



MELBOURNE AIRPORT AUTHORITY BOARD MEETING
AGENDA

April 26, 2023, at 8:30 AM
 Melbourne Orlando International Airport Board Room

Pledge of Allegiance

Airport Announcements

Executive Director’s Recognition of Excellence Award

Action Items

Approval of the minutes for the March 22, 2023, regularly scheduled Board Meeting.

Item A-1 Recommendation to Approve Change Order 14 to DP Development, LLC for Scope Change to Add Additional Traffic Markings Along St. Michael Place from Apollo Boulevard to the Phase III Extension for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the Amount of \$11,512.08.

As part of the Northside Expansion, St. Michael Place is being extended toward the western edge of the airport property and connecting into General Aviation Drive.

As part of the project, thermoplastic pavement markings are being placed on the roadway for centerlines, stop bars, and directional arrows. These markings extend from the new Bill Potter Drive to the western connection into General Aviation Drive.

During a marking pre-installation walk-through, it was noted that markings in Phase I and Phase II of the St. Michael Place extension were worn and faded. Staff requested a price to refresh these markings while the crew is on site as this would be a savings in mobilization costs.

Proj #	CO	Description	Amount	Rev Contract \$	Remarks
		Contract amount	\$ 3,197,255.50	\$ 3,197,255.50	
54220-	CO 01-13	Previously Approved	\$ 637,401.31	\$ 3,834,656.81	
54420-	CO-14	Added Striping	\$ 11,512.08	\$ 3,846,168.89	Add Scope
		Current Change Order Sum	\$ 11,512.08		
		Total Contract Changes to Date		\$ 648,913.39	

(54220 - Roadway (FDOT Grant); 54420 - Infrastructure (DEO Grant))

These costs are within the project budget and are covered under the 100 percent reimbursable grant for this project.

Staff recommends approval of Change Order 14 to DP Development, LLC for scope change to add additional traffic markings along St. Michael Place from Apollo Boulevard to the Phase III extension for the Northside Expansion Project: St. Michael Place Extension Phase 3 in the amount of \$11,512.08 and authorization for the Executive Director to execute said change order on behalf of Authority.

Item A-2 Recommendation to Approve Lease Agreement with Waste Management for 34-Yard Compactor Dumpster

Additional airlines and passengers have created the need for more dumpsters. The airport currently has four of the eight-yard dumpsters being serviced four times weekly and is experiencing overage fees on a regular basis. Adding an additional eight-yard dumpster is not ideal due to the limited space available. Leasing a 34-yard compactor dumpster offers the same services but frees up space and eliminates overage.

The lease will be for fifty (50) months at a rate of \$785 per month with annual CPI adjustments and service fees for weekly pickups. Waste Management is responsible for all maintenance and mechanical repairs or issues that are not caused by vandalism or misuse.

	Current Service	34-Yard Compactor
Description:	(4x weekly) 8-yard dumpsters	(2x weekly) 34-yard dumpster
Monthly fee:	\$ 2,427.47	\$ 2,310.80

Staff recommends approval of a lease agreement with Waste Management for a 34-Yard Compact Dumpster and authorization for the Executive Director to execute said agreement on behalf of the Authority.

Item A-3 Recommendation to Approve a Purchase Order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering for Design and Construction of the Mill and Overlay Rehabilitation of Taxiway “C” in an Amount Not-To-Exceed \$196,540.00.

The last rehabilitation of Taxiway “C” between the runways was completed in 2003. The latest pavement evaluation from the Florida Department of Transportation (FDOT) Statewide Pavement Evaluation report completed in 2019 indicated a Pavement Condition Index (PCI) of 65. The state report suggests a minimum value of 70 for taxiways. Postponing the resurfacing of taxiways and runways accelerates the deterioration of the surfaces and the repairs become more elaborate and costly.

AVCON was selected to perform this work based on its knowledge of previous evaluation of the taxiway and its work on other surface projects in the same area. The Taxiway “C” improvements were originally to be dovetailed into the design of the Taxiway “A” Mill and Overlay Rehabilitation Project. Due to the Federal Aviation Administration (FAA) pushing this project out a year for the design, an alternative funding source became available, but the funds must be used by June 2024. Funding for this project is a 100 percent grant from Florida Department of Economic Opportunity (FDEO).

