



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA

April 26, 2017 at 8:30 AM

Orlando Melbourne International Airport Board Room

Pledge of Allegiance

Airport Announcements

Action Items

Approval of the minutes of the March 22, 2017 meeting in the Orlando Melbourne International Airport Board Room.

Item A-1 Recommendation to Award Master Concession Agreement to Metz Culinary Management.

On March 3, 2017, the Airport received responses from Metz Culinary Management and Tailwind to a Request for Proposal for a Master Concessionaire to operate and manage the Airport's food/beverage and retail operations. After a thorough review of the proposals and having both respondents provide a formal presentation to our selection committee, Metz Culinary Management was chosen for its existing relationships with well-known restaurant brands, its existing local presence, and its competitive financial proposal.

Metz has received numerous awards and recognition for its franchising capabilities as well as its ability to provide a superior customer experience, such as:

- TGI Friday's Franchise of the Year 2011 & 2016
- Top 5 Highest Volume Ruth's Chris Steak House Franchise 2015
- *Food Management Magazine's* Top 50 Food Contract Management Companies

Metz is currently the Master Concessionaire at Wilkes-Barre/Scranton International Airport (AVP) and has received high praise from AVP's Director of Aviation for its creativity, quality of food, and customer service. Additionally, it is responsible for the management and operations of food services at Florida A & M University and New College of Florida. In addition to its experience with food and retail management, Metz also has the ability to operate and manage a restaurant franchise on airport property outside of the terminal, which greatly enhances our appeal as a destination location.

The airport has averaged approximately \$23,511 annually in net revenues over the past five years from food/beverage and retail sales. If approved, the agreement with Metz will ensure the following terms:

- Five (5) year initial term with one, five (5) year option to extend
- Minimum Annual Guarantee (MAG) = \$70,000 (year one = \$80,000)
- Operational start date of July 1, 2017

METZ AGREEMENT		
ITEM	\$0 - \$1,250,000	\$1,250,000 +
Food	10%	12%
Non-Alcoholic	10%	12%
Alcohol	13%	15%
Retail	10%	12%
Duty Free	10%	12%
Vending	1%	2%
MAG	\$70,000	
Initial Capital Inv.	\$150,000	
Mid-Term Capital Inv.	\$250,000	

Staff recommends approval of the award of the Master Concessionaire Agreement to Metz Culinary Management and authorization for the Executive Director to sign said agreement on behalf of the Authority.

Item A-2 Recommendation to Enter into an Agreement with Harris Corporation for a Two-Year Program called the Symphony Suite Pilot and Showcase Site at MLB.

This proposal is an opportunity for the Airport and Harris Corporation to partner and test new security and airport operations technology at MLB.

This pilot program will allow the deployment and integration of the “Harris Symphony” solutions suite that will support MLB’s strategic plan for growth and expansion by providing MLB with the latest advancements in NextGen technologies for surface and terminal area surveillance, airfield security and vehicle tracking, as well as the software and data tools to optimize airport operations.

Harris will deploy two (2) Symphony Airfield Radar Systems (ARS) for testing, development, and integration at MLB. The ARS provides state-of-the-art radar and video protection for the entire airfield, not just the perimeter. The ARS covers up to a mile in every direction and will improve the situational awareness and effectiveness of airport security and operations personnel.

In addition, Harris will provide equipment and software to track vehicles operating on the airfield. Transponders and displays will be installed in 10 airport vehicles to improve situational awareness and overall safety. Displays and software will be installed in key locations such as the Airport Operations Office, Airport Police Department, and the Air Traffic Control Tower. The movement of aircraft in the air and on the ground, as well as vehicle movements, will be tracked accurately from these locations.

The airport will provide access to Harris personnel to install, test, and activate the systems. Harris personnel will provide all the needed training and guidance to MLB staff to fully utilize the technology for the duration of the program.

The ability to integrate, utilize, and demonstrate these applications at MLB may provide both Harris and the Airport significant benefits toward the implementation of a NextGen integrated airport solution that may support MLB's future growth objectives.

The total cost for the Harris Symphony Security and Operations solutions is valued at \$909,900. Harris has agreed to waive \$728,000 over the two-year term. As a result, the airport would be responsible for the remaining \$181,900 over two years. This item will be included in the proposed FY17/18 and FY18/19 annual budgets.

