



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ
June 19, 2017**

MINUTES

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

STAFF: Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager
Carmen Williams, Management Analyst
Keith Niederer, Senior Planner

GUEST: Mark Hiegel, Chamber of Commerce
Thomas R. Blake, ICIC Commercial Investments, LLC
Dana McCurdy, The Chicken Scoop
Thomas Melton, JE Dunn Construction, Inc.
Mike Hunter, JE Dunn Construction, Inc.
Mike Braun, DWL Architects

CALL TO ORDER

Chair Celigoy called the meeting to order at 2:00 p.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Chair Celigoy led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director, thanked the Commission for agreeing to meet at this alternative time. He deferred the report.

APPROVAL OF MINUTES

1. Regular Meeting: May 17, 2017

Vice Chair Hobbi made a motion to approve the regular meeting minutes of May 17, 2017 as presented. Commissioner Little seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

There were no public comments.

REGULAR AGENDA ITEMS 1 - 12

1. Discussion and Possible Action Regarding the Application for Airpark Aeronautical Business Permit for ICIC Commercial Investments, LLC to Conduct Hangar/Shade Leasing Services

Carmen Williams, Management Analyst, said that ICIC Commercial Investments, LLC is seeking ratification of an Airpark aeronautical business permit to conduct hangar and shade leasing services business permit. They have a hangar office complex just outside of Gate 2 on the west side of the Airport. They have met the requirements of the aeronautical business permit and have submitted the proper documentation. Thomas Blake was present representing ICIC Commercial Investments, LLC to answer any questions. There were no questions.

Vice Chair Hobbi made a motion to approve the Airpark Aeronautical business permit for ICIC Commercial Investments, LLC to conduct hangar/shade leasing services. Commissioner Little seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

2. Discussion and Possible Action Regarding the Application for Airport Aeronautical Business Permit for The Chicken Scoop to Conduct In-flight Catering Services

Ms. Williams stated that the Chicken Scoop is seeking ratification of an Airport aeronautical business permit to conduct off-airport catering services. They are a restaurant located in Scottsdale at the Promenade Shopping Center. They have met the requirements of the aeronautical business permit and have submitted the proper documentation. Owner of the Chicken Scoop, Dana McCurdy, was present to answer questions. Ms. McCurdy said the business specializes in chicken salad. Vice Chair Hobbi asked whether the company already does aircraft catering. Ms. McCurdy said that this was the first foray into the aircraft catering business.

Vice Chair Hobbi made a motion to approve the Airport Aeronautical business permit for The Chicken Scoop to conduct in-flight catering services. Commissioner John Berry seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

3. Annual Update from the Scottsdale Chamber of Commerce

Mark Hiegel, Chamber of Commerce, said that the Chamber historically has provided an annual update. The Chamber opened in 1947. In 2000, it broke away from the City and became self-funded, allowing it to advocate on behalf of businesses without having to take a position that might be opposed by the Mayor or City Council. A number of groups have developed from the Chamber. The Chamber currently represents over 1,110 businesses throughout Scottsdale, including 900 small businesses. Revenue is derived from membership fees and events. Membership has grown over the last two years and the Chamber is in a good financial position.

Events include the Sterling Awards, History Hall of Fame, business volunteer awards and golf tournament. The Chamber employs 9.5 people with a total budget of \$1.1 million. Programs include Women in Leadership and Business United for Scottsdale Schools (BUSS). The Chamber belongs to the East Valley Chamber of Commerce Alliance and the group lobbies the capitol, Mayor's office and City Council, representing over 6,000 businesses.

The Chamber endeavors to work with the many organizations within Scottsdale, such as Experience Scottsdale, City Hall, Scottsdale Charros, Scottsdale Arts, Scottsdale Economic Development, the Airport and others. The Chamber's strategic plan and vision is available on its website. This year, the Chamber will begin a new group, Chamber Institute, which will be a training program for businesses in Scottsdale.

Vice Chair Hobbi asked for clarification on the Chamber's stance on increasing the minimum wage. Mr. Hiegel said that the Chamber was against the increase, as was 68 percent of its membership.

Commissioner Maxwell asked about the status of the BUSS program. Mr. Hiegel said that the first 18 months involved making connections with different businesses. There was a paid executive director position, however there was difficulty raising the funds to support the position. A determination was made to go forward without the paid position. George Jackson is being brought onboard to the 501 foundation for the Chamber and will serve as the liaison for schools. Mr. Hiegel would like to see the BUSS program to include ASU and organizations such as Universal Technical Institute.

