



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes for April 24, 2019 Board Meeting
Airport Board Room

At which were present: Mr. Jack L. Ryals, Chairman
Mayor Kathy Meehan, Vice Chairman
The Honorable Debbie Thomas, Vice Mayor
Mr. William C. Potter, Member
Mr. Scott Mikuen, Member
Mr. Adam Bird, Airport Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Ms. Lori C. Booker, A.P.R., Director of Communications
Mr. Mark Busalacchi, Director of Business Development
Mr. Cliff Graham, 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

Not present: Mr. Michael Fischer, Member
The Honorable Tim Thomas, Councilmember
Mr. David Perley, A.I.C., Director of Capital Improvements

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan:

- Mr. Aaron Smith, State Aviation Manager, Florida Department of Transportation was introduced.
- MLB's economic impact now \$2.8 billion, up 74 percent.
- Mrs. Tina Casey, Badging Office Supervisor retired after 13 years of service to the airport.
- Newly hired staff were introduced and new staff roles explained.
- MLB hosted Leadership Brevard class of 2019.
- 2019 Melbourne Air and Space Show was very successful.
- Special Olympics Torch Run on Air Terminal Parkway with many MLB staff participating in the run.
- MLB hosts Brevard Corporate 5K Runway Run.
- American Airlines nonstop to Washington, D.C., Reagan National begins May 4.
- Passenger and aircraft operations continue to increase.

Action Items

Approval of the minutes for the March 27, 2019 meeting. A motion was made by Mr. Potter for approval of meeting minutes, seconded by Mayor Meehan. Motion passed unanimously.

Item A-1 Recommendation to approve a contract with KONE, Inc., for Elevator and Escalator Preventative Maintenance, Repairs, and Emergency Entrapment Services.

Mr. Donovan explained that Item A-1 is a contract with KONE, Inc. for elevator and escalator service. Staff invited three elevator/escalator companies to examine the current equipment in order to provide a bid. After review, KONE, Inc. was the best value. The contract is for a one-year base period beginning May 1, 2019 and three, one-year options. The contract also includes all state-required testing, monthly billing, KONE online automatic email notifications, and an option to add 24/7 connected services and wireless phone monitoring. He continued explaining that a monthly fixed price for the first 3 years and then in year 4 it increases by 3.25 percent with the total contract cost of \$86,005.

Staff recommends approval of Item A-1. A motion was made by Ms. Thomas to approve a contract with KONE, Inc., for elevator and escalator preventative maintenance, repairs, and emergency entrapment services and authorization for the Executive Director to execute said contract on behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

Item A-2 Approval of a First Amendment to lease with Storage Partners – Melbourne, FL LLC (Storage Partners).

Mr. Donovan explained that Item A-2 involves property off Apollo Boulevard. The current lease holder, Storage Partners, would like to add to its current lease. The request is to add 5.5 acres for a total of 14.5 acres. Current fair market value with a 12 percent rate of return would be about \$0.28 per square foot, but staff negotiated a price of \$0.32 per square foot.

For the first year, the annual base rent will be 25 percent of the full base rent, the second year will be 50 percent of the full base rent, and in November 2021 will be at 100 percent.

There is a proposal for Storage Partners to have \$2 million of capital improvement at its own expense and a request to return to its original 30-year term. There are also four, five-year options that will remain a part of the original lease. The rent that would be collected over a 30-year term, but not including scheduled CPI increases, is approximately \$6.2 million.

Mayor Meehan asked if there is a preliminary site plan and questioned the roads on the property. Mr. Busalacchi confirmed there will not be any additional ingress or egress. Mr. Mikuen asked what would be the \$2 million of capital for RV and boat storage. Mr. Busalacchi explained the project included paving the area, as well as covered facilities for the boats and more valuable items, and that the airport has ultimate approval over the project in case of any other needed improvements. Mr. Potter stated that this has been structured appropriately.

Staff recommends approval of Item A-2. A motion was made by Mr. Potter to approve a First Amendment to lease with Storage Partners – Melbourne, FL LLC (Storage Partners) and authorization for the Executive Director to execute said lease on the behalf of the Authority, seconded by Mayor Meehan. Motion passed unanimously.

Informational Items

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

Top ten revenues and expenses were presented.

Items highlighted were:

- Operating revenue up 5 percent, operating expenses down 6 percent.
- Cash reserve rebounding to \$15.5 million.
- Marketing incentives reviewed and paid-out.
- Cash flow report form being modified.

Mr. Potter questioned Mr. O'Dell's invoice processing change. Mr. O'Dell stated it is due to posting in the correct period and using a proper cut-off.

Item I-2 Operations Update by Mr. Graham Annual Wildlife Training

Wildlife Management Plan required.

