



**SCOTTSDALE AIRPORT ADVISORY
COMMISSION PUBLIC MEETING**
Scottsdale Airport Aviation Business Center
Stearman/Thunderbird Meeting Room
15000 N. Airport Drive, Second floor
Scottsdale, AZ
Wednesday, March 20, 2019

MINUTES

PRESENT: Cory Little, Chair
Kevin Maxwell, Vice Chair
Brad Berry
Larry Bernosky
John Celigoy
Liz Kaplan

ABSENT: John Berry

STAFF: Gary Mascaro, Aviation Director
Carmen Williams, Aviation Finance & Administration Manager
Sarah Ferrara, Aviation Planning and Outreach Coordinator
Chris Read, Assistant Aviation Director-Operations

GUESTS: Troy Padilla, Scottsdale Jet Center
Kelli Kuester, Mayor's Office

CALL TO ORDER

Chair Little called the meeting to order at 5:00 p.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Chair Little led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

There was no report.

APPROVAL OF MINUTES

1. Regular Meeting: February 20, 2019

Chair Little called for approval of the minutes.

VICE CHAIR MAXWELL MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE AIRPORT ADVISORY COMMISSION OF FEBRUARY 20, 2019 AS PRESENTED. COMMISSIONER BERNOSKY SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR LITTLE, VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, BERNOSKY, CELIGOY AND KAPLAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENTS

There were no public comments.

REGULAR AGENDA ITEMS 1 - 10

1. Annual Board and Commission Event Information

Kelli Kuester invited Commissioners to attend the annual appreciation event on Thursday, May 16th at 6:00 p.m. at the Airport.

2. Ratification of Airpark Aeronautical Business Permit for Craig/Kristen Potts to conduct hangar/shade leasing services in the Scottsdale Airpark

Carmen Williams, Aviation Finance & Administration Manager stated that the facility is located off of Greenway Road on the west side of the Airport with access through Gate 1. The Applicant has met the requirements of the application and submitted the necessary documentation. The owners do not live in the area, but Craig Potts provided a written statement, which Ms. Williams read on his behalf.

VICE CHAIR MAXWELL MOVED TO APPROVE THE AERONAUTICAL BUSINESS PERMIT FOR CRAIG/KRISTEN POTTS. CHAIR LITTLE SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR LITTLE, VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, BERNOSKY, CELIGOY AND KAPLAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Ratification of Airport Aeronautical Business Permit for Scottsdale Jet Center Real Estate, LLC to conduct hangar/shade leasing services at the Scottsdale Airport.

Ms. Williams stated that the Applicant recently entered into a long-term lease with the City of Scottsdale to lease Air Commerce Center and the Greenway Hangar and Shades parcels as well as taking over the former City Hangars and T-Shades. They have met the requirements of the

permit and have submitted the proper documentation. In response to a question from Commissioner Bernosky, Ms. Williams confirmed that this is a management takeover of facilities previously managed by the last lease holder as well as the City Hangars and T-Shades.

Commissioner Maxwell asked for clarification that there is no lease or license agreement as yet. Ms. Williams stated that a lease agreement was agreed to with Scottsdale Jet Center Real Estate. This is the first step. They are not a full-fledged FBO, but have taken over the hangar and shade from the former owners.

In response to a question from Chair Little, Troy Padilla, Scottsdale Jet Center, confirmed that they first came to the Commission in December of 2018. Chair requested an update on what has occurred since that time. Mr. Padilla said they have begun the transition to move people out of City Shades and Hangars and getting ready for construction. Currently six tenants need to be transferred out of City T-Hangars and six out of City T-Shades. Everyone else is in process of moving or obtaining final approvals. The goal is to move everyone to the Greenway Shades from City Shades by July 2019. They are trying to meet with the Development Review Board (DRB) for approval to begin building permits. Discussions have taken place with Mead & Hunt, who is assisting with the process of meeting with DRB. The goal is start construction in July, however, it may not be until November before they are on the DRB agenda.

Chair Little asked about plans to update the Commission regarding the design process. Mr. Padilla stated his understanding that this would be part of the process. The designs would be provided to the Airport and Mr. Mascaro could place the topic on the agenda for a future Commission meeting. Mr. Mascaro clarified that staff will share the plans, however, there is no action required by the Commission.

Commissioner Bernosky noted that there were initial concerns regarding people losing tie-downs, et cetera and he requested an update. Mr. Padilla said there have been no complaints thus far. They have made a concession to provide 18 months of reduced (or current) rent rates.

