

MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for April 7, 2021 Special Board Meeting
Airport Board Room

In attendance: Mr. Jack L. Ryals, Chairman
Mr. William C. Potter, Vice Chairman
The Honorable Debbie Thomas, Councilmember
The Honorable Tim Thomas Councilmember
Mr. Michael Fischer, Member
Mr. Scott Mikuen, Member
Mr. Adam Bird, Airport Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Mr. Mark Busalacchi, Director of Business Development
Mr. Cliff Graham, C.M., Director of Operations and Maintenance
Ms. Melissa Naughton, C.M., Assistant Director of Business Development
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration
Mr. David Perley, A.I.C., Director of Capital Improvements

Not in attendance: Mr. Paul Alfrey, Mayor

Pledge of Allegiance

Action Items

Item A-1 Recommendation for Approval of the Sale of up to ±15.32 Acres.

Mr. Donovan thanked the Board for attending this special meeting on short notice. This meeting has a timing element for the City. He continued to explain that the City staff and Airport staff have been working on obtaining a location for the new city police department headquarters. The ideal property location has been determined to be at the corner of NASA Boulevard and Dr. Martin Luther King Jr. Boulevard. There will be further development of airport property along NASA Boulevard and Dr. Martin Luther King Jr. Boulevard and having a police headquarters in this area is a very positive reinforcement for businesses that are looking to develop here.

What is before the Board today is sale of 14.03 acres of property to the City of Melbourne to build a centralized police headquarters building. The City Manager, Shannon Lewis, Chief Gillespie, and the new City Engineer, David Wilkinson are here today for any questions the Board may have.

Airport and City staff have worked through the process and had two appraisals conducted. There is an existing stormwater treatment pond on the property that is believed to capture outfall from a dry retention pond that serves the adjacent property leased by another airport tenant. Airport and City staff have been working with the St. Johns River Water Management District (SJRWMD) to determine if the stormwater treatment pond can be abandoned and the outflow piped to another existing pond. If abandonment is possible, the City would then purchase the adjacent 1.29-acre parcel for the agreed-upon price of \$307,978.31. If that is not possible or if it is not approved by SJRWMD, the existing pond will be relocated onto the 1.29 acres and remain Airport property with the relocation cost of \$119,600 being

deducted from purchase price. If the relocation should cost more than \$119,600, both the Airport and the City will be responsible for 50 percent of the cost of the overage. If the relocation should cost less than the estimated amount, then the City will reimburse the Airport the difference in cost. The City is responsible for the physical relocation as part of its construction project.

Mr. Donovan presented a slideshow outlining the retention area and relocation area with aerial views. As a requirement for a police facility there is a need to have multiple street access areas and this property will accommodate that need. Airport staff will submit a request to the Federal Aviation Administration (FAA) for a formal Land Release, which the sale will be contingent upon. City Council will also need to approve the purchase.

Ms. Shannon Lewis, city manager, addressed the Board thanking Mr. Donovan and his staff. The City and Airport staff have been working very diligently over the past few months addressing the storm water issue. She believes there is a creative solution that will allow the City to move forward in a way that is good for both the City and the Airport.

Mr. Mikuen asked if this is consistent with usage for the Master Plan. Mr. Donovan stated yes since this property is non-aeronautical and would need to be a commercial business and not residential. Mr. Mikuen asked if the timeline is known yet for the closing and groundbreaking. Mr. Bird, Airport Attorney said FAA stated it would be a three to six-month process, but he is working on expediting that timeline. Closing would be 60 days from FAA approval at the latest.

