



**MELBOURNE AIRPORT AUTHORITY BOARD**  
Minutes for August 25, 2021, Board Meeting  
Airport Board Room

In attendance: Mr. Jack L. Ryals, Chairman  
Mr. William C. Potter, Vice Chairman (via phone)  
The Honorable Debbie Thomas, Councilmember  
The Honorable Tim Thomas Councilmember  
Mr. Michael Fischer, Member (via phone)  
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  
Ms. Renee Purden, Chief of Police/Director of Public Safety

Excused: Mr. Paul Alfrey, Mayor

**Pledge of Allegiance**

**Airport Announcements by Executive Director Greg Donovan**

- MLB police and fire attend Firefighter Scott Allender's memorial service, with Northrop Grumman providing mutual aid during time of service
- MLB completes successful TSA audit
- MLB staff work on camp clean-up in construction area
- TUI reports increased holiday bookings
- Embraer partners with Avfuel and Sheltair to bring sustainable aviation fuel to MLB
- MLB holds all-team meeting; staff directory was given out
- MLB passenger numbers rebound in-line with other area airports
- New Sunflower Program at MLB for passengers with hidden disabilities
- Job fair held at MLB was a success with over 800 attendees
- Mr. Rob Himler awarded Space Coast Florida Public Relations Association 2021 Communicator of the Year

**Action Items**

Approval of the July 7, 2021, Board Meeting minutes. A motion was made by Ms. Thomas for approval of the minutes, seconded by Mr. Thomas. Motion passed unanimously.

**Item A-1 Recommendation for Approval of the Sale of 5.0 Acres Plus Improvements.**

Mr. Donovan explained this item is regarding a building that is currently leased by United States Postal Service (USPS). The building reverted to the Airport in 2012 at which time the Airport entered a lease with USPS. This building is an old facility, constructed in 1981 and has required many repairs including extensive roof repairs and replacement. A Rough Order of Magnitude (ROM) was conducted to determine what the condition of the building. The determination was received with a cost of \$971,000 worth of maintenance related items. He continued to explain that this parcel does not serve any aeronautical operational purpose. The Airport was approached by Postal Realty to purchase this land and facility. It was taken to City Council and was approved; the sale would be in the amount of \$1,800,000 with funds being put toward the Airport's capital improvements expenses.

Mr. Potter asked if the Federal Aviation Administration (FAA) would deduct this from future grants and what was the Cap Rate used to determine the value? Mr. Donovan stated no, it will not be deducted. Mr. Busalacchi explained the appraisal was done using Fee Simple Value. Mr. Busalacchi did not recall the cap rate used but will provide it to Mr. Potter. Mr. Donovan stated FAA had done a preliminary review but is subject to final FAA approval.

Mr. Mikuen asked if there have been any discussions on a modification to the lease? Mr. Busalacchi stated the Airport was approached by this company about four years ago. The intent was to extend the terms of the lease. But with the significant capital investment needed, the final analysis is that it is not in the best interest of the Airport to lease the building.

Mr. Fischer asked if the Airport's normal leases have reserves for repairs and maintenance? Mr. Donovan stated yes depending on the age of the lease. Newer leases do have it within the lease, but this lease was older and did not.

A motion was made by Mr. Thomas to approve sale the of 5.0 acres plus improvements for \$1,800,000, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-2 Recommendation to Approve a First Amendment to Commercial Ground Lease with Melbourne Airport One, LLC.**

Mr. Donovan stated this item is an amendment to the lease that was approved by the Board in June 2020. As Melbourne Airport One, LLC (MAO) went through the permitting process, it was learned that an increase to its leasehold was needed for parking as well as for stormwater drainage. The base rent amount increased to \$15,332.72 per month, after the incentives. Storm water retention cost is about \$300,000 for the entire development of that area. The only addition to this package is six months of additional incentives being offered, valued at \$91,000. Mr. Donovan continued to explain that this property has been vacant for about 30 years generating zero dollars in revenue for the Airport.

Mr. Mikuen asked if there were any changes to the infrastructure regarding the building design that the Board approved previously? Mr. Donovan stated the scope is the same with the same number of rooms, and the only increase is in the number of parking spaces that necessitated the additional acreage. Mr. Mikuen stated that the abatements are necessary, but three years seems to be a long period and the operating expenses will go up. Will this be budgeted? Mr. Donovan stated that the operational expenses should be minimal. There is no maintenance responsibility with the building or with the grounds.

Mr. Busalacchi stated that the ceremonial groundbreaking is October 5, 2021, but the developer will break ground, pending approval, on August 30, 2021.