In response to a question from Commissioner Celigoy, Mr. Padilla stated that lessees have been notified in writing that they have taken over their respective spots. There are a few airplanes located in T-hangars and which are in derelict position in terms of lack of engines, wings, et cetera. There are some insurance requirements that lessees must accommodate in terms of insuring the company and the City. In response to a question from Commissioner Celigoy, Mr. Padilla stated that the names of the owners and lessees are documented and there is no risk to the City. Owners of derelict planes have been given information on the new ownership and the plan going forward, which requires them to move to the available space.

Commissioner Celigoy inquired as to the total number of spots the company has taken over management of. Mr. Padilla stated that in the City Shades, there are 10 T-Hangars and 22 T-Shades. Commissioner Celigoy asked if they are formulating a plan to communicate to the marketplace that they have spaces available. Mr. Padilla said that as soon as they move current tenants out of the City T-Shades into the Greenway Shades and Hangars, this will open up more room for other tenants on a temporary basis until they get ready to construct. As such, they will backfill. Currently, there is not a waiting list per se. They have concentrated on moving the hangars over.

Commissioner Celigoy noted earlier concerns that some local general aviation pilots would potentially be displaced and he asked how the company will communicate to the marketplace in

terms of available space. Mr. Padilla stated that all the contact information for Murphy is currently being transitioned to the new company and should be live tomorrow. Airport Property Specialists have assisted in the leasing and management of the hangars. The company has kept them on as a point of contact. Airport Property Specialists is currently advertising the hangars to the market. Commissioner Celigoy requested that the company provide the contact information to the Airport staff so they can respond to any inquiries from the public.

Commissioner Brad Berry noted that he was not present when this topic was previously discussed. He asked what will happen with the Air Commerce Center and the current tenants. Mr. Padilla stated that the plan is to refurbish the Air Commerce Center as a commitment to the Airport. The first phase of the construction will be to construct a 30,000 square foot hangar in a terminal that currently has 12,000 square feet. Once they go before the DRB in terms of design elements, the plan is to take the same requirements and utilize them at the Air Commerce Center in order to ensure a cohesive design. The intent is not to build a considerable amount of office space in the FBO, but to have the flight departments use the current office space now vacant in the ACC building. The eight hangars will remain.

Chair Little asked about an Airport policy with regard to derelict aircraft. Mr. Mascaro stated that specifically for hangars, there is a federal policy requiring owners of aircraft to ensure the aircraft stored in hangars is airworthy. There is a national issue in terms of derelict aircraft taking up hangar space. For T-Shades and tie-downs, the Airport has a policy that states owners shall maintain and "make planes look airworthy." The Airport does not check airworthy certificates. If there is not compliance, technically the Airport can cancel permits.

VICE CHAIR MAXWELL MOVED TO APPROVE THE AERONAUTICAL BUSINESS PERMIT FOR SCOTTSDALE JET CENTER REAL ESTATE, LLC. COMMISSIONER BRAD BERRY SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR LITTLE, VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, BERNOSKY, CELIGOY AND KAPLAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

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

Ms. Williams noted stated that the two new applicants are listed in the report. There are three ABP cancellations for this month. There is also a cancellation from Food 4 Jets, which was acquired by Air Culinaire Worldwide last month. Their ABP was on last month's agenda.

5. Discussion and Input Regarding Monthly Construction Report

Chris Read, Assistant Aviation Director-Operations, reviewed progress on the Delta Ramp Reconstruction Project. There was a slight delay, due to rain and a fuel spill. He reviewed construction progress photographs, particularly in regard to the soil cement layer, including installation and FAA testing required procedures followed by asphalt work and test strips.

6. Discussion and Input Regarding Monthly Operations Report for February

Mr. Read reported on based aircraft numbers, with 461 last year and 451 for the current period. In terms of operations, totals are up and IFRs are down slightly. There were two alerts and three incidents for the month. For U.S. Customs, the FYTD total is \$397,630. There were 123 uses for the month and 725 visits FYTD. There were 21 U.S. visit flights.

Chair Little noted that revenue YTD is about the same, however the total uses reflects a 7 to 8 percent difference. Mr. Read stated that the difference relates to larger aircraft paying larger fees.

Mr. Read noted that PPRs for the calendar year are at 11 for over 75,000 pound operations.

Commissioner Celigoy asked how many of each type of parking space will now shift to Jet Center. Mr. Read noted Mr. Padilla's earlier comments that he would like to see all ten hangar tenants move to Greenway and all 22 of the shade tenants move to Greenway Shades by July, 2019.

