MINUTES

PRESENT: Kevin Maxwell, Vice Chair
Brad Berry
John Berry
Larry Bernosky
John Celigoy

ABSENT: Cory Little, Chair
Liz Kaplan

STAFF: Gary Mascaro, Aviation Director
Carmen Williams, Aviation Finance & Administration Manager
Chris Read, Assistant Aviation Director - Operations
Christian Evelegh, Aviation Intern

GUESTS: Mark Stanton, Chamber of Commerce
Doug Davies, DMD Real Estate Group

CALL TO ORDER

Vice Chair Maxwell 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

Vice Chair Maxwell led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Gary Mascaro, Aviation Director, stated that Jet Aviation acquired a stake in Scottsdale Jet Center, the new third FBO, which will start construction in the fall. The Marchman Group retains 51 percent ownership. He introduced Aviation Intern, Christian Evelegh.

APPROVAL OF MINUTES

1. Regular Meeting: April 17, 2019

Vice Chair Maxwell called for approval of the minutes.

COMMISSIONER LARRY BERNOSKY MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE AIRPORT ADVISORY COMMISSION OF APRIL 17, 2019 AS PRESENTED. COMMISSIONER JOHN BERRY SECONDED THE MOTION, WHICH CARRIED 5-0 WITH VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, JOHN BERRY, BERNOSKY, AND CELIGOY VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENTS

There were no public comments.

REGULAR AGENDA ITEMS 1 - 9

1. Annual Update from the Scottsdale Area Chamber of Commerce

Mark Stanton, Scottsdale Area Chamber of Commerce, stated that the Chamber is working to develop and reconfigure its Airpark Committee. The Committee was formerly a monthly program to bring businesses together for discussions relevant to the Airpark and general Scottsdale business community. Sky Harbor has a similar program, the Aero Club, in terms of building a connection between the Airport and the business community. The intent is to start with a quarterly meeting in the summer. The Tempe, Phoenix and Scottsdale Chambers of Commerce also participate in the Tres Amigos annual event bringing members together. This year’s event will be held at the Scottsdale Airport in June. The Airport was also represented at the Chamber’s Economic Development Advisory Committee meeting two months ago. They will invite the Aviation Director to speak with their Board of Directors. The Chamber is developing a number of programs, many of which are tied to technology and efforts to increase communication between the Chamber and its members. They are also educating their members on the upcoming bond election.

In response to a question from Commissioner Bernosky, Mr. Stanton said that the issue of Airport noise has not been a prominent point of discussion in his office.
2. Discussion and Possible Action to Recommend Adoption of Resolution No. 11441, Authorizing First Amendment to Contract No. 2018-015-COS, a Lease Agreement with Volanti Restaurant and Lounge, LLC for Lease of Space in the Aviation Business Center

Carmen Williams, Aviation Finance & Administration Manager, stated that the Resolution amends an existing lease the City has with Volanti Restaurant and Lounge. An agreement was executed for the restaurant space in February of 2018. The business has been open since November, 2018. This amendments add a storage room, increasing the base rent by just under $200 a month. It also includes a minor clarification that the restaurant may hold a Series 6 or 12 liquor license.

In response to a question from Commissioner Celigoy, Ms. Williams confirmed that the restaurant owner also owned Zulu Caffé. The restaurant is meeting expectations with business increasing month over month. An aeronautical business permit is not required for the restaurant operation, as the lease meets the requirements. However, they do have an existing aeronautical business permit for their inflight catering services.

Vice Chair Maxwell asked whether the restaurant would be entitled to relief, should the Airport shut down for an extended period of time. Mr. Mascaro stated that he would have to look into this. Typically, office space and restaurants do not have this agreement provision. Larger FBO leases do include this type of relief.