Mr. Fischer asked what would happen if the construction period were less than three years? Mr. Busalacchi said it would still receive the full construction period abatement. Mr. Fischer asked if this would be seven years of free rent? Mr. Donovan stated the total amount of the incentive would \$274,000. Mr. Busalacchi stated the lease was signed in June of 2020, but the construction period did not begin until December. The six months does not count toward the abated rent. Mr. Fischer stated he has some concerns with the overall incentives being offered but is in support of this project.

Mr. Potter asked why is there an FBO (Fixed Based Operation) agreement? Mr. Donovan stated that the details are still being discussed but it will be addressing a 'fly-in' capability. The FBO agreement will be a Request for Proposal (RFP) process. Mr. Potter asked whether the lease as approved today will proceed regardless of a consummation of an FBO agreement? Mr. Donovan stated that is correct.

A motion was made by Mr. Thomas to approve a First Amendment to Commercial Ground Lease with Melbourne Airport One, LLC, seconded by Mr. Mikuen. Motion was unanimously.

**Item A-3 Recommendation to Approve Resolution 10-21 Approving the Airport Operating and Capital Budget for the Fiscal Year Beginning October 1, 2021 and Ending September 30, 2022.**

Mr. Donovan stated this item is regarding the Airport's proposed budget. If approved by this Board today it will then go to City Council for approval. Mr. Mikuen stated the budget was well done and he is very appreciative of the contingency plan.

Motion was made by Ms. Thomas to approve Resolution 10-21 approving the Airport Operating and Capital Budget for the Fiscal Year beginning October 1, 2021, and ending September 30, 2022, seconded by Mr. Thomas. Motion passed unanimously.

**Item A-4 Recommendation to Approve Resolution 11-21 Florida Department of Transportation (FDOT) Amendment to the Public Transportation Grant Agreement for the Northside Expansion/Ramp Rehab/Expansion Project.**

Mr. Donovan stated this item is a continuation of an existing Deferred Reimbursement Agreement with Florida Department of Transportation (FDOT), which is a grant. This is a 100 percent grant from FDOT, targeted for the development of the Northside with establishment of roads, utilities, taxiways, and aprons for future development. This grant is for an additional \$3.5 million.

Motion was made by Mr. Thomas to approve Resolution 11-21 Florida Department of Transportation (FDOT) Amendment to the Public Transportation Grant Agreement for the Northside Expansion/Ramp Rehab/Expansion Project, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-5 Recommendation to Approve a Notice to Proceed to The Haskell Company on Package 2 of the Terminal Renovation and Expansion Project in the Amount of \$35,000.**

Mr. Donovan explained that the next several agenda items relate to construction. The Terminal Renovation and Expansion Project is comprised of multiple components and several of the components need to run simultaneously due to the tight deadline. This agenda item is the Notice to Proceed to allow The Haskell Company to work on the renovation portion of the project.

A motion was made by Ms. Thomas to Approve a Notice to Proceed to The Haskell Company on Package 2 of the Terminal Renovation and Expansion Project in the Amount of \$35,000, seconded by Mr. Thomas. Motion passed unanimously.

**Item A-6 Recommendation to Award the Next Phase of Work to The Haskell Company/RS&H/Kinley Team Under Its Progressive Design/Build Contract for Package 1B2 (finishes, specialties, plumbing, mechanical, fire protection and general conditions) of the Terminal Renovation and Expansion Project for the Guaranteed Maximum Price (GMP) of \$12,443,475.**

Mr. Donovan explained that Package 1A was the first package approved by the Board which included the security checkpoint/holdroom foundations and steel. Package A2 included the baggage claim, welcome center foundations and steel for that element. Package 1B1 has the terminal sitework, exterior panels, baggage handling and electrical. The next phase of the Guaranteed Maximum Price (GMP) involved the finishes, specialties, plumbing, mechanical, fire protection and general conditions. This approval is for a total of approximately \$12.4 million. Mr. Donovan stated this is within the \$61 million budget.

Mr. Donovan introduced Mr. Paul Raudenbush from The Haskell Company for further explanation and presentation of the progress of the project to the Board. Three main items were presented; update on the project as of today, challenges with labor and costs, and what is the value of the project with benchmarks from similar projects at other U.S. airports.

Ms. Thomas thanked Mr. Raudenbush for the presentation and for the detailed explanation of the benchmarks with other airports within the US. The details regarding the costs of other airports' projects compared to MLB was very informative.

Mr. Potter asked if \$12.4 million for this phase of the work is consistent with the \$61 million budget and if so, how is it calculated? Mr. Donovan explained that yes, it is part of the \$61 million budget. Until the GMP is received for the entire project, there will be elements of the project that will be out of our control. He referenced the issue with the sprinkler system. The City has the Airport classified as a shopping center and not as an airport terminal. This classification changes the requirements of the infrastructure and changes the cost. It is hard to anticipate these types of unforeseen issues along with the issues with the increases in materials and labor. Mr. Donovan explained that the Airport has the financial stability to carry the debt that is required to complete this project. He explained that with transferring unused funds from other Airport grant projects, there is another \$27.55 million of committed funds. Mr. Potter completely supports this project and commended Mr. Donovan on the remarkable job with the grants achieved. He would like to ask if there are any major concerns that arise that the Board be informed immediately and then they can address it in a competent matter.