Commissioner Celigoy inquired as to the City's responsibility. Mr. Mascaro said that technically, the City is no longer responsible for those tenants. They are all tenants of Scottsdale Jet Center. Permits are cancelled and refunds are issued, if necessary. The arrangement is that the company cannot start its build without ensuring that the original tenants of the City have been relocated to the location at Greenway at the same rate.

In response to a question from Commissioner Celigoy, Mr. Read confirmed that the City does have a list of based aircraft both on Airport and in the Airpark. The only list they would not have is transient visiting aircraft.

In response to a question from Commissioner Celigoy, Mr. Read stated that staff does not investigate derelict aircraft in a private hangar on the Airpark side in terms of airworthiness. Federal regulations focus on Airport property based on federal sponsorship.

7. Discussion and Input Regarding Financial Report for January

Ms. Williams reported year-to-date revenues at \$2.8 million. Expenses are \$1.2 million. January, 2019 revenues were higher than last January by approximately \$200,000, due to new leases this year. Expenses were higher, mainly due to a quarterly invoice for the Customs staff paid in January of this year, but not last year. At the end of January, operating funds total \$10.6 million. In January, Airport jet fuel was 62.4 percent. AVGAS accounted for 2.6 percent and Airpark fuel flowage was at 35.1 percent. Compared to January of 2018, the fuel flowage overall is up 14.6 percent and overall for the year, it is up 4.7 percent. In response to a question from Commissioner Bernosky regarding fuel flowage, Ms. Williams explained that some payments for December were actually paid in and this partly accounts for the higher totals.

Chair Little asked about an update on the economic impacts of the Airport on the surrounding areas. Mr. Mascaro stated that this is a great idea. Staff is looking to refresh its economic impact study in terms of what the Airport and Airpark bring to the community. They will bring a consultant on board to assist with the process.

8. Discussion and Input Regarding Public Outreach and Planning Projects

Sarah Ferrara, Aviation Planning and Outreach Coordinator, stated that last month staff met with the HOA president and a board member regarding general operations over the Stonebrook development, which is located north of the Airport runway. In response to a question from Commissioner Bernosky, Ms. Ferrara stated that it was primarily an informational meeting regarding general operations.

Ms. Ferrara presented at the AZBAA Crew Enrichment Pilot ATC Forum, at which time she shared some of the concerns received from Stonebrook as well as concerns received from the southeast area. The pilots briefing is scheduled for next week. In response to a question from Chair Little, Ms. Ferrara confirmed that chief pilots and/or representatives from the large flight schools have been invited to attend. The FAA handled most of the invitations, but staff also sent invitations to Airport users. There is typically good turnout from flight schools and operators. Chair Little requested that invitations also be provided to commissioners.

Ms. Ferrara reported that six voluntary curfew letters were issued in February. There are seven development projects under development in February in the Airport Influence Area. Staff sends listservs as needed and the most recent was in reference to the third FBO in the works. The Seventh Annual Run the Runway is scheduled for Saturday, April 6th.

In response to a question from Chair Little, Ms. Ferrara stated that she had not received any particular feedback regarding the third FBO coming into operation.

Staff held a presentation and tour of the Aviation Business Center for 20 gentlemen from the G.E.L. Club.

9. Administrative Report from the Aviation Director or Designee Regarding the Status of Aviation-Related Items

Mr. Mascaro noted that there were no items to City Council since the last meeting, however several items will be added soon. These include construction-related contracts for the general aviation hangars and leases for the new hangars up north. The list has not changed for aviation-related items to Planning Commission, Design Review Board or City Council that may be noise sensitive or have hangar access. In terms of the City of Phoenix Property, Manor Scottsdale, the Airport has been receiving concerns from Phoenix residents about the development. It is located in the City of Phoenix on Scottsdale Road south of Thunderbird. Staff has shared the Airport's concerns with the Mayor's Office. Chair Little noted that the Airport and the Mayor have sent a letter, but it would also be helpful for the Commission to issue a letter. He asked about the process. Mr. Mascaro said it involves a discussion among Commissioners as to what they would like to include in the letter. A draft letter can then proceed. Staff is happy to discuss a draft as an action item at the next meeting.

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

There were no requests to modify the calendar.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

No action taken.

ADJOURNMENT

Chair Little called for a motion to adjourn.

With no further business to discuss, being duly moved by Vice Chair Maxwell and seconded by Commissioner Celigoy, the meeting adjourned at 5:43 p.m.

AYES: Chair Little, Vice Chair Maxwell, Commissioners Brad Berry, Bernosky, Celigoy and Kaplan

NAYS: None

SUBMITTED BY:

eScribers, LLC