Once the design is complete and the project is bid on, staff will return to the Board for approval of the construction contract along with the construction administration and testing for the project, which is expected in July 2023.

Staff recommends approval of the approval of a purchase order to AVCON, Inc. under its Continuing Services Contract, for the Professional Airside Engineering and Construction Management Services for design of the Mill and Overlay Rehabilitation of Taxiway “C” in an Amount Not-To-Exceed \$196,540.00 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-4 Recommendation to Award a Purchase Order to Ivey’s Construction, Inc. under its Continuing Services Contract for the Emergency Repairs to the Exterior Insulation Finish System (EIFS) caused by Hurricanes Ian and Nicole in Amount Not-To-Exceed \$93,128.00.

Staff has solicited requests for proposals from several firms for the repairs to the Exterior Insulation Finish System (EIFS) caused by Hurricanes Ian and Nicole. Most firms declined to bid due to commitments for other work and the availability of resources to complete these repairs.

Ivey’s Construction is currently working on the new International Boarding Bridge Gate 9 Project that includes EIFS repairs at the old Gate 1 location in the Federal Inspection Station (FIS). Its proposal for the repairs was the lowest and most complete as this work will require special access to the roof area where the repairs are required. With Ivey’s currently being on site this allows for the repairs to be completed quickly once we receive FEMA approval, and cost savings were included for mobilization and supervision.

This is only for the repairs to the EIFS caused by the hurricanes. Additional repairs and refurbishment of the EIFS will be performed in a future grant submitted for approval.

Staff recommends approval of a Purchase Order to Ivey’s Construction, Inc. under its continuing services contract for the emergency repairs to the Exterior Insulation Finish System (EIFS) caused by Hurricanes Ian and Nicole in an amount not to exceed \$93,128.00 and authorization for the Executive Director to execute said purchase order on behalf of the Authority.

Item A-5 Recommendation to Approve a Master Consulting Agreement with RPMayer & Associates, LLC

RPMayer & Associates has been assisting Airport staff with the design of the in-line baggage as well as conducting a parking study. Through these projects staff has found RPMayer & Associates a valuable resource and would like to engage the company in a master consulting agreement.

Rod Mayer, the principal of the company, has more than 30 years’ experience in aviation, airline, and airport affairs, as well as project management, operations, customer service, and properties and facilities. He has worked for several airlines and currently is consulting within the industry.

The master consulting agreement’s two-year base term will begin May 1, 2023, and terminate on April 30, 2025. The agreement can be extended for two, one-year periods. The rate is \$175 per hour with an annual not-to-exceed \$124,425. In addition, the consultant will be reimbursed for approved travel expenses estimated to be \$21,500.

The scope of work includes providing continued baggage handling consulting services including baggage handling design, construction planning and scheduling, and operation and maintenance analysis; business services including parking management alternatives, assistance with concession request for proposals and agreements, and assistance with manual updates such as the Airport’s rules and regulations; and airline facilities and operations including consulting on preventative maintenance on airport in-line baggage handling systems and passenger boarding bridges and ground handling and passenger services.

Staff recommends approval of a Master Consulting Agreement with RPMayer & Associates, LLC, and authorization for the Executive Director to execute said agreement on behalf of the Authority.

Item A-6 Recommendation to Approve an Aeronautical Ground Lease and Seventh Amendment to Lease with Embraer Aircraft Holding, Inc.

Embraer Aircraft Holding, Inc. (EAH) is expanding its operations at the Melbourne Orlando International Airport with the addition of a third flight preparation hangar and a third paint preparation hangar facility. The investment is estimated to be \$30,500,000. Embraer will need to lease an additional six acres to facilitate this expansion.

Airport staff in consultation with the Airport attorney has started to take a different approach to tenant expansions by entering into new leases rather than amending current leases for the ease of tracking negotiated terms.

