

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, DECEMBER 11, 2018**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:02 P.M. on Monday, December 11, 2018, in the City Hall Kiva.

**ROLL CALL**

Present: Mayor W.J. "Jim" Lane; Vice Mayor Guy Phillips; and Councilmembers Suzanne Klapp, Virginia L. Korte, Kathleen S. Littlefield, Linda Milhaven, and David N. Smith

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

**PLEDGE OF ALLEGIANCE** – Daughters of the American Revolution, Grand Canyon Chapter

**INVOCATION** – Pastor Bruce Johnson, Scottsdale Presbyterian Church

**MAYOR'S REPORT** – None

**PRESENTATIONS/INFORMATION UPDATES** – None

**PUBLIC COMMENT**

- Darlene Petersen expressed concern about oversized vehicles parking on residential streets.
- Sam Colby spoke about implementing a residential home health program.
- Pat Shaler commented on the City's report on the Neptune Swimming Foundation citizen petition.
- Jason Alexander called for civil dialogue in localized conversations.
- John Seipel presented a citizen petition asking for an additional entrance into the Preserve.

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

## ADDED ITEMS

### A1. Added Items

Consent Item No. 6A was added to the agenda on December 7, 2018.

**Request:** Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is January 8, 2019.

## MOTION AND VOTE – ADDED ITEMS

Councilmember Korte made a motion to accept the agenda as presented. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

## MINUTES

**Request:** Approve the Special Meeting Minutes of November 13, 2018, Regular Meeting Minutes of November 13, 2018, and Executive Session Minutes of November 13, 2018.

## MOTION AND VOTE – MINUTES

Vice Mayor Phillips made a motion to approve the Special Meeting Minutes of November 13, 2018; Regular Meeting Minutes of November 13, 2018; and Executive Session Minutes of November 13, 2018. Councilwoman Klapp seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

## CONSENT AGENDA

### 1. Martin Residence Abandonment (9-AB-2018)

**Request:** Adopt **Resolution No. 11308** authorizing the abandonment of the right-of-way quarter cul-de-sac located at the northwest corner of parcel 216-85-055, with Single-family Residential District, Environmentally Sensitive Lands, Foothills Overlay (R1-190/ESL/FO) zoning.

**Location:** 27777 N. 95<sup>th</sup> Street

**Staff Contact(s):** Randy Grant, Planning and Development Services Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

### 2. Airport Lease Agreements

(Moved to Regular Agenda, Page 3)

### 3. Water, Sewers, and Sewage Disposal Code Amendment

**Request:** Adopt **Ordinance No. 4380** amending Scottsdale Revised Code, Chapter 49, Water, Sewer and Sewage Disposal sewer/water reclamations, by amending Sections 49-46, 49-51, 49-145, and 49-148.

**Staff Contact(s):** Brian Biesemeyer, Water Resources Director, 480-312-5683, [bbiesemeyer@scottsdaleaz.gov](mailto:bbiesemeyer@scottsdaleaz.gov)

- 4. Audit Committee Recommendation for the Environmental Quality Advisory Board Sunset Review**  
**Request:** Adopt **Resolution No. 11334** accepting the Audit Committee's recommendation and authorizing the continuation of the Environmental Quality Advisory Board.  
**Staff Contact(s):** Sharron Walker, City Auditor, 480-312-7867, [swalker@scottsdaleaz.gov](mailto:swalker@scottsdaleaz.gov)
- 5. Community Arts Trust Payment**  
**Request:** Adopt **Resolution No. 11335** authorizing payment from the adopted FY 2018/19 Special Programs Fund, Community Arts Trust operating budget to Scottsdale Arts in the amount of \$18,000 for the Scottsdale Philharmonic's Holiday Concert.  
**Location:** Scottsdale Center for the Performing Arts  
**Staff Contact(s):** Karen Churchard, Tourism and Events Director, 480-312-2890, [kchurchard@scottsdaleaz.gov](mailto:kchurchard@scottsdaleaz.gov)
- 6. SDB, Inc. v. City of Scottsdale**  
**Request:** Adopt **Resolution No. 11337** authorizing the filing of necessary claims, counterclaims, cross-claims, third-party claims or other actions in Maricopa County Superior Court, related to *SDB, Inc. v. City of Scottsdale*, Cause No. CV2018-012328.  
**Staff Contact(s):** Bruce Washburn, City Attorney, 480-312-2405, [bwashburn@scottsdaleaz.gov](mailto:bwashburn@scottsdaleaz.gov)
- 6A. Legal Services Contract**  
**Request:** Adopt **Resolution No. 11338** authorizing Contract No. 2018-203-COS with Ballard Spahr, LLP, in an amount not to exceed \$50,000, for the provision of legal services relating to the effect of Proposition 126 on the City and further authorizing the City to participate in court proceedings if necessary to establish its effect.  
**Staff Contact(s):** Bruce Washburn, City Attorney, 480-312-2405, [bwashburn@scottsdaleaz.gov](mailto:bwashburn@scottsdaleaz.gov)

#### **MOTION AND VOTE – CONSENT AGENDA**

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 6A, absent Item 2, which was moved to the Regular Agenda. Vice Mayor Phillips seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

#### **REGULAR AGENDA**

- 2. Airport Lease Agreements**  
**Request:** Adopt **Resolution No. 11307** to authorize the following agreements to terminate all previous lease agreements and replace them with a new consolidated lease agreement for a new fixed base operator at Scottsdale Airport:
  1. Lease Assignment, Assumption, Consent and Estoppel No. 2018-196-COS with Air Commerce Center L.L.C., Airport Properties, L.L.L.P., Airport Holdings, Inc., and Scottsdale Jet Center Real Estate, LLC.
  2. Lease Replacement Agreement No. 2018-197-COS with Scottsdale Jet Center Real Estate, LLC.
  3. Lease Agreement No. 2018-193-COS with Scottsdale Jet Center Real Estate, LLC.**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)

Scottsdale Jet Center Real Estate Managing Member John Marchman and Aviation Director Gary Mascaro gave PowerPoint (attached) presentations on the proposed airport lease agreements.

