



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ
November 16, 2016**

MINUTES

PRESENT: Brad Berry, Chairman
John Celigoy, Vice Chair
John Berry
Bob Hobbi
Cory Little
Kevin Maxwell
Steve Ziomek

STAFF: Sarah Ferrara, Aviation Planning and Outreach Coordinator
Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager
Carmen Williams, Management Analyst

Guests: Ken Casey, AZBAA
Art Rosen

CALL TO ORDER

Chair Brad Berry called the meeting to order at 5:59 p.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Chair Brad Berry led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

There was no report.

APPROVAL OF MINUTES

1. Regular Meeting: October 19, 2016

Vice Chair Celigoy made a motion to approve the minutes of the October 19, 2016 regular meeting as presented. Commissioner Ziomek seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

Art Rosen discussed service challenges with the Ross Aviation's self-service fuel farm, which has been out of service several times. There have been several problems with the rewind on the hose. It takes one to two personnel to unkink the hose. He called the general manager in Payson and no steps were taken to solve the problem subsequent to the call. He called the operations manager at Ross Aviation and went through the same process. During the last two Sundays, he was unable to get self-fuel and was also unable to get fuel from the truck. When the self-fueler is engaged, the customer is being charged one-quarter to a half gallon just to turn it on. He discussed this with ADOT, who confirmed that this is not acceptable. He requested that this item be agendaized for the Commission's January meeting. Ross Aviation managers have stated that the rates are higher at this location compared to other Valley locations because of the high rent rates. However, through the Freedom of Information Act, it has been learned that their rent is actually lower at 33 cents per square foot. Either Ross Aviation or Technique towed a King Air into the hanger rows on Sunday, blasting dirt and debris into aircrafts and vehicles.

REGULAR AGENDA ITEMS 1 - 10

1. Annual Update from Arizona Business Aviation Association (AZBAA)

Ken Casey, Vice President of AZBAA, stated that by year-end, AZBAA will issue approximately \$20,000 in aviation scholarships. They are currently planning a golf tournament for March or April of 2017. For 2017, they will continue to develop crew enrichment programs and special educational events. The first event is tentatively scheduled for January. AZBAA was the platinum sponsor for the recent Sky Kids event. There was record attendance with 132 airplanes flying 138 challenged children along with their siblings and guardians, totaling approximately 350 people.

Gary Mascaro, Aviation Director, stated that a couple of noise complaints were received on the date of the event. Callers were more concerned than upset, having never seen planes in those locations. Upon hearing about the nature of the event, the callers volunteered their help.

2. Discussion and Possible Action to Approve Five-Year Airport Capital Improvement Program for Fiscal Years 2017/2018 through FY 2021/2022

Carmen Williams, Management Analyst, stated that the Airport Capital Improvement Plan (ACIP) is a comprehensive plan that projects the capital needs of the Airport over a five-year planning period. It is updated annually and includes a wish list of projects. Capital projects can be funded with one or more sources, including aviation funds, bonds, federal and state grants. Due to the variety of funding sources, there are two separate capital planning processes each year. Each spring, the Airport meets with the Federal Aviation Administration (FAA) and the Arizona Department of Transportation to discuss the five-year look-ahead at the grant eligible projects the Airport wishes to undertake. For FAA projects, the FAA will pay for 91.06 percent of a project, ADOT will fund 4.47 percent, and the Airport pays 4.47 percent. For State funded grants, the State will cover 90 percent and the Airport funds 10 percent.

The second capital planning process is through the City of Scottsdale and this is occurring at this time. The City will start their planning efforts in the fall. Departments will enter their five year list of projects for consideration. For updating the list of capital projects, there are several guiding sources, including the Airport Master Plan, the City's general plan, the goals of the Mayor and the City Council as well as guidance from the Airport Advisory Commission. Other considerations include stakeholder input and suggestions from staff. Over the summer and into the fall, each City department will review their list of projects as part of a needs assessment and revise as needed. Following this, there are a series of vetting meetings to narrow down the proposed list that makes it into the proposed City budget. By spring of 2017, the final CIP will be available for public comment and by June of 2017 will be adopted by the City Council.

Active projects include the terminal area redevelopment project, currently under design. Staff is looking to start construction in the February/March time frame. The electrical vault and beacon project will need to start ahead of the terminal project. There is a State grant to complete Phase II of the erosion mitigation at the runway end. This project is anticipated to begin in early 2017.