Prior to the end of the two-year term, the pilot program will be evaluated by both parties. At that time, negotiations may take place to extend or modify the program. However, there is no obligation by either party to continue beyond two years.

Staff recommends approval to enter into a two-year agreement with Harris Corporation in the amount of \$181,900 for the proposed Symphony Suite Pilot and Showcase Site at MLB and authorization for the Executive Director to execute said agreement.

Item A-3 Recommendation for Approval of Resolution No. 5-17 accepting Federal Aviation Administration (FAA) Airport Improvement Program Grant for the Design and Construction of Mill and Overlay Runway 9R-27L and Runway Lights Project.

The last runway rehabilitation was completed 18 years ago in 1999. The runway pavement and runway markings are rated in POOR condition. The latest pavement evaluation from the Florida Department of Transportation (FDOT) Statewide Pavement Evaluation report for Orlando Melbourne International Airport 2015 indicates a Pavement Condition Index (PCI) in the range of 58. The state report suggests a minimum value of 75 for runways with a critical value of 65. If the milling and resurfacing is postponed, the condition of the runway surface will deteriorate rapidly and the repair method would become more elaborate and more costly.

The existing lighting systems on taxiways connecting to Runway 9R-27L range in age from 16 to 30+ years. The majority of the existing Runway 9R-27L lighting system components were installed during the last runway rehabilitation project in 1998-1999 and are now 17 to 18 years old; however most of the edge lighting fixtures and guidance signs were existing fixtures that were re-used rather than replaced in the 1998-99 project, and are therefore many years older. Due in large part to the highly corrosive salt-air environment, all of the lighting fixtures are at or beyond their useful life, except for the Runway9R threshold light bar which was replaced by the FAA in 2016. It is difficult or impossible to find replacement parts for these old fixtures, or even to take some of them apart due to the severity of the corrosion. Airfield lighting replacement includes the runway edge and centerline lights, TDZ lights, airfield guide signs, and distance remaining signs. New taxiway edge light fixtures will be installed on the portions of taxiway pavement that will be impacted. The project elements are shown in the approved Airport Master Plan Capital Improvements Program.

At the January 25, 2017 Melbourne Airport Authority Board Meeting, the Authority approved a contract with AVCON, Inc. for the professional engineering services for the design of runway project in an amount not to exceed \$1,200,000. Subsequently, the contract was executed in the amount \$946,220.

**Mill and Overlay Runway 9R-27L & Runway Lighting
Project 50517**

Funding

FAA		\$ 16,777,278
FDOT		884,760
MAA		979,382
Total		<u>\$ 18,641,420</u>

Project Costs

Engineering		
Avcon Engineering		
Contract - Design	\$ 946,220	
Construction Administration & Resident Observation	600,000	
Quality Assurance	50,000	
Miscellaneous	128,000	
Subtotal - Engineering		1,724,220
Estimated Construction		
Runway	12,800,000	
Lighting	3,200,000	
Subtotal - Construction		16,000,000
Misc.		
Geotechnical / Materials Testing	50,000	
Legal Ads	2,000	
Independent Inspector	45,000	
Subtotal - Misc.		97,000
Owner Costs		
Reproduction of documents	5,000	
Administration / Quality Assurance	5,200	
Permit fees, gopher tortoise relocation	30,000	
Subtotal - Owner costs		40,200
Contingency		<u>780,000</u>
Project Total		<u>\$ 18,641,420</u>

This project was included in the five year capital plan for fiscal year 2017/18. However, due to the condition of the pavement, the project has been moved forward to fiscal year 2016/17. In order to secure the funding for this year, the project must be designed and bid with known construction costs by June. FAA has requested the Airport have prior Authority authorization to accept the grant in the amount not to exceed \$16,777,278, and proof of funding for this project in place to allow the grant to be accepted as soon as the FAA is able to fund in the current Federal fiscal year which ends September 30, 2017.

Total funding for the proposed project based on 30 percent design is \$18,641,420. FDOT has not agreed to participate with the design portion of the project due to unavailability of funds.

Below is an analysis for the contributions.

Agency	Project Total	Design Costs		Agency Contribution	Percentage
		Adjustment	Agency Basis		
FAA	\$ 18,641,420		\$ 18,641,420	\$ 16,777,278	90.00%
FDOT	18,641,420	(946,220)	17,695,200	884,760	4.75%
MAA	18,641,420	946,220	19,587,640	979,382	5.25%
Total Contribution				<u>\$ 18,641,420</u>	<u>100.00%</u>

Staff recommends approval of Resolution No. 5-17 in the amount not to exceed \$16,777,278 and authorization for the Chairman to execute the grant agreement on behalf of the Authority.