The salient points of the lease are as follows:

- Property: 6.0 acres, 3.0 acres of option property and 3.0 acres of new property.
- Term: The initial term begins on the Commencement Date and terminates on the same date as the Master Lease, along with the same option periods in the Master Lease.
- Lease Rate: The initial base rent will be \$94,089.60 per year or \$7,840.80 per month. This is based on a blended rate of \$0.36 per square foot per year. This was determined by using recent fair market value appraisals of \$0.42 per square foot for the property not under option and \$0.30 per square foot for the option property per the Master Lease.
- Rent Incentives:
 - 12 months following the Commencement Date: 100 percent rent abatement.
 - Months 13-24: 75 percent rent abatement.
 - Months 25-48: 50 percent rent abatement.
 - Months 49-60: 25 percent rent abatement, thereafter Embraer will pay 100 percent of the rent.
- Rent Adjustments: CPI adjustments will occur every five years with a minimum of 2 percent and a maximum of 5 percent per year, except upon the exercise of an option period when Fair Market Value adjustment are required based on an appraisal in accordance with the Master Lease.
- Taxes and Fees: Embraer is responsible for all taxes and fees associated with the lease.
- If the current lift station serving the Embraer facilities needs to be upgraded, the Airport will give rent credits for 50 percent of the cost of those improvements, up to \$35,000.
- The Airport will give rent credits for 50 percent of the cost of removing any gopher tortoises, if needed, up to \$40,000.

The salient points of the seventh amendment are as follows:

- In consideration of the continued investment Embraer is making at MLB, an additional 10 years will be added to the initial term, bringing the termination date to December 31, 2049. The four additional option periods of five years each remain the same.
- The three acres of option property that are proposed above to be leased are removed from the option property.

The lease of this property will generate revenues of approximately \$2,057,699 to \$2,162,698 over the original term of the lease, not including CPI adjustments or any applicable aviation fees and taking into consideration the possible rent credits.

Staff recommends approval of the Aeronautical Ground Lease and Seventh Amendment to Lease Agreement with Embraer Aircraft Holding, Inc., and authorization for the Executive Director to execute said amendment on behalf of the Authority.

Information Items

- Item I-1 Financial Update**
- Item I-2 Operations Update**
- Item I-3 Construction Projects Update**
- Item I-4 Business Development and Marketing Update**

Public Speakers

Adjournment

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/she 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 (321) 723-6227 at least 48 hours prior to the meeting.

MELBOURNE ORLANDO INTERNATIONAL AIRPORT

Income Statement

February 28, 2023

	Year To Date Actual			
	2/28/2023	2/28/2022	\$ change	% change
Operating Revenue				
Airline Landing Fees	218,990	241,173	(22,183)	-9%
Airline Service Fees	1,035,569	951,253	84,316	9%
Land & Bldg Lease Rents	4,208,513	3,832,174	376,338	10%
Terminal Rents	117,507	97,481	20,026	21%
Parking Lot Fees	781,848	676,087	105,761	16%
Car Rental Concessions	736,577	413,613	322,964	78%
Restaurant Concessions	121,478	30,105	91,373	304%
Mobile Home Park Rent	851,997	853,344	(1,348)	0%
T-Hangar Rentals	36,481	37,857	(1,376)	-4%
Operating Grant Revenue	27,150	24,540	2,610	11%
Other	259,270	140,435	118,835	85%
Total Operating Revenues	8,395,378	7,298,063	1,097,315	15%
Operating Expense:				
Personnel Services	2,424,813	2,139,297	285,516	13%
Contract Services	3,128,908	1,726,785	1,402,124	81%
Police & Fire Services	526,691	485,417	41,274	9%
Maintenance and Operations	2,351,517	1,829,664	521,854	29%
Other	109,916	-	109,916	#DIV/0!
Total Operating Expenses	8,541,846	6,181,162	2,360,684	38%
Operating Income (Loss)	(146,468)	1,116,901	(1,263,369)	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	627,925	332,692	295,233	89%
Customer Facility Charges	451,395	223,158	228,237	102%
CARES Grant Revenue	2,117,020	1,949,776	167,244	9%
Gain on Sale of Assets	28,459	3,222,292	(3,193,834)	-99%
Interest Income (Loss)	329,372	46,510	282,862	608%
Ad Valorem Tax Revenue	900,181	943,786	(43,605)	-5%
Ad Valorem Tax Expense	(908,259)	(949,655)	41,395	-4%
(Loss) on Disposal of Fixed Assets	-	-	0	#DIV/0!
Interest Expense	(24,375)	(15,438)	(8,938)	58%
Total Non-Operating Revenue (Expense)	3,521,717	5,753,122	(2,231,405)	
Net Income (Loss) Before Depreciation*	3,375,249	6,870,022		