The remaining projects on the list will be pushed to future years. The majority of projects on the proposed list of capital projects for the next five years are grant eligible. Always included is a project specific to Airport pavement preservation. The funding is used for general maintenance of paved areas, such as seal coating or crack repairs that may not be grant eligible. Two contingency funds are available, in case a grant is received that has not been budgeted for. The first is a fund for the grant match. The second is a large fund of \$3.6 million that allows for a project to be started immediately if necessary.

In Fiscal Year 2017/2018, the terminal area redevelopment project will be under construction. This is a bond funded project at \$28 million. Project two is the Taxiway Alpha reconstruction. The latest cost estimate for this project is \$4.5 million, with design now complete. The Delta apron reconstruction project (north end, located at the southern end of the Airport) is being constructed at cost of \$2.5 million.

Fiscal Year 2018/2019 includes rehab of runway 3/21. This is a large project with a complex schedule at a cost of approximately \$7.3 million. There is also a proposal to install runway

guard lights at the runway taxiway intersections to alert a pilot when he is about to enter the runway area. This project is estimated at \$2 million.

For Fiscal Year 2019/2020, the list includes an environmental assessment for a four acre parcel located north of the Greenway hangars. The assessment is eligible for grant funding, is estimated to cost \$200,000, and will take approximately a year and a half to complete. A second project is the south half of the Delta apron reconstruction at a cost of \$3.8 million.

In Fiscal Year 2020/2021, there is a pavement rehab project for a small section of Taxiway C. The cost is approximately \$175,000.

In Fiscal Year 2021/2022, there is a land acquisition project at a cost of \$9.5 million.

The adjusted total value of the ACIP for 2017/2018 is \$56 million. Thirteen million has already been expended for completed or active projects, resulting in a net amount of \$42 million going into 2017/2018. A majority of this will go to the terminal redevelopment project at \$28 million, funded by bonds. Over the five-year ACIP planning period, the total cost of projects is \$60 million. Of this, 15 percent of funds are aviation funds, 49 percent are FAA and ADOT grants and 35 percent is through bonds.

In response to a question from Commissioner Hobbi, Ms. Williams stated that the safety light installation project is not to update existing lighting, as no lighting of this kind currently exists in the project area. Mr. Mascaro added that this is an enhancement to safety, but not necessarily required.

Vice Chair Celigoy asked about the reason for the four-acre purchase. Mr. Mascaro replied that there is no good access to the Greenway shades and hangars, and it is necessary to cross an active taxi lane. The land purchase will provide an access point landside for the future.

Vice Chair Celigoy cited risk to obligated funds and asked whether there is a risk to funds with the changing federal administration. Mr. Mascaro stated that from a political standpoint, there are continuing resolutions, where a partial funding of a whole program is funded. He is not aware of an instance where funding is simply halted.

Vice Chair Celigoy made a motion to approve the five-year Capital Improvement Program for Fiscal Years 2017/2018 through 2021/2022. Commissioner Hobbi seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

3. Discussion and Possible Action to Add Supplementary Information to the Last Three Annual Commission Reports for Sunset Review by the Council's Audit Committee

Mr. Mascaro stated that the Audit Committee periodically reviews all City of Scottsdale boards and commissions. As part of this review, they assign different time frames when each board or commission may be looked at with regards to need, benefit, decisions to modify or disband the board or commission. The Commission's sunset review has been scheduled for January 23rd, 2017. At that time, the Audit Committee will be reviewing the last three annual reports the Commission has submitted and approved and will decide whether this is a relevant commission. Tonight's packet contains the last three reports to be provided to the Audit Committee in its evaluation process. Commissioners should consider whether they wish to share additional data

with the Audit Committee. Although there is no requirement for members of the Commission to attend, they are welcome to come to the Audit Committee's January 23rd meeting. There was consensus that the three reports should stand on their own; additions were not necessary.

