



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

March 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 February 28, 2018 meeting in the Orlando Melbourne International Airport Board Room.

Item A-1 Recommendation to approve a five-year extension to the Master Consulting Agreement with Airport Engineering Company (AEC).

In April of 2013, the board approved the Master Consultant Agreement with Airport Engineering Company (AEC) that was executed in June 2013. The agreement was for five years, which at that time could be terminated or extended. AEC has been providing work at MLB for almost thirty years. With the recent Board approval of the Continuing Consultants Agreements, AEC has been in more of a support and peer review mode. AEC's depth of knowledge of the airport is invaluable and staff continues to consult with AEC on many airport and tenant related issues.

Staff recommends approval of the contract extension to Airport Engineering Company and authorization for the Executive Director to execute said contract extension on behalf of the Authority.

Item A-2 Recommendation to approve the disbursement of \$1,000,000 to Embraer from the Project Summit Overrun Escrow Account

Pursuant to the Construction Management Agreement with the Austin Company for construction of Project Summit, the Airport's auditors have preliminarily finalized their audit of construction costs. Due to delays in timely information from Austin, the final completion of the audit has been delayed. Airport staff has reconciled the project and believe there are no additional project expenses forthcoming other than remaining audit fees.

The Airport has received Austin's final pay application in the amount of \$736,276.30. Assuming the final audit supports payment of this amount, the Airport has funds remaining in the project account necessary to fund final payment.

Pursuant to the Third Amendment to Lease between MAA and Embraer, an escrow account was established to cover any project cost overruns. Approximately \$1,045,000 remains in the cost overrun escrow account.

The Third Amendment to Lease and Cost Overrun Escrow Agreement currently provide that “at the time when all Construction Costs of the Summit Improvement shall have been paid, Authority shall direct the Overrun Escrow Agent to return to Tenant any excess monies remaining in the overrun escrow fund.”

Last quarter, in anticipation that the audit would be timely concluded, Airport staff anticipated releasing all excess escrow funds to Embraer by the end of the first quarter, 2018. In light of continuing the ongoing relationship the Airport enjoys with Embraer and to meet this expected date, Airport staff is requesting approval to release \$1,000,000 from escrow to Embraer. This would leave approximately \$45,000 in escrow to be released only after completion of the audit and payment of any remaining costs, escrow or audit fees.

Staff is confident that retaining approximately \$45,000 in the escrow account will fully protect the Airport Authority and that any further costs to be paid out of escrow will be easily covered by the remaining funds.

To release this \$1,000,000, the following steps must be taken:

1. Board authorization to release these funds;
2. Consent by Embraer to release of said funds, such release do not constitute any waiver of the Airport’s rights to enforce the terms of the Third Amendment to Lease; and
3. Consent by the Airport, Embraer, and escrow agent to release these monies, including an amendment to the overrun escrow agreement to authorize release of said funds.

Staff recommends approval of the disbursement of \$1,000,000 to Embraer from the Project Summit Overrun Escrow Account, and authorization for the Executive Director to execute any necessary documents.

Discussion Items

Item D-1 Chris Dawson, GrayRobinson - Legislative Update.

Item D-2 Passenger Facility Charge (PFC) Application Number PFC-08.

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.