Item A-4 Recommendation for Approval of Resolution No. 6-17 accepting Florida Department of Transportation (FDOT) Joint Participation agreement for the Construction of Mill and Overlay Runway 9R-27L and Runway Lights Project.

The funding for this project is discussed in Item A-3. The proposed funding from FDOT, based on 30 percent design, is \$884,760.

Staff recommends approval of Resolution No. 6-17 in the amount not to exceed \$884,760 and authorization for the Chairman to execute the Joint Participation Agreement on behalf of the Authority.

Item A-5 Recommendation for Approval to increase the GMP to Ivey's Construction for the Federal Inspection Station Project to \$5,751,495.

The Board approved the Construction Management at Risk Project for the Federal Inspection Station (FIS) to Ivey's Construction in the amount of \$4,630,478.33. This was based on 70 percent drawings and due diligence by Ivey's Construction for Value Engineering provided at that time while Staff waited on final approval of the grant from FAA. The FAA grant for this portion of the work was awarded in the amount of \$4,209,047. With FDOT and MAA's portion of the costs, the total amount available for the project was \$6,222,995. Total design costs for the project, including construction administration, was \$471,500 leaving a construction balance of \$5,751,495. Funds received from FAA covers 90 percent of the work with FDOT participating at 5 percent. Additional work beyond the FIS for the Terminal Transformation could be incorporated into Ivey's contract at this time as the scope of work is similar. This allows MAA to do additional work with FAA funds being reimbursed at the 90 percent rate. The next phase of transformation will be funded by FDOT where the reimbursement is only 50 percent. In lieu of returning unused grant funds, Staff has increased the scope of work for Ivey's Construction with no additional general conditions to use the remaining grants funds from FAA, reimbursed at the 90 percent rate, to continue with work on the Terminal Transformation Project. This addition scope of work increases Ivey's GMP contract by \$1,024,504.

Staff recommends approval of the increase to Ivey's Construction's GMP contract to \$5,751,495 and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Item A-6 Recommendation for Approval of a Memorandum of Agreement to Reimburse U.S. Customs and Border Protection (CBP).

U.S. Customs and Border Protection (CBP) has specific equipment requirements for the operation and security of the Federal Inspection Station (FIS). MLB agrees to reimburse CBP for all ADP LAN, Data, IT, Voice and TacComm Systems and equipment and connectivity costs, including equipment ordering, installation, maintenance, and recurring costs relative to standing-up and maintaining continuous CBP operations at the Airport's (FIS). Upon receipt and installation of all equipment, the Airport will be invoiced for the actual ADP LAN, Data, and IT equipment costs not to exceed \$273,204. This amount will be included in the second phase of the FIS upgrade and does not require a budget adjustment. Additionally, CBP will invoice the airport \$6,300 in recurring network and connectivity charges. These amounts will be included in the annual operating budget.

Staff recommends approval of the Memorandum of Agreement to Reimburse U.S. Customs and Border Protection in an amount not to exceed \$273,204 and authorization for the Executive Director to execute said Memorandum of Agreement on behalf of the Authority.

Item A-7 Recommendation to Approve Resolution No. 7-17 Fiscal Year 2017 Operating and Capital Budget Adjustments.

A copy of the Executive Director's memorandum detailing the proposed budget adjustment for fiscal year 2017 is attached for review and consideration. Also attached is a copy of Resolution No. 7-17 recommending the proposed budget adjustment that will be forwarded to the City Council for adoption after Board approval.

Staff recommends approval of Resolution 7-17 for the proposed operating budget adjustment that will be forwarded to the City Council for adoption after Board approval.

Discussion Items**Item D-1 Melbourne City Staff Business Development Opportunities.**

The Honorable Tim Thomas would like to discuss further collaboration between MAA Board and City of Melbourne, City Council on business development opportunities; how both entities help market the successes of downtown Melbourne and the Orlando Melbourne International Airport, and discuss how to promote business endeavors beneficial to both.

Item D-2 Intergovernmental Conflict Resolution with Greater Orlando Aviation Authority (GOAA).

Airport Attorney and Staff will brief the Board of a recent mediation meeting and steps forward regarding GOAA's complaint regarding airport branding/marketing practices.

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.