4. Discussion and Possible Action to Approve Drafting a Letter to the Scottsdale City Council Regarding the Growth of Scottsdale Airport and the Impacts Regarding Encroachment of Noise Sensitive Development Surrounding the Airport

Commissioner Hobbi stated that the proposed letter to the City Council would reflect the Commission's concerns regarding residential encroachment issues related to the Airport. This issue began to stand out more predominately during a Commission meeting which included a presentation regarding a large apartment complex coming into the area. At that time, it was conveyed that the project had already been approved. Discussion ensued regarding the fact that a project such as this is already approved by the City Council, which negates the input of the Commission on encroachment and other relevant issues. The letter is intended provide better awareness to the City Council in terms of encroachment mitigation.

The letter attaches two recent articles. One refers to a cease and desist order from the City of Santa Monica to the Santa Monica Airport related to the unintended consequences of continued encroachment onto the airport. The other article is a rating of business and general aviation airports around the globe, publishing a list of the top 50 most active business and general aviation airports. Scottsdale had never been on the list previously and is now number 29 on the list. This status will not be retained if encroachment continues.

Commissioner Ziomek commented that the fact that Scottsdale is the 29th busiest general aviation airport worldwide demonstrates the value the Airport provides to the City and to consumers. He suggested that in addition to the letter, a press release be sent to every publication in the Valley.

Vice Chair Celigoy voiced approval of the letter. His message to City Council and the planning group would be to put the "R" back on the mixed use area and to not put the Commission in the position to decipher whether the Planning Commission intended to have the multiuse residential area or not. Approximately 1,000 new voters will be living in apartments and condos in the area in the next three to five years, which will put additional pressure in the form of noise complaints.

There was discussion regarding possible approaches by the Commission to future development requests. One approach, which is what has historically taken place, is that the Commission approves a project with stipulations. The second is to disapprove the project with the reasons clearly stated. Commissioner Hobbi stated preference for disapproving a project in order to provide a clear position on the surrounding issues so that there is no room for misunderstanding of the Commission's position. Commissioner John Berry commented that projects can be steamrolled through approval and that there is little that the Commission can do if a project is being promoted by City staff and when the Council is eager to approve.

Commissioner Little suggested the possibility of having the City Planners come before the Commission to discuss population density in the area. Commissioner John Berry stated that this information is available on the City's website. Commissioner Hobbi commented that the whole point is to create awareness of the issue.

Commissioner Maxwell asked how often the Commission sends a memorandum to City Council. Mr. Mascaro stated that this is done infrequently; it has occurred approximately four times in the past six years. Commissioner Hobby commented that that key point is continuous engagement of the City Council regarding this topic.

Minor typographical changes to the letter were suggested.

Commissioner Ziomek made a motion to approve the draft letter to the Scottsdale City Council regarding growth and the impacts of development surrounding the Airport with minor corrections. Commissioner Hobbi seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

5. Discussion and Input Regarding the Monthly Construction Report

Chris Read, Airport Operations Manager cited a change to the power vault and rotating beacon relocation project. The status has changed to the preconstruction phase. The contractor is getting all submittals to the engineer for approval. It is hoped to have a start date of December 5th. The erosion protection project Phase 2, is now out to bid. Bids will close on November 30th.

6. Discussion and Input Regarding the Monthly Operations Reports for October

Mr. Read stated that IFR numbers are continuing to increase to 4 percent over last year. There were two alert 2s and one alert 3. There were four incident reports, include fuel leaks and brakes locking up. There were two enforcement actions, both verbal and first violations. For U.S. Customs, the revenue fiscal year to date total is \$120,500. This is an increase over the 2015/2016 fiscal year total of \$102,925. Total uses for the month were 99, which is an increase from the previous year's total of 82. Total uses fiscal year to date were 217, which is an increase from the previous year's total of 182. There were 15 U.S. visit flights. The PPRs for the over 75,000 pound departures totaled 35 for the calendar year.

7. Discussion and Input Regarding the Financial Reports for September

Ms. Williams stated that through the end of September, positive revenues are reflected, with a year to date total of \$626,000. There is a significant variance under expenses in the amount of \$961,000. This is due to the fact that an aircraft rescue and fire fighting vehicle was budgeted to be purchased in September at a cost of \$900,000. The purchase was delayed, leaving a significant variance. The vehicle will not be purchased and the adjustment will be made toward the end of the fiscal year. In terms of monthly comparison to last year, the Airport is 9 percent ahead in revenues and exceeded budgeted revenues by 8 percent for the month of September. Expenses were slightly higher this month compared to 2015, which relates to an apron seal coating project that was completed earlier in the summer. The Aviation Fund cash balance is broken down into operating funds and capital improvement funds. As of September 30th, the balance stands at \$8.8 million. In September of 2016, Airport jet fuel accounted for 56 percent of the total fuel flowage. Avgas was just under five percent. The Airpark fuel flowage was 39 percent. Compared to September of last year, fuel flowage is slightly ahead by half a

percent. Year to date compared to last fiscal year, however, fuel flowage is up approximately 20 percent.