Mayor Lane opened public testimony.

The following spoke in opposition to the proposed lease agreements:

- Tom Dorn, Signature Flight Support
- Greg Gibson, Signature Flight Support
- Steven Gampp, Ross Aviation
- Andrew Swesky, ATP Flight School

The following spoke in support of the proposed lease agreements:

- Art Rosen, Scottsdale resident

Mayor Lane closed public testimony.

## **MOTION AND VOTE – ITEM 2**

Vice Mayor Phillips made a motion to adopt Resolution No. 11307, including amendments to Contract 2018-197-COS, pages 3 and 4, and Contract No. 2018-193-COS, page 4, and altering the effective date from December 11 to a date when a third agreement, Scottsdale Jet's Center purchase of the existing lease, closes. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmember Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

### **7. Rockbar Outdoor Dining Revocable License Agreement**

**Request:** Adopt **Resolution No. 11282** authorizing Agreement No. 2018-176-COS with JE Southwest Group Real Estate, LLC, and their tenant Rockbar, Inc., for an outdoor dining patio on City property.

**Location:** 4245 N. Craftsman Court

**Presenter(s):** Daniel Worth, Public Works Director

**Staff Contact(s):** Daniel Worth, Public Works Director, 480-312-5555,  
[dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

Public Works Director Dan Worth gave a PowerPoint presentation (attached) on the proposed outdoor license agreement.

Applicant Representative Court Rich gave a PowerPoint presentation (attached) on the proposed outdoor license agreement and provided rebuttal comments to public testimony.

Mayor Lane opened public testimony.

The following spoke in support of the outdoor license agreement:

- Hunter Young, University of Notre Dame Club of Phoenix
- Tim Bradshaw, Scottsdale resident
- Kevin Maxwell, Scottsdale resident

The following spoke in opposition to the outdoor license agreement:

- Sandra Schenkat, Scottsdale resident
- Frederika Ranucci, Scottsdale resident
- Sonnie Kirtley, Coalition of Greater Scottsdale (COGS)
- Steve Johnson, Scottsdale resident
- Phillip Carpenter, Arizonans Concerned About Smoking, Inc.

Mayor Lane closed public testimony.

### **MOTION AND VOTE – ITEM 7**

Councilwoman Milhaven made a motion to adopt Resolution No. 11282 authorizing Agreement No. 2018-176-COS with JE Southwest Group Real Estate, LLC, and their tenant Rockbar, Inc. Councilwoman Klapp seconded the motion, which carried 5/2, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, and Milhaven voting in the affirmative, and Councilmembers Littlefield and Smith dissenting.

#### **8. Desert Edge Project Termination**

**Request:** Adopt **Resolution No. 11339** directing the City Manager to terminate activities pertaining to the Desert Edge project.

**Presenter(s):** Jim Thompson, City Manager

**Staff Contact(s):** Jim Thompson, City Manager, 480-312-2800,  
[jthompson@scottsdaleaz.gov](mailto:jthompson@scottsdaleaz.gov)

City Manager Jim Thompson gave a presentation on the resolution to terminate the proposed Desert Edge Project.

### **MOTION NO. 1 AND VOTE – ITEM 8**

Councilmember Korte made a motion to adopt Resolution No. 11339 and add “or other similar projects, such as a nature education center, in the Preserve” to the end of Item “d” in the resolution. Mayor Lane seconded the motion, which carried 7/0, with Mayor Lane; Vice Mayor Phillips; and Councilmembers Klapp, Korte, Littlefield, Milhaven, and Smith voting in the affirmative.

### **ALTERNATE MOTION – ITEM 8**

Councilwoman Littlefield made an alternate motion to adopt Resolution No. 1139 and add provisions to:

- 1) Make no further payments of taxpayer’s funds to Contract No. 2015-234-COS with the Desert Discovery Scottsdale, Inc., and on Contract No. 2016-053-COS with Swaback Partners, PLLC;
- 2) The term Desert Edge as used in the resolution shall include any projects that involve building in the Preserve anything other than trails and trailheads; and
- 3) Any current listing of the Desert Discovery Center, aka Desert Edge, as a city capital project shall be terminated from the capital list.

The alternate motion was withdrawn.

**PUBLIC COMMENT – None**

## CITIZEN PETITIONS

### 9. Receipt of Citizen Petitions

**Request:** Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendaize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

**Staff Contact(s):** Carolyn Jagger, City Clerk, 480-312-2411, [cjagger@scottsdaleaz.gov](mailto:cjagger@scottsdaleaz.gov)

No action was taken on the citizen petition submitted by John Seipel asking for an additional entrance into the Preserve.

**MAYOR AND COUNCIL ITEMS** – None

## ADJOURNMENT

The Regular City Council Meeting adjourned at 7:33 P.M.

