

MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for April 28, 2021 Board Meeting
Airport Board Room

In attendance:

- Mr. Jack L. Ryals, Chairman
- Mr. William C. Potter, Vice Chairman
- Mr. Paul Alfrey, Mayor
- 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

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan:

- New Ground Run-Up Enclosure is up and running.
- Special Olympic Torch Run went through MLB.
- The Great Florida Air Show will have a Healthcare Hero Day.
- Aerion Supersonic announces AS3 commercial airliner.

Action Items

Approval of the March 24, 2021 Board Meeting minutes and the April 7, 2021 Special Board Meeting minutes. A motion was made by Mayor Alfrey for approval of both minutes, seconded by Mr. Thomas. Motion passed unanimously.

Item A-1 Recommendation to Approve Resolution 06-21 Federal Aviation Administration (FAA) Grant for the Acceptance of the Airport Coronavirus Relief Grant Program (ACRGP) Grant 53.

Mr. Donovan explained that the Coronavirus Relief Grant Program (ACRGP) Grant 53 is a 100 percent grant in the amount of \$2,116,672 from the Federal Aviation Administration (FAA). It is to be used to fund direct operating expenses that were incurred by the Airport beginning January 20, 2020. This is a multi-year grant with a four-year term.

Mr. Potter asked if the amount was allocated to MLB based on enplanements? Mr. Donovan stated yes, it is based on total enplanement activity.

A motion was made by Mr. Potter to approve Resolution 06-21 Federal Aviation Administration (FAA) Grant for the acceptance of the Airport Coronavirus Relief Grant Program (ACRGP) Grant 53, seconded by Ms. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve Resolution 07-21 Federal Aviation Administration (FAA) Grant for the Acceptance of the Airport Coronavirus Relief Grant Program (ACRGP) Concessions Relief Grant 54.

Mr. Donovan explained that this item is to accept the Federal Aviation Administration (FAA) Airport Coronavirus Relief Grant Program (ACRGP) Concessions Relief Grant in the amount of \$51,678. It is intended to provide rent relief to Airport tenants such as the food concession and car rental entities, that have been directly affected by the downturn of commercial activity. There is a formula breakdown for eligibility that Mr. O'Dell has that will equally disburse these funds. This is a multi-year grant with a term of four years from the grant execution date.

Mr. Potter asked if this abates or just transfers funds? Mr. O'Dell explained that this is allocated on how much revenue was generated and the funds can be used to off-set Minimal Annual Guarantee (MAG), rent or percentage of concession. There are other certifications that the concessionaires need to make such as not having any other rent-relief aid to qualify. Mr. Donovan stated this is a credited amount.

A motion was made by Ms. Thomas to approve Resolution 07-21 Federal Aviation Administration (FAA) Grant for the acceptance of the Airport Coronavirus Relief Grant Program (ACRGP) Concessions Relief Grant 54, seconded by Mr. Potter. Motion passed unanimously.

Item A-3 Recommendation to Approve a Second Amendment to Lease with Eastern Florida State College (EFSC).

Mr. Donovan explained that in May of 2020 the Board approved a first amendment to the lease with Eastern Florida State College (EFSC). Since the approval of the first amendment, the project plans have progressed, and it was found that the impact to EFSC would be less than first thought.

The second amendment to lease is to address the construction schedule's impact to EFSC and to remove certain Airport obligations that were included in the first amendment, such as installing an exterior door to the hangar.

Mr. Mikuen asked if the other terms of the lease stay the same and what is the lease term? Mr. Donovan stated nothing else has changed. Mr. Busalacchi stated the EFSC has three years left on its option.

Mr. Potter asked if the terms stay the same and it is just changing the rental space. Mr. Busalacchi stated yes that is correct and it is only during the construction timeframe.

A motion was made by Mayor Alfrey to approve a Second Amendment to lease with Eastern Florida State College (EFSC), seconded by Mr. Potter. Motion passed unanimously.

Item A-4 Recommendation to Approve the Consent to Assignment of Lease and Concession Agreement to Brevard Capital Group, Inc.

