



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

February 28, 2018 at 8:30 AM

Orlando Melbourne International Airport Board Room

Pledge of Allegiance

Airport Announcements

Action Items

Approval of the minutes of the January 24, 2018 meeting in the Orlando Melbourne International Airport Board Room.

Item A-1 Recommendation for Approval for the Fourth Amendment to Lease with Embraer Aircraft Holding, Inc.

This amendment is for the lease of General Aviation Drive as contemplated in the Third Amendment, as well as for the lease of an additional parcel (together comprising the “Entryway Property”) allowing Embraer to secure its campus. A welcome center will be built off Apollo Boulevard on General Aviation Drive along with a guard shack at the intersection of General Aviation Drive and St. Michaels Place. Of the total 15.23 acres, the additional 4.69 acre parcel will be used for queueing cars and future construction of a warehouse.

The salient points of the amendment are as follows:

Acreage: Approximately 15.23 acres.

Amendment Term: The term of the amendment is for the remaining term of the original Embraer Lease that has a termination date of December 31, 2039. There are also four option periods of five years each to extend the lease.

Base Rate: The initial base rent for the Entryway Property will be based on the current Embraer lease rate of \$0.27 per square foot, or \$179,123.07 per year. Rent for this property will be waived from the commencement date of the fourth amendment through the construction period, which shall be no longer than June 30, 2019.

Rent will be reduced by 50 percent for a period of one year after the termination of the construction period. Embraer will then pay 100 percent of the rent for the remainder of the term.

Total rent over the course of the base term will be \$3,224,215.10, taking into consideration the abatements, but does not include scheduled rent adjustments.

Rent Adjustments: Rent for the Entryway Property will be adjusted in accordance with the lease.

CPI adjustments will occur on January 1, 2020, January 1, 2025, and January 1, 2030 with a minimum of 10 percent and maximum of 25 percent for each five-year period. An appraisal will be completed on January 1, 2035. If Embraer exercises any option periods, the rent will be adjusted once again by CPI.

Option Property: The option term for Embraer's Option Parcels will be extended to two years from the commencement date of this amendment with the exception of parcel 3C, which will be extended for five years.

The two years actually represent only a five-month increase over the current option period as extended by the third amendment.

Staff recommends approval of the Fourth Amendment to Lease with Embraer Aircraft Holding, Inc., and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Item A-2 Recommendation to approve a purchase order with AVCON, Inc., under its continuing services contract, for the design and installation of a new rotating beacon and the demolition and removal of the existing beacon in an amount not to exceed \$75,170.

The current beacon, located on the north side of the airport, was damaged during the last hurricane and is not currently operational. The beacon, circa 1950, only had one company that could do the repairs and they are no longer in business. Repair costs of the existing beacon are unknown at this time and could not be ascertained until the beacon is removed from its support tower. Due to the weight and size, two cranes are needed: one for lifting and the other for a man-basket with maintenance personnel. A flatbed would also be required to remove the beacon and find a repair company to assess it.

With the advancement of technology, a new and more powerful beacon, which is much smaller than the existing, could be purchased and installed. In discussions with the design engineer, it was suggested to place the new beacon on top of the new air traffic control tower. This would raise the height of the beacon to be more visible from the airport. Second, it would offer easier access for maintenance, using the tower elevator and stairs for access in lieu of having to rent a crane each time the beacon needs servicing.

This proposal includes the design and engineering required for a new beacon and the installation. Also included is the removal of the old beacon and tower. With the old beacon, there is the potential to sell the parts that other airports may need, including the glass lens.

Staff recommends approval of the purchase order to AVCON, Inc. in an amount not to exceed \$75,170, and authorization for the Executive Director to execute a purchase order on behalf of the Authority.

Item A-3 Recommendation to approve a contract with Artemis IT for complete Professional Information Technology Services.

In August 2017 the Airport's Information Technology Manager retired. The Airport engaged Artemis IT on an emergency basis to ensure IT operations continued with little or no disruption. Artemis was tasked with addressing concerns and deficiencies that had become known with aged and outdated critical infrastructure. Airport staff and Artemis are currently working together to develop a strategy to strengthen the IT infrastructure foundation for the Airport. Artemis is providing ongoing IT consulting services on key airport construction projects including: Air Traffic Control Tower, Fuel Farm Improvements and Terminal Transformation Project.

Staff intends to develop an IT management plan within 10 to 12 months that will include a competitive Request for Proposal to seek a long-term Information Technology support company. Until such time, staff has requested Artemis IT to provide a 12-month complete Professional Information Technology Services Agreement. Artemis proposes to provide 24-hour support for IT services to the airport to include management of all hardware and software. Also, Artemis will provide a full-time onsite IT technician to the airport. Staff recommends approval of a contract with Artemis IT for 12 months for complete Professional Information Technology Services in the amount of \$8,500 per month. In addition, staff proposes to budget \$1,000 per month for the purchase of software and hardware that has reached its useful life and is not covered under this agreement.

Staff recommends approval of a contract with Artemis IT and authorization for the Executive Director to execute said contract on behalf of the authority.

Item A-4 Recommendation to Award the Tropical Haven Road and Drainage Repairs to the lowest responsive qualified bidder, Masci General Contractor, Inc. from Port Orange, Florida in the amount of \$89,895.

Sections of the roads at Tropical Haven have been deteriorating over time. Since the last hurricane, these sections of roads have deteriorated even more. Repairs to both the roads and the drainage systems in several locations are needed immediately. A design for the repairs was completed and the project was bid. Only four firms requested bid packages and only two firms submitted bids. The low bid amount of \$89,895 was low by \$34,114 or 27 percent. The lowest responsive qualified bidder was Masci General Contractor, Inc. from Port Orange, Florida.

Along with the cost of construction, engineering and miscellaneous costs have been included below for a total cost of the project of \$108,475. The budget for this project is \$257,000, when completed; all savings will be transferred to Project Savings.

Staff recommends approval of the contract to Masci General Contractor, Inc. from Port Orange, Florida in the amount of \$89,895 and authorization for the Executive Director to execute this contract on behalf of the Authority.

Item A-5 Budget Resolution 1-18 Amending Fiscal Year 2017-18 Operating and Capital Projects Budgets Resolution 12-17.

Staff recommends approval of Resolution 1-18 for the proposed operating and capital budget adjustment that will be forwarded to city council for adoption after board approval.

Discussion Items

Item D-1 Proposed City Council Workshop on Airport Operations

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.