**SUBMITTED BY:**



Carolyn Jagger  
City Clerk

Officially approved by the City Council on


January 8, 2019

### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 11<sup>th</sup> day of December 2018.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 8<sup>th</sup> day of January 2019.

  
\_\_\_\_\_  
Carolyn Jagger, City Clerk

## Item 2



## Lease Rate Comparison

	Ross Aviation	Signature Flight Support	Scottsdale Jet Center
Lease Rate	\$0.33	\$0.37	\$0.38

Per square foot per year



## City Code Provision

- Upon recommendation of the **city manager or designee**, sell or exchange any real property or interest therein by resolution of the city council to any person who owns an interest in the same real property or who owns an interest in **adjoining real property**. Such sale or exchange shall require a determination by the city manager or designee that the **public benefit** will be served by uniting ownership of the city's real property or real property interest with the real property or real property interest of said person. Such determination may take into account, without limitation, the range of possible uses for the real property or interests, the proposed uses for the real property or interests by the proposed grantee, the size, configuration and other characteristics of the real property or interests, existing or proposed restrictions upon the development or use of the real property or interests, and the value of the real property or interests.

## Federal Requirements Applicable to FBOS

- Grant Assurance 22, Economic Nondiscrimination.
- Grant Assurance 23, Exclusive Rights
- Grant Assurance 24, Fee and Rental Structure
- FAA 5190.6B Airport Compliance Manual
- Advisory Circular (AC) 150-5190-7 Minimum Standards for Commercial Aeronautical Activities
- "The FAA has historically relied on market supply and demand to determine availability of commercial aeronautical services."



## Scottsdale Jet Center Partners

Herb  
Marchman

Ron  
Tarrson

Troy  
Padilla

John  
Marchman

- Over 35 years of demonstrated FBO development and operations success
- Founders and current operators of Jet Center at Santa Fe
- Founders and operators of Scottsdale AirCenter (now Signature)
  - Pilots and aircraft owners
  - Proven FBO success
  - Diverse aviation experience including:
    - FBO financing, development and operations
    - Aircraft maintenance and repair
    - Aircraft management and charter
    - Aircraft sales

## Qualified

- Many years of success in the FBO business has confirmed our belief in the necessity for "hands-on" independent operators who are more flexible and customer-centric than large chains.
- Our management team is qualified and empowered to make quick decisions without the tedious delays for approval encountered with a large corporate hierarchy.
- Successfully operated large and small FBO's across the country:
  - Denver, CO (KBJC)
  - Santa Fe, NM (KSAF)
  - Scottsdale, AZ (KSDL)
  - Teterboro, NJ (KTEB)
  - West Palm Beach, FL (KPBI)
  - White Plains, NY (KHPN)

## Successful

- Founders, owners and operators of Scottsdale AirCenter (now Signature)
  - Voted #3 FBO in the country in Aviation International News pilots survey in first year of operations
  - Continued to rank in Top 5 in U.S. in pilots surveys throughout our ownership
- Current owners and operators of Jet Center at Santa Fe
  - Opened in 2015
  - Compete with Signature Flight Support
  - Have brought rational pricing back to Santa Fe
  - Made the airport a friendly place to visit
  - Support small aviation owners and pilots
  - Now receive approximately 60% of arriving traffic

## Customer Demand

Many of our Santa Fe customers also frequent or live in Scottsdale. They have encouraged us to return to the Scottsdale Airport to:

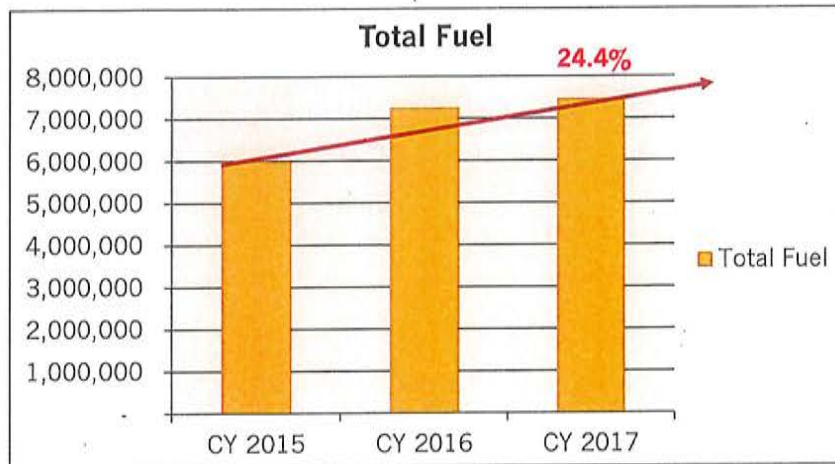
- Make Scottsdale Friendly again! -- Bring back personalized, friendly service.
- Value small aviation pilots and owners.
- Provide more hangar for large cabin aircraft.
- Offer more competitive fuel prices.



