that five companies have recently cancelled their permits:

- Axis Aviation
- Sunstate Aviation
- Via Linda Ancala
- Memley Aviation
- Tempus Jets - Charter

Central Implement and RV Stripes & Graphics, Inc. are on today’s agenda for aeronautical business permit ratification. The report covers the months of July and August.

5. Discussion and Input Regarding the Monthly Construction Report

Mr. Read stated that the Airport pull box replacement project has recently been completed. Upcoming projects include:

Power Vault & Rotating Beacon Relocation Project

- Demolish existing power vault, construct new power vault at the new Operations Center Building, relocate rotating beacon on top of the new Operations Center Building
- Currently in the award process
- Project went before City Council a couple of weeks ago
- Contracts are being signed and contractor will begin as soon as possible

Erosion Protection Project Phase 2

- Regrade and place four inch crushed rock material in the final remaining unpaved areas at the south part of the Airport
- Currently in design phase
- Estimated to start in December, 2016

Taxiway A Reconstruction Project

- Reconstruct the southern 2/3 of Taxiway A, overlay/sealcoat the northern 1/3 of the Taxiway, replace all Taxiway A lighting and signage with LED fixtures
- Design phase is complete
- Delayed by FAA until next federal fiscal year

6. Discussion and Input Regarding Monthly Operations Reports for July and August

Mr. Read explained that operations include take-offs and landings. An itinerant is a flight that leaves the traffic pattern or starts at another airport and comes here. A local operation is one that stops and starts here. IFR indicates operations that are conducted under IFR flight rules. Total operations are itinerant operations plus the local operations. An Alert 1 is an aircraft that is normally suspected to have an operational defect that should not normally cause serious difficulty in achieving a safe landing.

An Alert 2 is an aircraft that is known or suspected to have an operational defect that affects normal flight ops to the extent that there is a danger of an accident. An Alert 3 is an aircraft incident or accident that has occurred on or near the Airport. August was busy for alerts. There is one Alert 3 listed on the 26th of August, which was a Cessna 172 that left the runway and ended up on the Alpha Taxiway. The passengers and aircraft were okay. One taxiway light lens was broken. The report also contains incidents and enforcement actions. The enforcement program is a step-up program, beginning with verbal warnings, followed by written, citations and revoking of permits.

The U.S. Customs reflects revenue collected from custom flights, which totaled \$37,325 fiscal year to date. The fiscal year begins July 1st. Total uses for August were 34. Total uses fiscal year to date for the two months are 64. U.S. visit uses totaled 15. During the 2015/16 fiscal year, total revenue was \$36,350. Total uses per month in August of 2015 were 36. The total uses for 2015/16 fiscal year to date were 65.

When an aircraft is certificated under 100,000 pound maximum take-off weight and they want to operated over 75,000, they have to obtain prior permission. Thus far this calendar year, there have been 26 requests.

The line chart shows the last 16 months of itinerant, local, IFR and total operations.

7. Discussion and Input Regarding Financial Reports for June and July

Ms. Williams stated that Scottsdale Airport operates as an enterprise fund, which means that there are various fees, such as landing fees, leases and business permit fees. Regarding the year to date report, under variance, revenues for the Airport were 16 percent above projections and expenses were 11 percent below budget for June. In addressing the monthly comparison between 2016 and 2015, it was noted that due to a change the past year in how the accounting department handles accruals, the monthly comparison to June, 2015 would not be a fair comparison. The accounting department has provided assurance that they will be consistent in how they handle the end of the year closeout from this point forward. For the fiscal year, there was a positive variance in revenues and expenses.

The aviation fund cash balance is broken down into operating funds and funds for capital improvement projects. As of June 30th, 2016, the balance stands at \$9.5 million. The accounts receivable aging report provides a snapshot of the status of various accounts, including leases, aeronautical business permits and tie-down fees. Overall, the Airport is doing a good job of managing the accounts. The report reflects some negative figures in outlying days, which means that the customer is paying in advance.