COMMISSIONER JOHN CELIGOY MOVED TO APPROVE TO RECOMMEND ADOPTION OF RESOLUTION NO. 11411. COMMISSIONER BRAD BERRY SECONDED THE MOTION, WHICH CARRIED 5-0 WITH VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, JOHN BERRY, BERNOsky, AND CELIGOY VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

3. Discussion and Possible Action to Recommend Adoption of Resolution No. 11417, Authorizing Multiple Contracts for the Lease of General Aviation Box Hangar Space at the Scottsdale Airport

Ms. Williams stated that the recent Airport Master Plan identified the potential for development of executive box hangars on the northwest side of the Airport to accommodate the general aviation community. The Resolution includes five individual box hangar leases for Build A, Phase 1. Ross Aviation has elected to lease two hangars, so there are six total. Pending Commission approval, the five leases will go to City Council for approval on June 25th. She introduced Doug Davies with DMD Real Estate Group, which is marketing the box hangar project and negotiating directly with the tenants. Mr. Davies stated that the hangars are all 62 by 47.

In response to a question from Commissioner Celigoy, Mr. Mascaro confirmed that all the leases are for aircraft. Mr. Davies confirmed that the five new tenants are fixed-wing aircraft. Ms. Williams clarified that the leases are for aircraft storage only, stipulated in the lease. There is a separate storage agreement, which details the specific type of aircraft and dimensions; the file is maintained in the Airport office files.

In response to a question from Commissioner Bernosky regarding storage of derelict aircraft, Mr. Mascaro stated that there are rules and regulations that require aircraft to be airworthy to a
certain extent. The FAA has created recent regulations particularly for airports that have significant challenges of half-built airplanes that have been stored for ten years, while there is a wait list of individuals with working and active planes. Airports now have more flexibility to evict these individuals.

COMMISSIONER CELIGOY MOVED TO APPROVE TO RECOMMEND ADOPTION OF RESOLUTION NO. 11417. COMMISSIONER BRAD BERRY SECONDED THE MOTION, WHICH CARRIED 5-0 WITH VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, JOHN BERRY, BERNOSKY, AND CELIGOY VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

4. Discussion and Input Regarding the Monthly Construction report

Chris Read, Assistant Aviation Director - Operations, provided an update on the Delta ramp project, which continues to progress. Phase 2 is complete. Progress photographs were reviewed. The next project is the runway lighting and signage rehabilitation project. Favorable bids were received at the end of April in the amount of $336,150. Staff is currently awaiting funding from the FAA grant, which is historically received at the end of August. The successful bidder is Rural Electric.

5. Discussion and Input Regarding the Monthly Operations Report for April

Mr. Read presented the report. There were two Type 1 and two Type 2 alerts for the period. Incidents primarily consisted of flat tire occurrences. There were three enforcement actions. U.S. Customs revenue fiscal year to date is $543,905. Total uses for the month were 128 and 985 fiscal year to date. There were 27 U.S. visits for the month. There has been good progress on the Scottsdale Jet Center Hangar/Shade transition.

6. Discussion and Input Regarding Financial Report for March

Ms. Williams stated that year-to-date revenues are at $3.8 million, higher than the budget by $244,000. Expenses are at $1.5 million, which is under budget by $246,000. Overall, there is a positive variance of $2.3 million. Compared to 2018, March 2019 revenues were higher by approximately $83,000. Expenses are approximately $40,000 higher this year over last March, primarily due to the annual invoice for the herbicide services paid in March of this year. As of the end of March, 2019, the Aviation Fund cash balance is $10.7 million.

In terms of fuel flowage, Airport jet fuel accounted for 66.8 percent, AVGAS was 2.1 percent and Airpark 31.2 percent. Compared to March of last year, fuel flowage is up by 11 percent and for the year, is up 3.9 percent.

7. Discussion and Input Regarding Public Outreach and Planning Projects

Ms. Mascaro stated that the Step Two public workshops were held in April on the NextGen project. Comments will be collected until mid May. U.S. Senator Sinema sent a letter urging the FAA to continue dialogue regarding eastbound flights that affect Scottsdale residents. During the
workshops, the FAA came up with two concepts. City Council has been the main driver on the project and the Aviation Department is providing technical support only. City Council hired consultant, JD Aviation, to perform an evaluation of current flight patterns, potential impacts and recommendations. City Council is expected to lean heavily upon the FAA concepts. They are expected to take action on May 21st and will subsequently submit Council’s comments directly to the FAA. City Council is urging anyone with concerns to submit their own comments directly to the FAA via the FAA website. City Council hired a lobbying firm last year to handle the political aspects of nudging the FAA in terms of the challenges facing Scottsdale as a result of the abrupt changes at Sky Harbor. Eventually, there will also be an environmental component to the process, with an 18 month to 2-year process for implementation.

