



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

**AGENDA**

January 24, 2018 at 8:30 AM

Orlando Melbourne International Airport Board Room

**Pledge of Allegiance**

**Airport Announcements**

**Action Items**

Approval of the minutes of the combined November/December 2017 meeting in the Orlando Melbourne International Airport Board Room.

**Item A-1 Recommendation for Approval of the Sale of 15.53 Acres.**

Staff has been working closely with Group Apollo, the tenant of 800 North Apollo Boulevard, otherwise known as the Planet Fitness shopping center (former K-Mart plaza) as it is trying to attract new businesses to the corner of Apollo Boulevard and Sarno Road. The lease for this parcel was executed in 1975 and the airport began receiving rent in 1976. Based on the terms of this lease, rent will not reach Fair Market Value until the land is appraised in 2030, and even then, the percentage is lower than current airport land leases.

Concurrently, as part of the airport's most recent master plan review and update, it has been determined that this parcel does not and will not in the future serve any aeronautical operational purpose for the airport. Staff believes that it is in the best interest of the airport for the City of Melbourne, as owner of the property, to sell this parcel to the current tenant.

Location:	800-850 North Apollo Boulevard
Size:	15.53 acres
Lease Termination:	August 31, 2054
Current Rent:	\$52,307 per year (\$3,386.12 per acre per year)
Scheduled Rent Adjustments:	2018 - \$67,999 per year (\$4,378.56 per acre per year) 2028 - \$88,394 per year (\$5,694.82 per acre per year) 2030 – 9 percent of FMV
Appraisal 1 Value:	\$2,250,000
Appraisal 2 Value:	\$2,000,000
<b>Proposed Sale Price:</b>	<b>\$2,600,000</b>

The disparity between the proposed sale price versus the current and future rental rate supports the prudent business decision to sell. Additionally, staff has worked with the Federal Aviation Administration and has obtained permission to release this land, as well as collaborating with the City Attorney to frame the purchase agreement.

Staff recommends the approval of the sale of 15.53 acres, subject to inclusion of utility easements, final approval from Melbourne City Council and authorization for the Executive Director to execute all necessary documents to effect the sale and transfer.

**Item A-2 Recommendation for Approval for the Sale of 2.5 Acres.**

This 2.5 acre parcel is part of a 6 acre parcel that sits between NASA Boulevard and Old NASA Boulevard. Because of its proximity to the Runway Protection Zone (RPZ), development is limited with regard to this parcel. Staff was

approached by a local developer that wants to use the 2.5 acre portion for water retention, which would be a compatible use for this property.

Location:	No address assigned. Between NASA Boulevard and Old NASA Boulevard. Parcel ID: 27-37-31-00-10
Size:	2.5 acres
Appraisal 1 Value:	\$980,000
Appraisal 2 Value:	\$615,000
Appraisal 3 Value:	\$815,000
<b>Proposed Sale Price:</b>	<b>\$815,000</b>

Airport staff has worked with the Federal Aviation Administration and has obtained permission to release this land, while ensuring that the remaining portion of the parcel would not be subject to development due to its location near the RPZ. Additionally, staff and airport's counsel has collaborated with the City Attorney to frame the purchase agreement.

Staff recommends the approval of the sale of 2.5 acres, subject to inclusion of utility easements, final approval from Melbourne City Council and authorization for the Executive Director to execute all necessary documents to effect the sale and transfer.

**Item A-3 Recommendation for Provisional Approval of Transfer of Two (2) Parcels of Property related to Ellis Road Extension Project.**

The Airport, the City of Melbourne and the Florida Department of Transportation (FDOT) are moving forward with the project that will eventually extend Ellis Road to Interstate 95 and culminate with the creation of an exit off I-95 and onto that Ellis Road extension. Airport staff has long believed a direct route from I-95 to the airport via Ellis Road will have a positive impact on the airport and its passengers.

In 2006, the airport and the City of Melbourne each paid half of the purchase price for a parcel of property (Parcel I.D. No. 27-36-34-00-3) located west of the Ellis Road/John Rhodes Blvd. intersection with the intention to transfer the property to FDOT for the Ellis Road Extension Project.

In May of 2017, FDOT notified the City of Melbourne that it was planning to proceed with the Ellis Road Interchange Project and began to explore with the city the requirements of this project including the transfer of the subject parcel. In addition, the FDOT inquired about a portion of a second adjoining parcel (Parcel I.D. No. 27-36-26-00-505) that FDOT may need to construct the road. The second parcel contains an FAA radio transmitter that the FAA has indicated in the past may be decommissioned. Given that all parties involved very much want to move forward with the project, airport staff does not believe the presence of the radio transmitter on the second parcel will hinder the Ellis Road Interchange Project. All parties understand that the transmitter will remain in place until decommissioned by the FAA.

Airport counsel has reached out to the FAA to confirm its approval in 2006 at the time of purchase, and the FAA is currently reviewing its records to determine whether it provided sufficient approval at that time.

Airport staff is confident FAA approval will ultimately be obtained, particularly since the parcels involved are not contiguous with airport property and not needed or likely to be needed in the future for aviation-related activity. In addition, the economic and organizational benefits of an easier route from I-95 to the airport further support release of the parcels for transfer to FDOT. Airport staff is finalizing a second submission to confirm FAA approval.

Accordingly, staff recommends provisional approval of the transfer of the two above-identified parcels (Parcel I.D. Nos. 27-36-34-00-3 and 27-36-26-00-505) or the portions thereof requested by FDOT, subject to the Melbourne City Council approval, and authorization for the Executive Director to forward this matter on to the City of Melbourne for

its approval and, if approved, execution of documentation necessary to effect the transfer. The “provisional” nature of the approval is only because the recommended transfer is subject to ultimate FAA approval and release, and once the FAA’s approval and release is verified, the transfer shall no longer be provisional.

#### **Item A-4 Recommendation to Adopt Airport Travel Policy**

Staff has prepared a written Travel Policy to apply to Airport-related travel that is consistent with the travel policy enumerated in section 2-484, City of Melbourne Code of Ordinances in order to specifically address the types and nature of travel that are largely unique to Airport staff and employees working at the Airport. The adoption of this Airport Travel Policy was tabled at the last meeting with instruction to Airport counsel to meet with counsel for the City of Melbourne to discuss objections to the Melbourne Airport Authority’s adoption of the proposed Airport Travel Policy, which has been accomplished but has resulted in an impasse.

It is the position of Airport counsel that under either section 166.021(9)(b) or section 112.061(14)(a)(4), Florida Statutes, the Melbourne Airport Authority may adopt a travel policy as long as it is consistent with the section 2-484, City of Melbourne Code of Ordinances, which is required by that Code. Further, the autonomy granted the Airport Executive Director under section 2-484, City of Melbourne Code of Ordinances, is identical to that of the City Manager as it pertains to Airport-related travel. Because of the disparity between the usual nature and type of travel for airport-related matters versus other City non-airport related travel, Airport staff recommends the adoption of the proposed Airport Travel Policy to provide clarity and direction regarding Airport-related travel.

#### **Discussion Items**

**Item D-1 Investment Update**

**Item D-2 Cost Allocation Plan**

#### **Information Items**

**Item I-1 Financial Update**

**Item I-2 Operations Update**

**Item I-3 Construction Projects Update**

**Item I-4 ATCT Construction Project Update**

**Item I-5 Business Development Update**

#### **Public Speakers**

*Pursuant to 286.0105, Florida Statutes, the Airport hereby advises the public that if a person decides to appeal any decision made by the Airport Authority with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Airport (723-6227) at least 48 hours prior to the meeting.*