## Time is Right

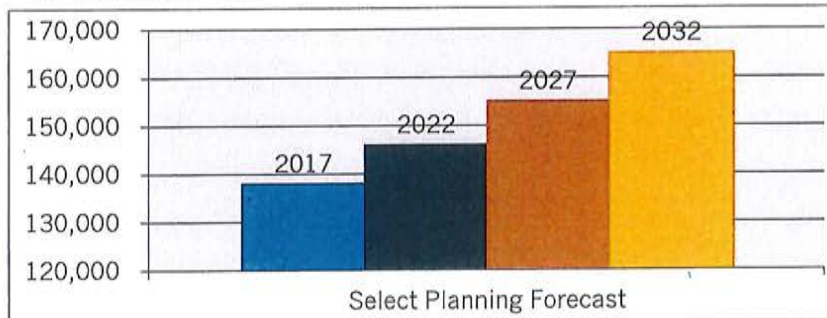
- Market conditions right to support 3<sup>rd</sup> FBO
  - Airport Jet fuel volume has grown by 24.4% over the previous 3 calendar years, now over 7 million gallons
- Customer demand from pilots and passengers
  - Better service offerings than existing "Big Box" operators
  - Friendlier environment for small aviation
  - Growing demand for hangar for large aircraft
  - Competitive fuel prices
- Acquired property leases to make project possible

## SDL On-Airport Fuel Growth



## Airport Operations

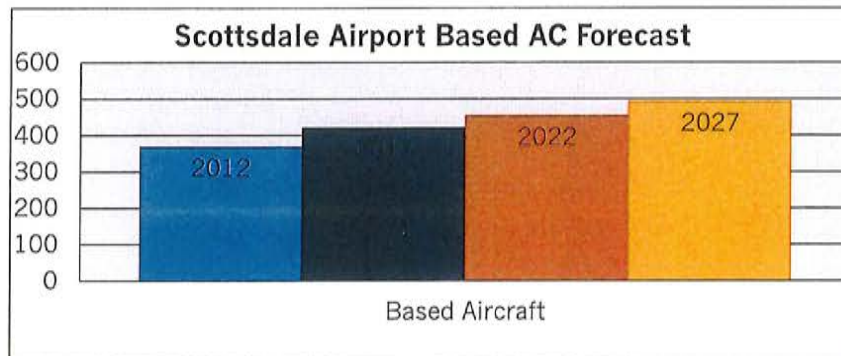
- Total Airport Operations are forecast to grow from 138,000 in 2017 to 165,000 in 2032
- An increase of 19%



Source: Scottsdale Airport Master Plan, Scottsdale Airport Preliminary Draft Environmental Assessment; Airport Records; FAA Aircraft Registration Database; Coffman Associates analysis

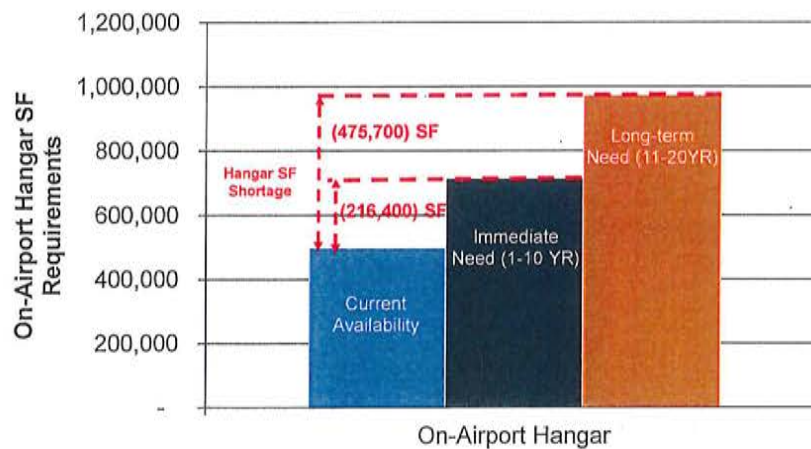
## SDL Based Aircraft

- Scottsdale Airport is projected to have 492 based aircraft by 2027
- A +33% increase over 2012



Source: Scottsdale Airport Master Plan, Scottsdale Airport Preliminary Draft Environmental Assessment; Airport Records; FAA Aircraft Registration Database; Coffman Associates analysis

## Hangar Demand Exceeds Supply



Source: Scottsdale Airport Master Plan

## Assignment of Leases

- We are requesting the City to approve assignment of existing leases from Murphy Ventures to Scottsdale Jet Center, LLC
  - Air Commerce Center
  - Greenway Hangars and Shades
- Addition of 2.8 acre airport property site of current City Hangars and Shades
- All leases are redrawn under modern lease structure which increases revenue to the City over existing lease rates
- SJC will pay higher ground rent than our competitors
  - SJC will pay current market rates as of 2018
  - Our competitors are paying lesser rates consistent with the renewal dates of their respective leases

## Construction Team

- Mead & Hunt – Architects & Engineers
  - David Mason
  - Kindall Shannon
    - Engineers of Record for City of Scottsdale Gemini Hangar Project and Airport Business Center
- W.E. O'Neil – Contractor
  - Scott Dombrowski
  - Stephen Nichols
    - Contractor of record of Scottsdale AirCenter and Cholla developments.

## Project Highlights

Scottsdale Jet Center proposes to build a third FBO at the Scottsdale Airport.