Mr. Mikuen stated the information given on the grants is very helpful but asked if the \$12 million is part of the parameters of the original funding plan. Mr. O'Dell stated yes, it is. Mr. Mikuen asked at some point that the Board be given a Rough Order of Magnitude and to please have a scope with detailed analysis arriving at that final number. Mr. Donovan thanked the Board for the candid conversation and for its support.

A motion was made by Mr. Thomas to Award the next phase of work to The Haskell Company/RS&H/Kinley Team under its Progressive Design/Build Contract for Package 1B2 (finishes, specialties, plumbing, mechanical, fire protection and general conditions) of the Terminal Renovation and Expansion Project for the Guaranteed Maximum Price (GMP) of \$12,443,475, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-7 Recommendation to Approve a Change Order to AERO Bridgeworks to Upsize the Power and Mechanical Systems for the Two (2) New Passenger Boarding Bridges (PBBs) for the Terminal Renovation and Expansion Project to Meet the Requirements of TUI's 787-9 Aircraft in the Amount of \$85,928.**

Mr. Donovan stated the specifications originally used for these passenger boarding bridges (PBBs) were based on the 787 aircraft. Staff was informed that TUI's fleet will now be the larger 787-9 and these require additional power and mechanical connections when parked at the gate. This was discovered during the submittal and shop drawing review of the PBBs. Staff worked with AERO Bridgeworks to determine the most cost-effective way to provide these additional requirements for both bridges and not delay the delivery and completion of the bridges for the first TUI flights.

A motion was made by Ms. Thomas for the approval of a change order to AERO Bridgeworks to upsize the power and mechanical systems for the two (2) new Passenger Boarding Bridges (PBBs) for the Terminal Renovation and Expansion Project to meet the requirements of TUI's 787-9 aircraft in the amount of \$85,928, and authorization for the Executive Director to execute said agreement on behalf of Authority, seconded by Mr. Mikuen. Motion passed unanimously.

**Item A-8 Recommendation to Award the Terminal VIP Lounge Design/Build to Ivey's Construction, Inc., Under Its Continuing Services Contract in an Amount Not-To-Exceed \$100,000.**

Mr. Donovan explained the use of a Continuing Services Contract for certain projects. He further explained that as part of the TUI contract, there is a requirement to have a VIP lounge. This will be a typical airport lounge where food and drinks are provided to the VIP passengers. To maintain the schedule for this portion of the work, a Notice to Proceed is necessary before the full cost of this work can be determined. Each of these smaller projects with a Notice to Proceed will have the actual costs presented for final approval at the next board meeting.

Mr. Potter asked what specifically is the Notice to Proceed for, just the design portion? Mr. Donovan explained that no, this is to mobilize and de-construct the current restaurant location. Mr. Perley added that this is to secure the long-lead items and materials. Mr. Potter asked if it is limited to the \$100,000 cost? Mr. Donovan stated yes it does limit the cost to \$100,000.

Mr. Mikuen asked if this area is strictly for TUI passengers? Mr. Donovan stated no, it will be open to any passengers for a fee. He also explained that staff is in negotiations with Metz for all concession operations here at the Airport, including a restaurant and the VIP lounge.

A motion was made by Mr. Thomas to award the Terminal VIP Lounge Design/Build to Ivey's Construction, Inc., under its Continuing Services Contract in an amount not-to-exceed \$100,000, seconded by Ms. Thomas. Motion passed unanimously.

**Item A-9 Recommendation to Award the Welcome Center Civil Package to Ivey's Construction, Inc., Under Its Continuing Services Contract in an Amount Not-To-Exceed \$100,000.**

Mr. Donovan explained this item is a different segment but very similar to the item before. This is for the civil work such as the landscaping, road, parking, and other ground services for the Welcome Center.

A motion was made by Ms. Thomas to award the Welcome Center Civil Package to Ivey's Construction, Inc., under its Continuing Services Contract in an amount not-to-exceed \$100,000, seconded by Mr. Mikuen. Motion passed unanimously.

**Item A-10 Recommendation to Approve Change Orders 13 and 14 to Carr & Collier, Inc., for Scope Changes with the Terminal Renovation and Expansion: Apron Reconstruction/Expansion Project in the Amount of \$22,206.09.**

Mr. Donovan stated this is also very similar to the items that were just brought before the Board. This is for the unforeseen conditions that have occurred to the electrical and lightning protection system.