4. Discussion and Possible Action to Recommend Approval of 28-ZN-2016 (Wolf Springs Ranch), a Zoning Map Amendment from Single Family Residential (R1-35) to Single Family Residential, Planned Residential Development (R1-18 PRD) to allow the construction of a 40 lot single family residential subdivision on a 20 +/- acre property located at the northwest corner of E. Cactus Road and N. 94th Street

Keith Niederer, Senior Planner, said that the property is currently being used as a horse ranch and residence. The property has been sold to the Empire Group, who is looking to rezone the property. Current zoning is R1-35. The request is to rezone the property to an R1-18 PRD single family residential designation in a planned residential district to allow for 40 single family lots. The property is located at the edge of the AC1 Airport Influence Area. It is outside of all the noise contours. The next steps for the project include a Planning Commission hearing on July 26th, followed by a City Council meeting after summer break.

Vice Chair Hobbi asked for an explanation of the differences between R1-35 and R1-18 PRD. Mr. Niederer said that R1-35 zoning is for one single family lot with a minimum lot size of 35,000

square feet. The applicant is seeking an increase in density. The current zoning would allow for approximately 24 lots on the property. The applicant is seeking 40 lots, which requires a zoning change to allow for smaller lots.

Vice Chair Hobbi noted the property's location at AC1 and asked whether it was subject to the noise abatement plan. Mr. Niederer said that AC1 does allow development of single family residential with an aviation easement and disclosure statement.

In response to a question from Commissioner Little, Mr. Niederer confirmed that the public report issued for the site will disclose that it is inside AC1.

In response to a question from Commissioner John Berry, Mr. Niederer said that the City does support the application.

Vice Chair Hobbi made a motion for approval of 28-ZN-2016 (Wolf Springs Ranch), a Zoning Map Amendment from Single Family Residential (R1-35) to Single Family Residential, Planned Residential Development (R1-18 PRD) to allow the construction of a 40 lot single family residential subdivision on a 20 +/- acre property located at the northwest corner of E. Cactus Road and N. 94th Street. Commissioner John Berry seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

5. Discussion and Possible Action to Adopt Resolution 10777 Authorizing Construction Manager at Risk (CMAR) Construction Services Contract 2017-060-COS with JE Dunn Construction for a Guaranteed Maximum Price of \$14,634,093.00 (GMP 1) for the Scottsdale Airport Terminal Area Redevelopment Project

Commissioner Brad Berry recused himself from the discussion and vote due to conflict of interest.

Gary Mascaro, Aviation Director, stated that on May 3, 2016, JE Dunn Construction was selected as the most qualified company to perform preconstruction design phase services contract for the Scottsdale Airport Terminal Area redevelopment. Twelve responses were received during the RFQ process. A panel of six representatives selected JE Dunn, which City Council agreed upon.

The project will consist of two hangar complexes, both 30,000 square feet and ancillary support space of approximately 2,000 square feet each, along with a new business center. CMAR is an alternative delivery method, which allows the construction manager to become involved in the process early and to create a GMP based on the construction documents and specifications at the time the GMP was created and based on the plans, time frame and any reasonably inferred items or tasks. The CMAR coordinates all subcontractor bids and determines the GMP. The GMP will consist of subcontractor costs, construction fees, self-performed work, project requirements, general conditions, owner contingency components, required bonds, insurance and taxes.

GMP 1 includes demolition of two buildings and associated structures, construction of the two hangars and ancillary support space and renovations of the existing parking area. GMP 2 includes the aviation business center (ABC building). Any contingencies that are going to be utilized must be documented with background data and approved by the City. GMP 2 total cost is estimated at \$7 million for a total estimated contract cost of approximately \$21.7 million.

In response to a question from Commissioner John Berry, Mr. Mascaro confirmed that the City receives back funds not spent under the contingency. Commissioner John Berry asked if the general conditions and bonding in GMP 1 cover the costs of GMP 2. Mr. Mascaro said that general conditions are covered, but not insurance and bonding.

Mr. Mascaro stated that it is anticipated that Council will approve the contract on July 5th. The contractor is planning to begin work the week of July 10th or the following week. Commissioner Ziomek noted that when the project was first proposed, it was supposed to begin in February, 2017 with completion set for August of 2018. The current plan anticipates starting five months later than originally planned while finishing four months earlier than originally projected. He asked whether there is a contract provision that penalizes the contractor for not being done on time. Mr. Mascaro said the referenced schedule was a draft schedule based on 30 percent plans and schematic design. The proposed schedule is being agreed to by the contractor. It will be attached to the contract and must be adhered to. If they do not meet the schedule, there are liquidated damages. Commissioner Ziomek asked for identification of the liquidated damages. Chris Read, Airport Operations Manager, said it is based on a MAG standard and dependent on the value of the project.