- Assignment of 2 existing leases combined with addition of 2.8 acre city parcel
- 14.1 Acres under lease
- 80,000 SF terminal/hangar/office development
- Built in 3 phases
- \$24 million investment

## Lease Locations

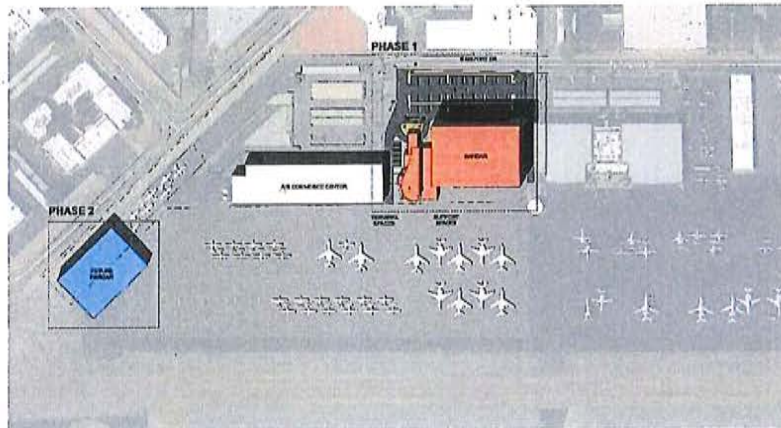




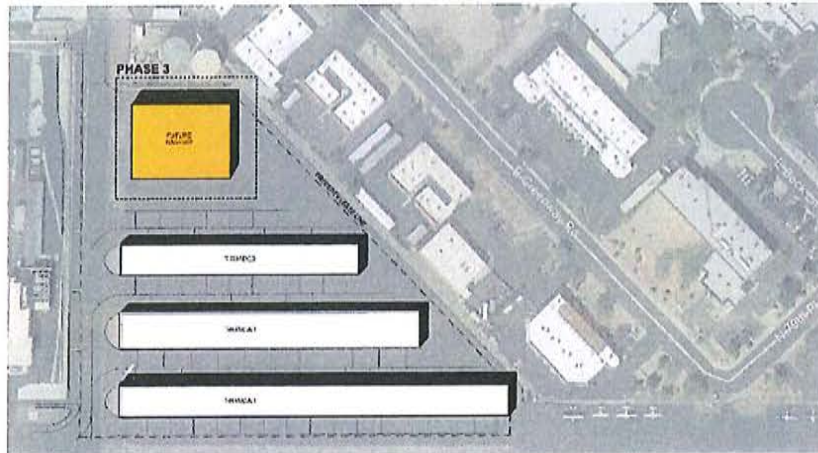
# Phase 1 Site Plan



# Phase 2 Site Plan



## Phase 3 Site Plan



## Phase 1 Concept - Airside



## Phase 1 Concept - Landside



## City Shade Transition

- Current City hangar/shade customers will be offered comparable locations at Greenway facility
- Greenway customers will not be forced out.
- City hangar/shade customers offered 12 month commitment to maintain current city pricing levels beginning May 1, 2019 (effectively 18 month's at current rates)
- The relocation process is expected to occur from February through July 2019.
- Greenway currently has 2 available hangars and 17 available shades, allowing us to relocate the majority of City customers if we were to begin today.
- Greenway hangar turn over averages 2-3 units per month – based on historical attrition for this time period, another 24 units would come available by the end of July, providing more than enough units to accommodate current City hangar/shade customers

## City Shade Transition

- Should we not have enough units to accommodate City hangar customers by the end of July, we will also make interim space available at Air Commerce Center (3 vacant units capable of housing 2 - 3 aircraft each).
- No construction will begin on project until customers who desire to be relocated are accommodated.
- Ground breaking for Phase 1 is targeted for August/September 2019

## 2015 Approved Master Plan



Source: Scottsdale Airport Master Plan

## Effect of Denial

- If the lease assignment to Scottsdale Jet Center is not approved and the properties revert to the city at the end of their current lease period, then the city will most likely put the sites out for RFP.
- As a publically funded airport, the Scottsdale Airport falls under the rules of the FAA grant assurances which mandates the RFP to be awarded based on the "highest and best use" of the property, generally meaning what will drive the most revenue for the airport.
- The City's adopted *Scottsdale Airport Master* plan shows that the Greenway hangar complex would be redeveloped to include three large conventional hangars and additional apron space for parking and staging – the "highest and best use" for the property - not the existing T- shades and T-hangars.
- Should this scenario take place, **ALL** of the T-shades and hangars on the Greenway lease would go away and the airport's small aircraft customers will be far worse off than under the Scottsdale Jet Center plan.

## FBO Jobs Created

Scottsdale Jet Center will create approximately \$920,000 in sustained annual payroll and benefits at the Scottsdale Airport

Area	Personnel
Line Services	15
Customer Service	5
Maintenance	4
Management	1
Total	25

## Economic Benefits to City

- Approximately \$920,000 incremental and sustainable salaries/benefits for 25 new fulltime FBO employees. The most recent Scottsdale Airport Economic Benefit Analysis indicates that each employee at the airport creates:
  - Primary Economic Benefits (or direct benefits) representing the initial injection of spending into the Scottsdale economy and direct job and income creation of \$228,593 per employee or \$5,174,800 from Scottsdale Jet Center's collective employment.
  - Secondary Economic Benefits or multiplier effects of approximately \$123,469 per employee or \$3,080,000 per year from Scottsdale Jet Center.
  - 5.8 Regional jobs supported per airport employee or 145 regional jobs supported from Scottsdale Jet Center employment.

## Economic Benefits to City

- The new FBO will be paying a higher ground rent than our competitors because our lease will utilize the most recent ground rental rate.
  - Ground rent paid by Scottsdale Jet Center will be \$157,396 per year, and will increase to \$236,928 per year in May 2022.
- In addition, we are required to pay all business permit fees such as percentage of gross hangar fees, overnight parking fees, based aircraft fees, and fuel flowage fees. We estimate that these fees collectively will be approximately \$225,000 per year.
- Increased competition will create downward pressure on fuel margins leading to higher fuel volume sales. For each gallon sold the City of Scottsdale is paid \$0.08.