* Net Income before capital contributions and transfers

MELBOURNE ORLANDO INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
February 28, 2023

	YTD Actual	Annual Budget	% of Budget
Operating Revenues:			
Airline Landing Fees	218,990	516,316	42%
Airline Service Fees	1,035,569	2,582,774	40%
Land & Bldg Lease Rents	4,208,513	9,222,508	46%
Terminal Rents	117,507	241,403	49%
Parking Lot Fees	781,848	1,900,000	41%
Car Rental Concessions	736,577	1,733,684	42%
Restaurant Concessions	121,478	973,714	12%
Mobile Home Park Rent	851,997	2,061,075	41%
T-Hangar Rentals	36,481	46,920	78%
Operating Grant Revenue	27,150	284,000	10%
Other	259,270	1,535,883	17%
Total Operating Revenues	8,395,378	21,098,277	40%
Operating Expense:			
Personnel Services	2,424,813	6,357,932	38%
Contract Services	3,128,908	9,167,696	34%
Police & Fire Services	526,691	1,259,606	42%
Maintenance and Operations	2,351,517	9,593,580	25%
Other	109,916	180,000	61%
Total Operating Expenses	8,541,846	26,558,814	32%
Operating Income (Loss)	(146,468)	(5,460,537)	
<u>Non-Operating Revenue (Expense):</u>			
Passenger Facility Charges	627,925	1,502,016	42%
Customer Facility Charges	451,395	1,262,001	36%
CARES Grant Revenue	2,117,020	3,223,936	66%
Gain on Sale of Assets	28,459	-	#DIV/0!
Interest Income (Loss)	329,372	156,539	210%
Ad Valorem Tax Revenue	900,181	2,021,897	45%
Ad Valorem Tax Expense	(908,259)	(2,051,572)	44%
Gain (Loss) on Disposal of Fixed Assets	-	-	#DIV/0!
Interest Expense	(24,375)	(312,500)	8%
Total Non-Operating Revenue (Expense)	3,521,717	5,802,317	
Net Income (Loss) before Depreciation, Transfers, and Capital Contributions	3,375,249	341,780	
Depreciation Expense	-	-	
Intra Transfer to Airport Capital	-	(1,689,507)	0%
Net Income (Loss) After Transfers	3,375,249	(1,347,727)	

Melbourne Orlando International Airport
Top 10 Operating Revenues
2/28/2023

Rank	Description	YTD FY 2023	FY 23 % of Total Rev	YTD FY 2022	FY 22 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	2,441,685	29%	2,029,191	28%	412,494	20% A
2	Commercial Business Center Rent	1,305,556	16%	1,360,764	19%	(55,208)	-4%
3	Tropical Haven Revenue	817,020	10%	818,384	11%	(1,364)	0%
4	Parking Revenue	781,848	9%	676,087	9%	105,761	16% B
5	Car Rental Concession	736,577	9%	413,613	6%	322,964	78% C
6	Ground Handling Revenue	691,829	8%	580,264	8%	111,565	19% D
7	Terminal Rent-Airline	366,471	4%	387,359	5%	(20,888)	-5%
8	Hangar Rent	340,562	4%	334,877	5%	5,685	2%
9	Landing Fees	218,990	3%	241,173	3%	(22,183)	-9% E
10	Terminal Concessions	121,478	1%	30,105	0%	91,373	304% F
Total Top 10 Operating Revenue		7,822,016	93%	6,871,817	94%	950,199	
Other Operating Revenue		573,362	7%	426,246	6%	147,116	35%
Total Operating Revenue		8,395,378	100%	7,298,063	100%	1,097,315	15%

A Revenue is higher due to new option for 60 acres exercised by Embraer (\$222k) in February 2023, new leases such as Axiom and Dnata leases both commenced in Feb 22); and CPI rate adjustments on multiple properties.