A motion was made by Ms. Thomas to approve Change Orders 13 and 14 to Carr & Collier, Inc., for scope changes with the Terminal Renovation and Expansion: Apron Reconstruction/Expansion Project in the amount of \$22,206.09, seconded by Mr. Thomas. Motion passed unanimously.

**Item A-11 Recommendation to Award the Design of the In-Line Baggage Screening Expansion to The Haskell Company/RS&H/Kinley Team for the Guaranteed Maximum Price (GMP) of \$1,024,944.**

Mr. Donovan stated this is the Notice to Proceed regarding the full design of the in-line baggage screening system. A grant from the Transportation Security Administration (TSA) was accepted and received in the amount of \$711,497 with \$313,447 in Airport funds going toward this design.

Mr. Potter asked how the design fee was negotiated? Mr. Donovan stated that the TSA has specific regulatory requirements for baggage screening systems. This cost is in line with other airport baggage screening system construction costs.

A motion was made by Mr. Thomas to award the design of the In-Line Baggage Screening Expansion to The Haskell Company/RS&H/Kinley Team for the Guaranteed Maximum Price (GMP) of \$1,024,944, seconded by Mr. Mikuen. Motion passed unanimously.

**Information Items**

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

**Financial Update**

Operating Revenues for passenger related income are down, but are rebounding

Operating Expenses have little increase, with outside counsel fees down due to lawsuit settlement

**Terminal Tracking Graph**

\$14.4 million spent

\$44 million encumbered

**Terminal Funding Graph**

FAA grants - \$4.8 million

FDOT grants - \$3 million

MAA - \$56.6 million

## **Item I-2 Operations Update by Mr. Cliff Graham**

The 10th annual Corporate 5K will be held September 23, 2021.

The Airport will be hosting for the third year but with a new course due to the construction project.

Most of the Airport's major tenants will be participating.

Delta is a major sponsor this year providing finishing medals.

Great opportunity for the Airport to showcase our capabilities to the corporate community.

American Cancer Society and Eau Gallie High School Aerospace Program will be benefitting from this event.

Ms. Sara Towers, MAA Intern, worked on this project working with FDOT and FAA.

Sheltair and Embraer will have minor impact but are happy to cooperate.

Mr. Donovan thanked Mr. Graham for his work and leadership with the Ellis Road I-95 project. Also thanked City Council Board Members for their support related to the signage on I-95 for the Airport.

## **Item I-3 Construction Projects Update by Mr. Perley**

### **Apron Renovation/Reconstruction**

Demo of the apron in front of the terminal is complete.

New concrete pavement is being installed.

Challenges remain with delivery of concrete material due to a lack of qualified drivers.

To maintain schedule, concrete pours start at 3:00AM and now run five days a week.

Construction of the retention pond continues.

Crushing the concrete of the old apron is nearing completion.

Material is being used for the base of new pavement areas.

Electrical duct bank for the ESOS is nearing completion.

Delays in material for underground boxes have now been resolved.

### **Terminal Renovation Phase 2**

Foundations for security checkpoint area are complete with only escalator pit remaining to be poured.

Structural steel erection continues in the security check point and hold room.

Demolition of the area for the baggage claim and welcome center areas continues with the drop-off canopy by the car rental area being removed.

Design continues with the VIP lounge and welcome center civil work.

Coordination with TSA and CBP continues.

### **New Passenger Boarding Bridges**

Final drawings for the boarding bridges have been reviewed and approved.

Foundations for the new bridges are complete.

Fabrication of the bridges has begun.

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

### **Northside Expansion**

DEO has issued its Notice to Proceed.

Gopher tortoises are currently being relocated.

Waiting on City permit where there is a dispute over property boundary easements at Croton Road which stem from a survey back in 1972.

Airport is looking into the matter but cannot find documentation where the 50' easement along Croton Road was granted.

Current platted maps with the County show boundary survey submitted by the Airport to be correct.

Contractor has begun mobilizing equipment and material to the site.  
Long lead items have been ordered.  
Contractor to break ground on 9/7/21.  
Anticipated substantial completion will be February 2022.

### **Tropical Haven Road Repairs**

Preconstruction meeting held.  
Contractor waiting for all material delivery before starting the project.  
Current start date is 9/13/21.  
Total duration for construction is 2 weeks.  
Project should close out by the end of September.

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

Business Development team is working strategically to promote the newest routes on Allegiant. Current paid advertising includes Spectrum News 13 airing MLB commercials over 150 times. There are three digital billboards and four vinyl billboards being utilized. There is a new partnership with Brevard Business News and Brevard Public Schools to promote the new flights.

Ms. Naughton was featured in the Brevard Business News. It was a great article with great information being shared. Mr. Busalacchi was interviewed and featured in Orlando Business Journal and Mr. Donovan was interviewed and featured in Business View Magazine.

### **Adjournment**

The meeting was adjourned by Chairman Ryals at 10:34 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