## Economic Benefits to City

- Construction Benefits
  - 80-135 employees over a 14 month construction period
  - Primary Economic Benefits representing the initial injection spending and direct job and income creation of \$228,000 per employee or at least \$18,240,000 (2014 Scottsdale Airport Economic Benefit Analysis)
  - Approximately \$1.7M per month bill rate
  - GRT revenue of approximately \$396,000
  - City fees for design and review, permitting, etc.

## FBO Management

- Troy Padilla, Partner/General Manager – 32 years of aviation experience
  - Former GM of Scottsdale AirCenter
  - Former GM of Denver AirCenter
  - Former GM of Santa Fe AirCenter
  - Former Director of Maintenance Capital Aviation
  - Current General Manager Jet Center at Santa Fe
  - Current General Manager Aero Services

## What makes us successful.

- We take the time to understand the need of the aircraft operator, pilot or GA owner and tailor our services to their needs and preferences.
- No difference in size or mission of the aircraft, everyone is important to the Jet Center
- It's not just an FBO, we consider it "Your home away from home!"
  - How do you want it? and we will make it so...
- We really want to know YOU... please start by telling us what it is we can assist you with.

## Jet Center at Santa Fe

### Excellent Service from people you trust.

Sample comments from [https://www.airnav.com/airport/KSAF/JET\\_CENTER](https://www.airnav.com/airport/KSAF/JET_CENTER)

- From Bradley Smith 21-Oct-2018 - 5 Stars – "Could not have asked for a better experience at Santa Fe Jet Center! They do a fantastic job of making sure your aircraft is serviced properly and in a timely fashion. We stopped by unannounced flying a single engine piston and were ready to be on our way in under 10 minutes -- impressive! Smiling faces all around from the staff, plenty of snacks and drinks to be had, and lots of space to relax if you need it. No ramp fees for us, just the fuel at a reasonable price and on we went! We will certainly be back if the opportunity presents itself. One of the best FBO experiences I've had in both my personal and professional flying career. Almost made me forget I wasn't flying a jet that day!
- From Jerrod Seekler on 11-Sep-2018 -- 5 Stars -- "After reading through the comments on Airnav, I admit that I didn't think an FBO could be that good, but I was wrong. Jet Center of Santa Fe was fabulous -- even for a pro! In fact if I could rate it above 5 stars, I would. The entire staff was incredibly friendly and helpful. In summary, it is among the finest FBO's I've used in over 50 years of flying around the US."
- From Carl Marbach on 18-Aug-2018 -- 5 Stars -- "Go to Jet Center when you visit Santa Fe! This used to be an overpriced and underserviced place -- but no more. Troy and his staff are terrific because they try harder. Fair fuel prices and nice people makes this a great place again! Thanks to everyone!"
- From Pierre Melcher 7-Aug-2016 -- 5 Stars -- "These guys should open a school on how to run an FBO!! I've been in Citations, King Airs and little putt putts. I receive the same excellent service every time."



Thank You!

Item 7

## **Rockbar Outdoor Dining License**

City Council  
December 2018

### **Action**

Authorize Outdoor Dining License Agreement 2018-176-COS with JE Southwest Group Real Estate LLC and their tenant, Rockbar, Inc

- 419 sf licensed area
- Located in an alley east of Craftsman Court
- Replaces existing license, in place since 2004, expires January 2019
- Uses standard terms and pricing common to other licenses

**Location**



**Location**



## Food Service

- Adjacent business must be operated as a restaurant
- Requirements to meet restaurant definition:
  - Full service kitchen preparing (not just heating or warming) entrees for individual customers
  - Offers at least 10 entrees when kitchen is open
  - Kitchen is open at all times business is open, except may close 1 hour before business closes

## Food Service

- Requirement: Full service kitchen preparing (not just heating or warming) entrees for individual customers



## Food Service

- Requirement: Offers at least 10 entrees



## Other Licenses

- Key difference: Parking
- Upper Deck:
  - No cause termination, 30-day notice
- Dos Gringos:
  - Notice given for violations regarding unauthorized assignment, unauthorized use
  - Owner chose not to correct
  - Terminated for cause