B Increase is due to continued recovery of domestic passengers that use the parking facilities coupled with the rate adjustment that increase that went into effect on 10/1/22 plus implementation of 1 rate for all lots in January 2023 (Long term was \$12/day last year; increased to \$13/day on 10/1/22 and single rate for all lots was implemented 1/1/23-\$14/day).

C Increase is due to new international service (TUI operated October and November 2022) as international passengers have a tendency to rent more cars for longer periods than domestic passengers.

D Increase is due to rate increase implemented 10/1/22 plus flight activity from TUI (they operated in Oct 2022 and Nov 2022 but not in same period last fiscal year).

E Revenue decline is due to drop in Ferry Landing fees (down \$9k) coupled with a reduction in passenger landing fees (down \$13k) which reflects a reduction in ferry landing activity for aircraft maintenance and smaller aircraft utilized by scheduled passenger airlines.

F MLB new concession program opened in October 2022 which provides more concession options including retail gift/new stores. This, coupled with the increase in passengers, has resulted in a significant increase in concession revenues.

Melbourne Orlando International Airport
Top 10 Operating Expenses
2/28/2023

Rank	Description	YTD FY 2023	FY 23 % Operating Expense	YTD FY 2022	FY 22 % Operating Expense	\$ change	% change
1	Personnel	2,424,813	28%	2,139,297	35%	285,516	13%
2	Other Contract Services	2,259,132	26%	981,098	16%	1,278,034	130% A
3	Fire Services	513,590	6%	479,232	8%	34,358	7%
4	Contractual Employee	443,890	5%	220,484	4%	223,406	101% B
5	Electric	340,773	4%	225,504	4%	115,269	51% C
6	Consulting Fees	213,292	2%	274,139	4%	(60,847)	-22% D
7	R&M-Misc Equipment	206,629	2%	79,937	1%	126,692	158% E
8	Risk Management	197,946	2%	190,049	3%	7,897	4%
9	Computer Software	194,509	2%	115,065	2%	79,444	69% F
10	Cable TV Expense	153,436	2%	138,936	2%	14,500	10%
Total Top 10 Operating Expense		6,948,010	81%	4,843,741	78%		
Other Operating Expense		1,593,836	19%	1,337,421	22%	256,415	19%
Total Operating Expense		8,541,846	100%	6,181,162	100%	2,360,684	38%

A Increase is due to costs associated with new international air service that started in March 2022: Customs (up \$761,000), ground handling (up \$292,000), and aircraft fueling (up \$36,000).

B Increase due to higher ambassador costs (up \$44,000) to staff for international operations. The Tropical Haven manager and Maintenance worker retired in February and April 2022, respectively, these positions have been filled with temp employees (\$48,000 increase). The airport has more temp custodians and maintenance employees to staff the expanded terminal which has resulted in higher costs for the terminal for custodial and maintenance staff (up \$115,000).

C Increase is a result of FPL rate increase implemented this year plus the impact of the expanded terminal, which has added 86,000 sq feet of space. Average monthly electricity expense has increased from \$45,000 to \$69,000.

D Consulting fees expense decreased primarily due to the completion of the terminal project--MLB paid for a TUI project manager through May 2022 (\$13,500 per month). This was \$67,000 of expense recorded through period 5 last year that we did not incur in fiscal year 2023. This reduction has been partially offset with a new consulting agreement for strategic services that went into effect in February 2023 (\$5,675/month).

E Passenger Boarding Bridge #6 was out of service for during the terminal expansion project and required refurbishment to remove mold and to replace parts before it could be placed in service again. This non-recurring expense (\$122k) was recognized in Feb 2023.