In response to a question from Commissioner Celigoy, Mr. Mascaro confirmed that the public was invited to the workshops and significant public representation was present. He feels confident that the FAA is addressing management of Sky Harbor’s approach and departure corridors in a Class B airspace versus Scottsdale’s Class D airspace.

Commissioner Celigoy asked if Mr. Mascaro anticipates any changes to the traffic patterns at Scottsdale Airport inside the Class B airspace. Mr. Mascaro said he cannot answer the question at this time. If the suggested changes are made, chances are that Scottsdale will be impacted positively. He does not anticipate any changes in procedures in and out of Scottsdale Airport in terms of approaches and departures. They may be higher or directed differently but not necessary full-blown changes to traffic patterns.

In response to a question from Commissioner Bernosky, Mr. Mascaro stated that the noise report presented to the Commission applies specifically to the Scottsdale Airport. For anything FAA/Sky Harbor related, residents are advised to contact Sky Harbor.

Mr. Mascaro stated that eight voluntary curfew letters were issued in April. Staff monitors development planning. For the period, there were two projects within the Airport Influence Area. The Airport expanded its social media presence via Facebook and Instagram. Staff issued a subscription notice regarding Jet Aviation acquiring a small stake of the FBO. Staff hosted a tour and presentation for ten residents as part of a prize offered for the Boys and Girls Club fundraiser. Staff is planning to attend the NBAA Regional Forum in June.

In response to a question from Vice Chair Maxwell, Mr. Mascaro stated that Jet Aviation’s recent acquisition of stock in the FBO will not require them to come before the Commission for approval. The company’s organizational structure remains the same.

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

Mr. Mascaro stated the Resolutions approved by the Commission today will be before City Council on the June 25th consent agenda.

In terms of aviation items related to the planning commission, DRB or City Council, items of note include the City of Phoenix Manor Scottsdale. Scottsdale has submitted comments from the Airport Advisory Commission, Planning Commission and the Mayor expressing the City’s concerns with the development.
Commissioner John Berry inquired as to the development’s intended height. Mr. Mascaro stated that there is not a height issue, but a noise sensitive issue.

Mr. Mascaro confirmed Commissioner Celigoy’s understanding that Scottsdale has no authority regarding the DNL requirements for the City of Phoenix in terms of notification. Scottsdale does make recommendations and works closely with the City of Phoenix Planning Group. The FAA only evaluates height impacts.

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

Discussion commenced regarding the schedule. Mr. Mascaro recommended canceling the June and July regular meetings and holding a special meeting on June 14th to discuss the contract award for the box hangars and potentially the contract award for construction of the lighting system.

COMMISSIONER JOHN CELIGOY MOVED TO APPROVE TO CANCEL THE JUNE 19, 2019 AND JULY 17, 2019 MEETINGS AND TO HOLD A SPECIAL MEETING ON JUNE 14, 2019 AT 12 P.M. COMMISSIONER BRAD BERRY SECONDED THE MOTION, WHICH CARRIED 5-0 WITH VICE CHAIR MAXWELL, COMMISSIONERS BRAD BERRY, JOHN BERRY, BERNOSKY, AND CELIGOY VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

PUBLIC COMMENT

There were no public comments.

FUTURE AGENDA ITEMS

No action taken.

ADJOURNMENT

Vice Chair Maxwell called for a motion to adjourn.

With no further business to discuss, being duly moved by Commissioner Celigoy and seconded by Commissioner Bernosky, the meeting adjourned at 5:58 p.m.

AYES: Vice Chair Maxwell, Commissioners Brad Berry, John Berry, Bernosky and Celigoy
NAYS: None

SUBMITTED BY:

eScribers, LLC