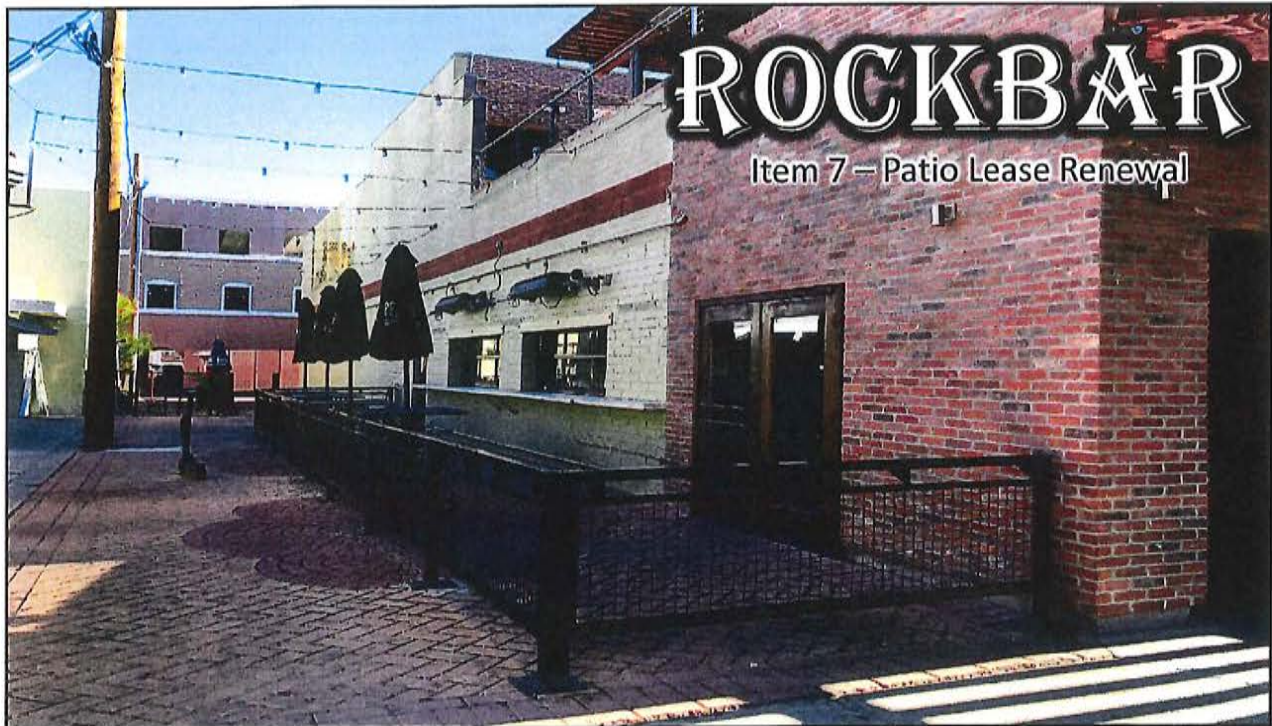
### **Valuation**

- Current license: \$3.07 per sf per year
- New license: \$7.41 per sf per year
  - Same rate as other licenses using standard terms approved in 2015
  - Market based: \$70 per sf valuation, payment of 10% of value per year, with CPI escalator
- Over 15 years, City receives \$111 per sf total, *and still owns the land*

### **Term**

- Fifteen year license
- Revocable; 30-day notice if revoked for no cause
- Recent history:
  - Code Enforcement: No violations in past 12 months
  - Police: No operational violations reported past 24 months

## **Questions and Comments**



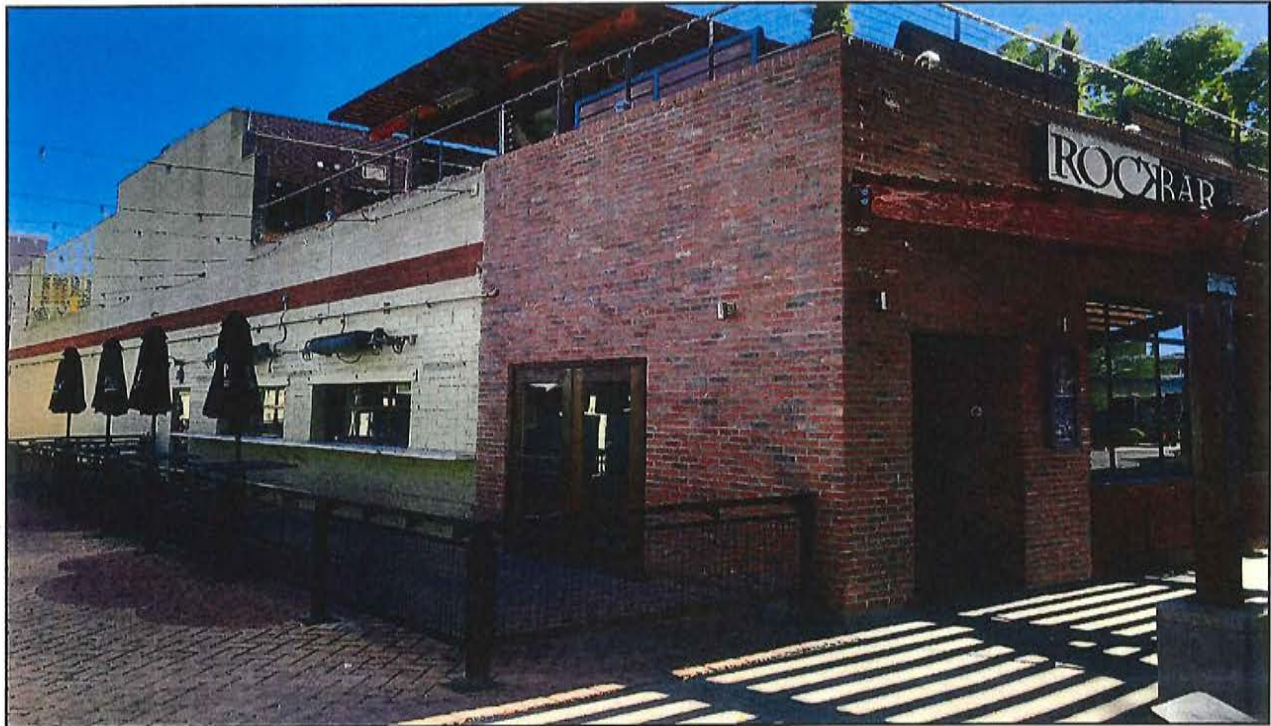
# ROCKBAR

- Liquor License in operation at this location since 1980
- Street has always been home to vibrant establishments  
(*Trader Vics in the 60s – Nick's Pier 7 – Stan Stones Deli*)
- Not a new use on this street

**NO VIOLATIONS!**

**GREAT OPERATOR!**





**Outdoor Patios and the 20 Foot Rule**

Outdoor patios are one of the seven exemptions of the Act and therefore smoking is allowed on outdoor patios. If an outdoor patio is less than 20 feet from any entrance, open window, or ventilation system of an establishment, smoking is still allowed, but only if the proprietor uses a method to prevent tobacco smoke from drifting into the building. Examples of methods include physical barriers, curtains, physical barriers, and other means. Please keep in mind that these are examples and not a requirement.