In response to a question from Vice Chair Celigoy, Ms. Williams stated that the aircraft rescue and fire fighting vehicle may not be procured this year. If not, the expense will go into next year's operating budget.

Commissioner Ziomek noted that CIP funds are down dramatically from the previous year. He questioned the reason behind this and asked whether operating funds might be moved to the CIP. Ms. Williams stated that that difference in the amounts is the Airport operations and maintenance building, which totals approximately \$4.5 million. Mr. Mascaro added that each year, as CIP projects are worked on, money comes out of the operating fund to pay for CIP projects. Transfers are typically made at the beginning of the fiscal year. The operating fund includes specialty funds and reserves, including a 90-day operating reserve of approximately \$6 million.

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

Sarah Ferrara, Aviation Planning and Outreach Coordinator, stated that in regards to the FAA flight plan changes, the Arizona airport managers sent a letter to the FAA asking for a 90 day extension to review the Community Involvement in Airport Planning (CIAP) Advisory Circular, which outlines improved community engagement. Since then, the FAA has contacted Aviation Director Gary Mascaro and has agreed to the extension.

Listserv notices were sent out before the Sky Kids event seeking volunteers and promoting the event. A listserv was also sent to NBAA recipients, which promoted the booth and invited attendees to come by. Staff exhibited at the NBAA show November 1st through 3rd and collected 250 leads.

Staff updated the Scottsdale Airport brochure, which includes general information about the Airport. In an effort to maintain noise outreach, two emails were exchanged with residents regarding noise concerns. Staff also monitors property development in planning and zoning reports. For October, five projects were listed. There were 28 voluntary curfew letters issued in October.

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

Mr. Mascaro stated that the City Council generally supports the Thunderbird Field II Veterans Memorial project. The challenge they had was recommending a funding source to cover the cost of the wing. Commissioner Ziomek stated that the presentation was number 29 on the Council agenda. It was both encouraging and disappointing. It was encouraging, because the Mayor and all six Council Members enthusiastically support the Thunderbird Project. The disappointment arises from the question of which City coffers the \$400,00 to build the wing is going to come out of. Council spent significant time discussing with staff various ways to fund the project. The Council's directive to staff was to find a source for the funds as soon as possible. There are time constraints with donors, who would like to have the tax write-off this year. With the City, construction and architects, there is a hard deadline of April 1st, 2017. The contract that Thunderbird signed with the City calls for hitting certain milestones in terms of

donor funds. The Thunderbird Committee is still actively seeking donors and will collect money. If for some reason, the project is not ultimately approved by the City, the funds will be refunded. There will be a meeting with TDC this month. Hopefully approval, funding and recommendation will be forthcoming.

Mr. Mascaro stated that the City Council's final vote for District at the Quarter (Greenway-Hayden Loop Apartments) was 4-3 in support. Dissenting voter Councilwoman Littlefield expressed concern about the Airport and referenced the Commission's recommendations directly. The developer stated during his presentation that they have committed to the Commission's recommendations. The Commission's recommendations were as follows: Approved with a stipulation that if the property owner requests to change from rental apartments to condominiums, that the property owner must seek approval from the Airport Advisory Commission. Additionally, a stipulation was included for sound attenuation.

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

Chair Brad Berry made a motion to cancel the December 21, 2016 meeting and to hold a telephonic special meeting on December 7, 2016 at 1:00 p.m. Vice Chair Celigoy seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

No members of the public wished to address the Commission

FUTURE AGENDA ITEMS

Commissioner Ziomek made a motion to add an item to address public comment regarding the self-serve AVGAS facility at Ross Aviation. Vice Chair Celigoy seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

Vice Chair Celigoy made a motion to add an item to invite City Planning and Zoning staff to provide an overview on the Airpark Character Area Plan. Chair Brad Berry seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:18 p.m.

SUBMITTED BY:

eScribers, LLC