Chair Celigoy said that the overall schedule does not definitively state when the ABC building will be complete. Mr. Mascaro said it is estimated to be in the September time frame. Mr. Melton added that the long time frame was based on the ABC building schedule, which is a critical component. The hangars require a shorter project duration. The ABC building is on a 12-month schedule.

Commissioner John Berry said that the bonding costs for the size of job are about triple the price he typically pays for bonding costs. Mike Hunter, JE Dunn Construction, Inc., said that the company takes a holistic approach for bonds on a project. The cost is based on the costs for the whole program, including purchase of sub default insurance. This provides protection for all parties.

Commissioner Ziomek asked whether the City is protected against exceeding pricing on the bonding for the second half of the job. Mr. Hunter said that the bonds are based on a percentage rate based on the value of the cost of the work for Phase II. This is included in the numbers that Mr. Mascaro has provided.

Commissioner Little said that the power requirement needs of aircraft are increasing. He asked about benchmarking performed to ensure that the hangars are adequate to service the aircraft needs. Mr. Hunter replied that the design portion was not part of the company's scope. Mike Braun, DWL Architects said he could provide a more detailed response after consultation with their electrical engineering firm. Commissioner Little said his concern was that this City facility should be designed to be world-class and equipped to handle the power requirements of aircraft into the future.

Vice Chair Hobbi made a motion to Adopt Resolution 10777 authorizing construction manager at risk construction services Contract 2017-060-COS with JE Dunn Construction for a guaranteed maximum price of \$14,634,093.00 for the Scottsdale Airport Terminal Area Redevelopment Project. Commissioner Ziomek seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Brad Berry was recused.

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

Ms. Williams said there were three changes for the month, including the two additions, ICIC Commercial Investments and the Chicken Scoop. Cancellations included North Central Aviation for its aircraft charter permit.

7. Discussion and Input Regarding Monthly Construction Report

Chris Read, Airport Operations Manager, said there is no construction at this time. The transient apron reconstruction project is being sent to City Council on July 5th, depending on if we receive a grant from FAA.

8. Discussion and Input Regarding the Monthly Operations Report for May

Mr. Read noted that IFR numbers are good. There was a slight drop in May of this year versus May of last year. There were three alert 1s, two alert 2s and three recorded incidents for the month. Revenue fiscal year to date for U.S. Customs was \$562,125. There were 63 total uses per month. There were 973 total uses fiscal year-to-date with 11 U.S. visits. There were 19 PPRs for the calendar year so far. It was noted that both FBOs have committed to the fuel spill prevention program.

9. Discussion and Input Regarding Financial Report for April

Ms. Williams said that year-to-date revenues total \$3.6 million, exceeding the forecast by 12 percent. Expenses total \$1.6 million. For the April monthly comparison to last month, they are 6 percent higher than last year's revenues. Areas of higher revenue include U.S. Customs, transient aircraft landing, parking fees, aeronautical business permit fees and tenant rents. Expenses were lower compared to last year. The Aviation Fund cash balance totals \$8.7 million. In terms of the fuel flowage report, Airport jet fuel was 74 percent of the total fuel flowage. Avgas was 2.9 percent and Airpark fuel flowage is at 23.2 percent. Compared to April of 2016, fuel flowage is higher. Overall year-to-date compared to last fiscal year shows an increase of 13.5 percent.

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

Mr. Mascaro said that several listserv notices were issued. Signature Flight Support held a safe launch event, where children painted an airplane while learning how to prevent drug and alcohol addiction. Notices will be sent out shortly regarding staff's move to the new Operations Center on June 30th. Staff is working on graphics and messaging for the upcoming National Business Aviation Association Convention, as well as working with the Barrett-Jackson Collector Car Auction. One email was exchanged with a resident in terms of noise outreach efforts. Community outreach includes recognition of the Airport's 75th anniversary. Commemorative pins are currently in production. A video and web banner are being developed to commemorate the anniversary. There were no projects listed in the planning and zoning reports within the Airport Influence Area for the month of May. The next pilot briefing is slated for the fall. A total of 12 voluntary curfew letters were sent out in May.

11. Administrative Report from the Aviation Director or Designee Regarding the Status of Aviation-related Items

Mr. Mascaro said that the Terminal Area development is scheduled to go to City Council on July 5th. Staff also plans to bring the transient apron reconstruction to City Council on July 5th, pending notice by the FAA regarding receipt of a grant.

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

There was discussion on the upcoming meeting schedule.

Vice Chair Hobbi made a motion to cancel the July meeting. Commissioner Little seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

Vice Chair Hobbi made a motion to cancel the August meeting. Vice Chair Hobbi seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

There were no items discussed

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at approximately 3:17 p.m.

SUBMITTED BY:

eScribers, LLC