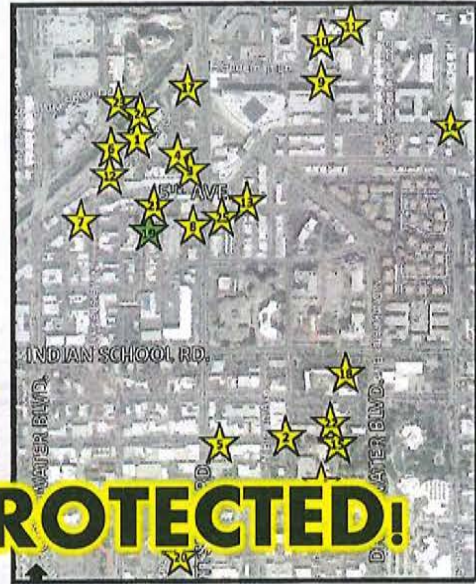
Arizona Department of Health Services

WWW.SMOKEFREEARIZONA.ORG



## -SUMMARY-

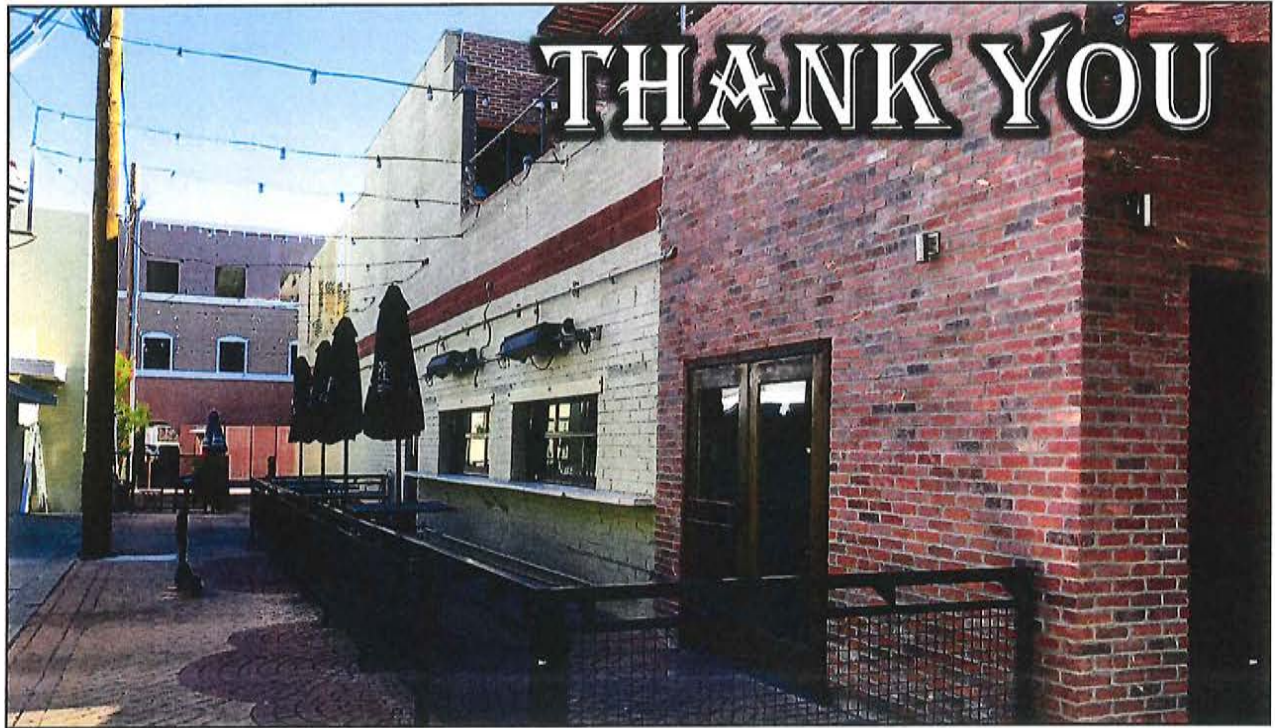
- 25 Patio leases in Downtown area
- There is no reason to single out Rockbar for any special or different treatment
- City is already protected in the ODLA  
Section 1.5: *"Either party shall have the unilateral right to terminate this Agreement for any reason whatsoever or for no reason at any time upon thirty (30) days notice."*



**CITY IS FULLY PROTECTED!**

## ROCKBAR

- **Well managed**
- **No Citations or calls for service**
- **Clean and maintained**
- **Vibrant and longstanding business**



PETITION

12/2/18

WE THE UNDERSIGNED WOULD LIKE AN  
ENTRANCE TO THE SCOTTISH GONDOLAN

PRESERVE ALONG FROM CAYCOLOTA DRIVE  
ON 136TH ST.

*[Signature]*

*[Signature]*

George Krasnik

*[Signature]*

Andy Valyi

Muzin

*[Signature]*

David Kish

*[Signature]*

Maurice Kester