Mr. Donovan stated one of the hardest hit industries during the pandemic has been rental car entities. Hertz filed for bankruptcy in May 2020 and planned to close its operations at many airports including here at MLB. BC Group is an existing tenant at MLB operating the Dollar/Thrifty rental car concession and inquired about purchasing the Hertz franchise location. With Board approval, BC Group will continue to operate the Hertz brand under the same terms and conditions.

Mr. Potter asked if there are any concerns with the competitive effects of having one company own three of the concessions. Mr. Donovan stated it is already in place with brands such as Avis/Budget,

Enterprise/National/Alamo and Dollar/Thrifty. Mr. Potter would like to know if there would be any long-term affect on the consumers? Mr. Donovan stated that the consumer would not see any difference. Mr. Busalacchi added that the Dollar/Thrifty brand caters to a different market share than the Hertz brand.

A motion was made by Mayor Alfrey to approve the Consent to Assignment of Lease and Concession Agreement to Brevard Capital Group, Inc., seconded by Mr. Fischer. Motion passed unanimously.

Item A-5 Recommendation to Award the Northside Expansion Project: St. Michael Place Extension Phase 3 Project to the Lowest Responsive Qualified Bidder, DP Development, LLC, from Cocoa, Florida, in the Amount of \$3,197,255.50.

Mr. Donovan explained this award is for the construction of the St. Michael Place extension connecting into General Aviation Drive. Along with the road extension are the utilities to support development along St. Michael Place to Apollo Boulevard. This project is a 100 percent funded grant that has been awarded as part of the Northside Expansion Project. He explained that as part of the Aerion Supersonic lease, the Airport is obligated to provide this infrastructure.

A motion was made by Mr. Thomas to award the Northside Expansion Project: St. Michael Place Extension Phase 3 project to the lowest responsive qualified bidder, DP Development, LLC, from Cocoa, Florida, in the amount of \$3,197,255.50, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-6 Recommendation to Approve a Purchase Order to Avcon, Inc. under its Continuing Services Contract, to add a Resident Project Representative (RPR) as Required by the Florida Department of Transportation (FDOT) for the Northside Expansion Project: St. Michael Place Extension Phase 3 in an Amount Not-To-Exceed \$97,990.

Mr. Donovan explained as part of the new requirements for Florida Department of Transportation (FDOT) funded projects, a pre-qualified consulting construction engineering inspection firm is required for a Resident Project Representative (RPR) to provide independent inspections.

He continued to state that as part of the Airport's Continuing Service Consultant Agreement, Avcon will be providing the RFF services.

A motion was made by Mr. Potter approve a Purchase Order to Avcon, Inc. under its Continuing Services Contract, to add a Resident Project Representative (RPR) as required by the Florida Department of Transportation (FDOT) for the Northside Expansion Project: St. Michael Place Extension Phase 3 in an amount not-to-exceed \$97,990, seconded by Mr. Thomas. Motion passed unanimously.

Item A-7 Recommendation to Award the Next Phase of Work to The Haskell Company/RS&H/Kinley Team Under its Progressive Design/Build Contract for Package 1A2 (FIS Baggage Claim Expansion and Welcome Center Foundations and Structure) of the Terminal Renovation and Expansion Project for the Guaranteed Maximum Price (GMP) of \$2,918,308.

Mr. Donovan explained this item is part of the Terminal Renovation and Expansion Project. The project is divided into multiple packages to meet the different funding requirements and to define specific scopes of work to allow individual areas to be completed independent of others. Package 1A2 focuses on the baggage claim foundations and structure (steel) only. This will allow The Haskell Company/RS&H/Kinley team to secure steel prices that are rapidly increasing and lock in the price before the next increase. Mr. Donovan explained that the GMP for this package is \$2.9 million.

He continued to explain that this package will add more restrooms, more rental car space, as well as better curbside loading areas. This new building is essential to the flow of traffic at this airport.

Mr. Potter asked if these various elements are within the calculations of the \$61 million. Mr. Donovan stated that Mr. O'Dell will give an update this month with the exact reference to this question. Mr. Donovan continued to state that the actual for each elements of the package is currently coming in under what was currently budgeted. Mr. Potter asked when a package is brought to the Board and if the GMP would increase the budget would the Board be notified. Mr. Donovan stated the Board would be notified.