Training for staff annually.

All staff members successfully completed training and test.

2019 FAA Southern Region Conference

Mr. Cliff Graham and Mr. Patrick Mac Carthaigh attended the event.

Great opportunity to interact with FAA.

Met with other airports for networking and information sharing.

Item I-3 Construction Projects Update by Mr. O'Dell for Mr. Perley Ground Run-up Enclosure

Siting of the GRE is underway.

Several location have been identified and are currently under review for environmental and tenant impacts.

The Engineer is looking to the FAA for a variance for one of the preferred locations.

Environmental assessments are currently underway.

Revised schedule to have criteria package on the streets by the end of May.

Proposals will be due in June with the award expected at the July Board meeting.

Replacement of Passenger Boarding Bridges (PBB) 7 & 4

Project is out to bid with the major PBB manufacturers requesting the bid documents.

Bids are due April 30.

This project will be brought to the Board in May for approval.

Once approved, staff will forward the results to the FAA and FDOT for funding.

Funding not expected until August with a project start date in September.

Obstruction Removal and Lighting

Project is out to bid with several local contractors requesting the bid documents.

Bids are due May 14 and will be brought to the Board in May for approval.

Once approved, staff will forward the results to the FAA and FDOT for funding.

Funding not expected until August with a project start date in September.

Perimeter Patrol Roads

Staff is currently working with the engineer to finalize the criteria for this project. Under AVCON's contract, bids will be solicited from qualified site contractors. Bids are expected by June and should be brought to the Board by July.

Taxiway "S" Improvements, Phase 1

Staff is currently working with Airport Engineering Company to determine the best feasibility for the project.

This project will be divided into two phases (current needs and future needs).

Staff is looking at potential funding from unused FDOT grant money.

Item I-4 ATCT Project Update by Dr. Byers

A notice from the FAA that the FTI lines (Federal Telecommunications Infrastructure) have been installed.

Work was completed in less than three weeks. Harris had been proactive with this.

Dr. Byers will be in contact with FAA to advance its timeline to begin work at MLB.

The monies needed to fund this project have been received by FAA.

The navigational beacon will be placed on the tower shortly.

Mr. Donovan explained that conversation continues with FAA leadership. There is a concern regarding paying a lease for this new facility. FAA was provided with the congressional minutes and documentation where orders were given to the FAA to fund these items. There is a cost of \$7100 a month to be charged as rent to the FAA which includes utilities, cleaning, maintenance and 25 percent contingency for breakdown of any of the systems. This lease is currently under consideration by the FAA. Mr. Donovan will be following-up with the FAA with a personal visit to D.C. next week.

Item I-5 Business Development Update by Mr. Busalacchi Hotel Development Project

The proposals that have been submitted have been reviewed.

The selection committee will meet to select the final proposer.

That selection will be presented to the Board in May.

Terms and conditions will be negotiated, then brought to the board for final approval.

Mr. Donovan added that he and Mr. Gary Spulak of Embraer have met and Mr. Spulak emphasized the need for a hotel such as this on airport property. He is very excited about the prospect of this project.

Public Speakers

Mr. Bryan Lilley, B. Lilley Productions

Mr. Lilley addressed the Board regarding the 2019 air show. The show was a great success and this was the second largest in attendance at MLB. He shared tourism numbers to the Board stating 46 percent of attendees were from outside of Brevard County. He also stated that there was great media coverage with CNN and the Weather Channel.

Mr. Lilley explained even with a brand new site, the short timeframe he was given, and the significant challenges he faced, the air show turned out to be very successful. He commended Mr. Cliff Graham and the airport staff on their assistance with the success of the show. He continued to speak on the future of having an air show at the airport. He is committed to having an air show here and the most pressing matter is to identify an eligible event site in order to have the opportunity to host the Thunderbirds or the Blue Angels. He needs to identify a site here at the airport by May 31, 2019 due to the timelines needed to submit the military request forms.

A sustainable finance model was addressed. Mr. Lilley stated that not only does weather cause an issue but headline performers also have a dramatic finance influence on a show. Mr. Lilley repeated that he would like to bring the show back to MLB and would like to explore that option. He thanked the Board for its support.

In Closing

Mr. Bird asked to address the board, as a matter of record, desiring advice on the current pending litigation involving the Greater Orlando Airport Authority. A closed session is required to discuss settlement and cost of litigation.

The meeting was suspended at 9:20 a.m. to reconvene at 9:30 a.m. for a 30-45 minutes closed session.

The regular meeting was reconvened after the closed session and then adjourned by Chairman Ryals.

PREPARED BY:




Tammy Till
Executive Assistant

SUBMITTED BY:



Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:



Jack L. Ryals, Chairman