Mr. Potter stated in prior years when airport property was sold, the FAA would deduct the amount of the proceeds from the next Airport Improvement Program (AIP) grant, and would this impact any Passenger Facility Charges (PFCs) or discretionary grants? Mr. Donovan explained when there is carry-over entitlement, the FAA would deduct the amount. The FAA is aware of the terminal project and this is where the funds are for matching of the State and Federal grant monies. This is part of capital improvement and it is not going into operations and maintenance. He does not believe there will be an issue with the FAA. Mr. Potter asked if the motion states it is subject to FAA approval, is it implied that it is FAA approval with deduction? Mr. Donovan stated that would be up to the Board to make that change in the motion. Mr. Potter is concerned the FAA will deduct the amount. Mr. Donovan made the statement that we are using land that is for the good of the community and is land that is not otherwise being used. The FAA staff is fully aware of what the funds are being used for and if there would have been an objection, the FAA would have made it known prior to the final approval process.

Mr. Bird stated historically that any issues from the FAA would have been stated prior. The contract is subjected to the FAA release and will not move forward if the FAA does not release the property. Mr. Potter stated if the Board approves this item as presented and then the last step the FAA will deduct the funds, what will happen? Mr. Bird stated that the release is conditioned on the items presented. Mr. Donovan asked if FAA does raise this objection, would the Board want to proceed? He continued stating that it would be a disservice to the City to be indecisive about this, the decision today and next Tuesday with City Council should give the certainty that this project will move forward. Mr. Donovan is asking the Board's consideration to move forward no matter what FAA's final decision may be and go through with the sale.

Chairman Ryals added he is very confident with Mr. Donovan and Mr. Bird's analysis that it will not be deducted from future grant money. He said the Board is doing its due diligence with the 'what if' discussion, but he personally believes that this is the right project for the location and sees the City's need to move forward on it with the confidence that the Airport will support. Mr. Donovan added that the Airport has been very successful with grants over the last few years and explained there is a small parcel

on NASA that has been approved by the Board to release and the FAA did not deduct anything from those funds. He believes this will not happen on this police department parcel.

Mr. Busalacchi stated that Airport staff did meet with the FAA about a year and a half ago when the project was in discussion. The response from the FAA on the sale of this property to the City for the purpose that is being used for stated this is a good project for the use of this property. He does not think that future grants will be affected by the sale.

Ms. Thomas asked if the old police department property on Apollo will revert to the Airport? Mr. Donovan stated staff has worked with the City Manager and the Airport will acquire the property after the property has been cleared. He mentioned that there will be possible grant money involved with that transaction. Ms. Thomas asked what the time frame would be to acquire the property? Mr. Donovan stated the timeline is negotiable. She asked if the Airport Police Department has plans to be part of the new City facility? Mr. Donovan stated no he does not see co-locating due to the different missions each police department has. Chief Purden stated that both agencies work together and that the City Police is the primary backup to the Airport Police. Ms. Thomas agrees that there is risk in moving forward with this, but the City needs a new police headquarters and supports this.

Mr. Potter hopes that the discussion on the risk involved about the project does not take away from how very enthusiastic he is and the importance this project is for the community. He is happy to see the Airport and City working on this project in this manner.

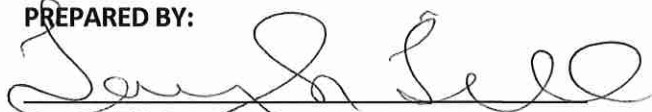
A motion was made by Mr. Thomas for the approval of the sale of up to ±15.32 acres, subject to inclusion of utility easements, approval from the Federal Aviation Administration, final approval from Melbourne City Council, and authorization for the Executive Director to execute all necessary documents to affect the sale and transfer, seconded by Mr. Fisher. Motion passed unanimously.

Chairman Ryals thanked both the City and Airport staff for working on this project and moving it toward the benefit of all parties.

Adjournment

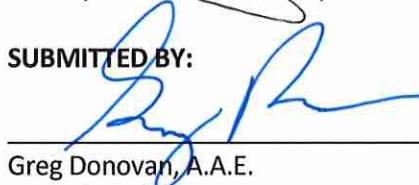
The meeting was adjourned by Chairman Ryals at 9 a.m.

PREPARED BY:



Tammy Till, Board Secretary

SUBMITTED BY:



Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:



Jack L. Ryals, Chairman