A motion was made by Ms. Thomas to award the next phase of work to The Haskell Company/RS&H/Kinley Team under its Progressive Design/Build Contract for Package 1A2 (FIS Baggage Claim Expansion and Welcome Center Foundations and Structure) of the Terminal Renovation and Expansion Project for the Guaranteed Maximum Price (GMP) of \$2,918,308, seconded by Mayor Alfrey. Motion passed unanimously.

Chairman Ryals informed the Board that the Airport's financing package that was approved by this Board last month was approved by City Council at the last council meeting. He thanked the board members that sit on the council for their support.

Discussion Items

Item D-1 Presentation by The Haskell Company/RS&H/Kinley for terminal interior finishes.

Mr. Donovan introduced Ms. Lynn Phillips. There was a detailed presentation given of the interior finishes for the terminal. A video was shown from the ticketed passenger's point of view walking through all areas of the terminal showing details of the "Coastal Casual" architectural design.

Mr. Donovan explained about project prioritization, striking a balance between durability and maintenance. He requested the Board to contact him if there are any design details that are not acceptable and that they feel would need to be changed.

Mr. Fischer would like to see the phasing schedule, the intent and how it will all tie together. Mr. Donovan explained that all the gates will be crossed utilized and stated that the newest TSA equipment will be installed in the checkpoint area.

Mr. Thomas commented that the new furniture looks as though it will be easily kept cleaned and sanitized. He asked about the redesign and the logo of the Airport. Mr. Donovan stated that the logo will not be changed, just the name order will be changed from Orlando Melbourne International Airport to Melbourne Orlando International Airport.

Item D-2 Briefing on the upcoming Great Florida Air Show.

Mr. Graham gave a presentation on the air show. Details from the layout of the chalet seating, the parking, and overall general seating areas for the event were explained. He stated that the airshow will be a safe and a socially distant event. The exact schedule will be given to the Board when details are finalized. Mr. Donovan explained details for the new electronic ticketing for admission and the overall processes getting to and from the show itself.

Information Items

Item I-1 Financial Update by Mr. O'Dell

Operating revenue is down \$702,000.

Operating expenses are up \$102,000.
Net operating profit of \$161,000.
CARES Grant revenue \$612,000.
Operating revenue most of which are passenger/airline activity driven.
Expense for other contract services is down.
Outside council fees are up \$371,000 primarily

Mr. Potter asked about Tropical Haven rent and t-hangar rent. Mr. O'Dell explained that a \$10 per lot capital improvement fee began on February 1, 2020 for Tropical Haven. Regarding the t-hangars, some are not usable, some are vacant, and we are not actively seeking new tenants due to the upcoming relocation of the t-hangars.

The new terminal budget tracking was explained. The top of the graph shows the \$61 million approved budget. The middle (yellow) is the encumbered, but not spent and the red is the funds that have been spent. So far, \$33 million has been spent or encumbered as of March 31, 2021.

Mr. Mikuen would like to see out of the actual spent what amounts are from the Airport, FDOT, FAA and other grants. Mr. O'Dell will create another graph to reflect this request.

Mr. Fischer asked if the airport is 50 percent encumbered on the \$61 million and how does that reflect with the scope and is that also at 50 percent against the scope? Mr. O'Dell stated yes, approximately 50 percent is encumbered. He stated there are weekly meetings with the contractor and the scope is modified to keep within that budget. Mr. O'Dell added that the cash flow is updated with a new payment schedule.

Mr. Potter asked what is the second land sale of \$1.8 million? Mr. O'Dell stated that is the post office land sale. Mr. Potter asked what is the logic to draw down the \$9 million from the loan in September, October, November, could it be arbitrated for longer? Mr. O'Dell said it depends on the cash burn rate and he will push the CARES grants as the priority.

Item I-2 Operations Update by Mr. Graham

Wildlife Plan

In May of 2020, a new Wildlife Hazard Management Plan was approved by the FAA for our Airport. This is a user's guide and is specific to the Airport. Staff completed this training and are now Wildlife Officers. Some of the wildlife spotted this year on the Airport were Osprey and Swallow-tailed Kites. He also noted that Northrop Grumman has made improvements to its storm water areas to keep wildlife away.