Fuel flowage is broken down into Airport jet fuel and Airpark jet fuel. There are several jet fuel facilities in the Airpark. They pay a fuel flowage fee of 8 cents per gallon and report the monthly number of gallons each month. In June of this year, the Airport jet fuel accounted for 52 percent of the total fuel flowage. Avgas accounted for just over 1 percent. Airpark fuel flowage was 46.5 percent. Compared to June of last year, fuel flowage has decreased by just over 1 percent, but overall for the year, the Airport is up 6.6 percent.

July is the first month of the new fiscal year. Overall, revenues are strong and below budget for expenses. The aviation fund cash balance is at \$9.7 million as of July 31st. The accounts receiving aging report shows that the accounts are being managed well. Due to closing of the fiscal year, monthly jet fuel numbers are higher. The Airpark fuel sales are on target with last year's number. Avgas sales are ahead of last year.

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

Ms. Ferrara stated that for the past month, a letter was received from the FAA. This was in reference to correspondence sent by Valley airport directors to the FAA regarding the Phoenix Metroplex Project. The Project is now suspended. The letter from the FAA states a commitment from the FAA to pursue direct and meaningful conversations moving forward. The website provides an updated timeline of all initiatives. In response to a question from Commissioner Ziomek, Ms. Ferrara stated that the FAA has not changed any flight paths.

The Department is making progress with its booth for the upcoming National Business Aviation Association. They will be marketing the Airport as well as Scottsdale as a destination, with a

focus on the golf resorts. Staff also plans to exhibit at the Schedulers and Dispatchers Conference in Texas this year.

Staff continues to work on airport brochure updates as Ross Aviation has come on board.

In terms of noise outreach communications, there were five emails exchanged with residents regarding noise concerns. A letter was received from the City of Phoenix and Plaza Lofts at Kierland regarding some flight training operations. A reply letter was sent. The City's IT Department is working to complete an update to the quarterly noise report. The grand opening for the new Operations Center is scheduled for September 22nd.

During the report period, there were ten projects within the Airport Influence Area. There were 15 voluntary curfew letters sent out in July and August. Commissioner Hobbi asked how the level of curfew letters compares with other months. Ms. Ferrara stated that is significantly higher than the previous average of approximately four or less. There have been more reports of complaints for the time periods. Commissioner Hobbi suggested that staff might keep track of residential projects and educate residents as part of the Airport outreach programs. This would educate on the Airport, activities, purpose and benefits to the community. Ms. Ferrara stated that this can be considered, however it may be difficult to know when developments are being completed, as there currently is not a communication avenue directly to all the various developers. Commissioner Ziomek suggested that the developers be invited to the Commission's meetings. Ms. Ferrara added that staff employs several outreach measures, including keeping the website up to date, social media updates, pilot briefings with the air traffic control tower and other measures.

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

Mr. Mascaro outlined the list of status items, including:

- Airport Advisory Commission Items to City Council
- Aviation-related items to the Planning Commission, Design Review Board or City Council
- City Council meeting calendar

Commissioner Ziomek commented that the item description for 2/2016, One Scottsdale, is not entirely accurate. The Commission approved the project with stipulations that no residential can be above 60 feet with only commercial development above 60 feet. If this is reviewed at some point in the future, the description is not accurate to what was approved. Mr. Mascaro confirmed that Commissioner Ziomek has required that the Commission's recommendations be included, even though for this particular item, the recommendation was not accepted. Commissioner Ziomek confirmed that he would like to see this detail in the report.

10. Discussion and Possible Action to modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

There were no questions or discussion.

PUBLIC COMMENT

No members of the public wished to address the Commission

FUTURE AGENDA ITEMS

Chair Berry stated that last week, he went to the City Council meeting during the vote for the new Commission applicants. Prior to the meeting, Commissioner Ziomek made a presentation to the City Council for the Thunderbird II Memorial to be completed in conjunction with the new terminal redevelopment area. He requested a motion for the next meeting for Commissioner Ziomek to make the same presentation to the Airport Advisory Commission. The intent would be to have a motion and vote and subsequently to encourage the City Council to find funding for the Memorial.

Chair Berry made a motion to add an agenda item for the next meeting for Commissioner Ziomek to give the Thunderbird II Memorial presentation to the Airport Advisory Commission. Vice Chair Celigoy seconded the motion, which carried by a vote of seven (7) to zero (0).

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:29 p.m.

SUBMITTED BY:

eScribers, LLC