The Ellis Road widening area has a pond that attracts wildlife, which is not compatible for the Airport. Improvements will be made to the pond to eliminate that littoral zone.

Widening Ellis Road Update

There is a new coalition with Brevard County, West Melbourne, City of Melbourne, MLB, and the Space Coast Transportation Planning Organization (TPO). There was a meeting to update stating the new four-lane road design. This design is 90 percent complete and has 100 percent funding for the land acquisition at \$45 million. The work will begin this year and will be completed in 2026. Construction is not funded and is estimated at \$35 million. This project is the number one priority for the Space Coast TPO. Mr. Graham is advocating for this project and will continue to work on this coalition.

Ms. Thomas stated this is one of her most important issues and has given Mr. Graham her full support. Mr. Donovan added that this is important to the Airport and he is offering any assistance to the Coalition from the Airport. Chairman thanked Mr. Graham for his work within the coalition.

Item I-3 Construction Projects Update by Mr. Perley

Apron Renovation/Reconstruction

Demo of the apron continues from Gate 5 over towards FIS.

Underground storm piping has begun.

Unforeseen underground issues continue and are being resolved in the field.

Excavation for the new revised retention pond is more than halfway complete.

Stockpiled material is currently being crushed for reuse as base material under the new pavement.

TSA has approved the relocation of the SIDA eye and work is expected to be complete this week.

A pre-paving meeting was held, and paving lanes should start within three weeks.

Contractor has prepared the building pad for the terminal expansion using the excavated material from the pond.

Terminal Renovation Phase 2

Contractor has mobilized on site and construction trailer set-up.

First delivery of rebar for the foundations has been received.

Excavation for foundation at the new security checkpoint has begun.

First concrete pour expected next week.

Work has begun on the temporary baggage claim area in ticketing and should be operational in three weeks.

Separate proposals are being prepared for the VIP lounge and the Welcome Center Civil work.

TSA has approved the design layout of the security check point.

CBP reviews continue and had first round of staffing requirements for when TUI arrives.

New Passenger Boarding Bridges

Aero Bridgeworks continues with the design and shop drawings of the new passenger boarding bridges.

Sixty percent design development drawings have been received and are currently under review.

Foundations for the jetways are being combined with the terminal's elevated passenger corridors for cost savings.

Foundations for the new bridges are expected to start in August.

Delivery of the bridges is expected in late December with installation completing January 2022.

Northside Expansion

With today's approval of the Northside Expansion Contractor, a pre-con will be schedule within 2 weeks.

We have met with the City on coordination of projects on Apollo and the new force main being prepared for bid.

Drawings have been submitted for permitting to the Water Management District and will be submitted to the City for permitting by the end of the week.

Still no response from the FAA on the submitted Focused Environmental Assessment.

A Notice to Proceed will be issued the middle of May.
Anticipated substantial completion will be January 2022.

Item I-4 Business Development and Marketing Update by Mr. Busalacchi

Palm Bay Rotary

Staff spoke at the Palm Bay Rotary, updating them on the progress at the Airport.

Antares Temporary Lease

A temporary parking lease with Antares for two 727s on taxiway Sierra.

Aerion Lease

Details for an amendment for the Aerion lease was explained. This amendment will reflect an additional 40 plus acres of land. This lease will be brought to the Board at next month's MAA meeting.

Public Speaker

Mr. Milo Zonka, from Sheltair Aviation gave an update on the acquisition of Apex Executive Jet. He thanked the Board for its support. He also commented on the Ellis Road Exchange and Widening and the great regional effort and support of this important project.

Mr. Donovan explained the importance of a strong Fixed Based Operations (FBO) and is very grateful that Sheltair is at MLB, it has an excellent reputation within the industry, and it will strengthen MLB.

Adjournment


The meeting was adjourned by Chairman Ryals at 10:13 a.m.

PREPARED BY:



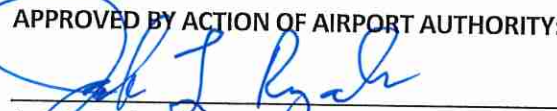
Tammy Till, Board Secretary

SUBMITTED BY:



Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:



Jack L. Ryals, Chairman