F Software costs include the common use system (\$80k) that allows the airport more flexibility in gate assignments and ticket counter locations. This was implemented February 2022 and these costs are incurred annually. The increase reflects the website development expense incurred this year to re-design the website (\$93k).

Melbourne Orlando Int'l Airport
Cash Flow Projection
4/10/2023

	March-23	April-23	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24
Beginning Cash/Investment Balance	\$ 27,197,984	\$ 26,627,836	\$ 25,287,863	\$ 22,555,951	\$ 21,903,182	\$ 24,566,063	\$ 23,996,339	\$ 24,256,566	\$ 22,064,613	\$ 18,514,152	\$ 21,424,434	\$ 23,441,528
Operating Revenue	1,678,337	1,678,337	1,678,337	1,678,337	1,678,337	1,678,337	1,678,337	1,711,904	1,711,904	1,711,904	2,616,999	1,711,904
Plus: CRSSA/ARPA Grant	2,117,020	961,071										
Less: Prepaid Rent Recorded as Deferred Revenue	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)	(27,272)
Plus: Monthly Collections Ad Valorem Tax	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988	133,988
Operating Expense:												
Liability Insurance					(72,540)							
Personnel	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(522,409)	(538,081)	(538,081)	(538,081)	(538,081)	(538,081)
TUI Marketing Incentive Reimbursement		(300,000)		(300,000)		(300,000)		(300,000)		(300,000)		
Interest Expense			(143,325)						(143,325)			
Maintenance and Operations Expense	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,357,991)	(1,398,731)	(4,106,330)	(1,398,731)	(1,398,731)	(1,398,731)
Net Increase (Decrease) in Cash Flow from Operations	(95,347)	565,724	(238,672)	(395,347)	(167,887)	(395,347)	(95,347)	(418,193)	(2,969,117)	(418,193)	786,902	(118,193)
Total Capital Outlay	(657,901)	(2,759,237)	(4,606,030)	(1,345,000)	(1,049,000)	(1,250,000)	(2,299,000)	(2,400,000)	(2,644,933)	(1,400,000)	(750,000)	(500,000)
Total Capital Grant Revenue	-	529,281	1,810,298	822,904	3,606,550	813,862	2,410,225	350,000	1,900,000	4,570,439	1,825,000	200,000
PFC Collections (Reimbursement of Eligible Costs)	99,500	176,208	164,380	143,829	148,472	142,246	132,784	150,114	88,897	85,879	84,334	85,375
CFC Collections	83,600	148,051	138,112	120,846	124,746	119,516	111,565	126,126	74,691	72,156	70,858	71,732
Net Increase (Decrease) in Cash From Capital and Debt	(474,801)	(1,905,697)	(2,493,240)	(257,422)	2,830,768	(174,376)	355,574	(1,773,760)	(581,345)	3,328,474	1,230,192	(142,893)
Beginning Cash/Investments	27,197,984	26,627,836	25,287,863	22,555,951	21,903,182	24,566,063	23,996,339	24,256,566	22,064,613	18,514,152	21,424,434	23,441,528
Ending Cash/Investments	26,627,836	25,287,863	22,555,951	21,903,182	24,566,063	23,996,339	24,256,566	22,064,613	18,514,152	21,424,434	23,441,528	23,180,442

Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
4/10/2023

Capital Project Expenditures	Proj #	Total Cost	Indi	Prior Expenditures	March-23	April-23	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	January-24	February-24
Terminal Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	D	(50,000)		(38,480)			(250,000)	(500,000)	(500,000)	(1,000,000)	(1,000,000)	(750,000)	(500,000)	(400,000)
Terminal Exp PH2-Int'l PBB (Gate 9)	50423	4,500,000	E	(639,041)	(426,237)	(1,500,000)	(1,434,722)	(500,000)								
Ticket Counter Improvements	50523	214,476	C	-	(138,698)	(75,778)										
Terminal Exp-Public Space (Haskell)	50519	50,704,967	E	(48,536,371)			(2,168,596)									
Terminal Exp-VIP Lounge (Iveys)	54319	892,085	C	(793,063)	(19,534)	(79,488)										
Terminal Exp-Welcome Center (Iveys)	54519	1,613,553	C	(1,606,053)		(7,500)										
Terminal Exp-Common Use Tech Equip	54619	252,204	C	(232,234)	-	(19,970)										
Terminal Exp-FF&E	55319	734,547	C	(694,285)		(15,262)	(25,000)									
In Line Baggage System-Design	50121	1,024,944	D	(563,176)	-	(200,000)	(261,768)									
Airplane Deposit Facility	50619	70,000	C				(70,000)									
Taxiway S Improvements-Phase 1	50120	3,400,000	D													
PBB 5 Replacement	50320	1,669,094	D													
Aerospace Dr. Lift Station Replace	50520	85,000	C					(85,000)								
Northside Expansion	54120	9,392,132	D													
Northside Exp-St. Michael PI Ext	54220	6,100,000	D	(2,612,015)		(234,442)										
Northside Exp-T/W M Ext	54320	3,930,000	D	-												
Northside Exp-Infrastructure Dev	54420	3,102,444	D	(1,424,227)	(23,750)	(43,735)	(55,944)									
Northside Exp-Taxiway C Rehab	TBD	3,060,405	D				(150,000)	(200,000)	(250,000)	(350,000)	(350,000)	(400,000)	(400,000)	(250,000)	(250,000)	(100,000)
Project Vista Site Improvements	50323	6,600,000	D	(14,501)	(49,682)	(300,000)	(350,000)	(350,000)	(300,000)	(300,000)	(300,000)					
Taxiway C Rehab																
Equipment Purchases		1,733,969	C	(79,967)		(244,582)	(90,000)	(210,000)	(249,000)		(149,000)		(744,933)			
T-Hangars Phase 1	TBD	3,000,000	D							(100,000)	(1,000,000)	(1,000,000)	(500,000)	(400,000)		
Total Capital Outlay					(657,901)	(2,759,237)	(4,606,030)	(1,345,000)	(1,049,000)	(1,250,000)	(2,299,000)	(2,400,000)	(2,644,933)	(1,400,000)	(750,000)	(500,000)
Grant Revenue																
TERMINAL EXPANSION GRANTS																
FDOT-Terminal Rehab FY 20/FY 21 (438452-1-94-03--\$10,000,504)				9,462,686			537,942				-					
FAA Ent Grnt 48 Term Rehab FY 20-FY 22 (\$7,410,486)				6,669,435			741,049						-	-	-	-
FAA Supplemental Grnt 51 Term Rehab - FY 20 (\$4,444,444)				4,000,000			444,444							-	-	-
FAA Discretionary Ramp - FY 20 (\$6,000,000)				6,000,000	-		-									
FDOT DRA-Ramp Reimb (\$5,900,000)				600,000		300,000		300,000			1,200,000			1,200,000		
FAA Discretionary-ARFF Truck (\$670,439)														670,439		
FAA Discretionary-Fire Sprinklers (\$5,000,000 TO BE ISSUED JUNE 23)											675,000		1,350,000		1,575,000	
TSA OTA-In Line Baggage Sys Design (\$711,496)				337,809				288,462		-	85,225					
FAA BIL Grant-Entitlement (FY22/23)	50423	4,050,000							3,600,000		450,000		-			
NORTHSIDE EXPANSION GRANTS																
FDOT (St. Michael PI Ext)	54220	4,783,000		2,376,184		229,281		234,442	6,550			-		-		
FDEO (Inf Dev)	54420	3,922,132		1,361,114	-		86,863			99,679		350,000		950,000		
FDOT-Project Vista Grant	50323	6,600,000								714,183				1,250,000		-
FDOT FY 23 T Hangar Grant	TBD	1,500,000											550,000	500,000	250,000	200,000
Total Grant Revenue					-	529,281	1,810,298	822,904	3,606,550	813,862	2,410,225	350,000	1,900,000	4,570,439	1,825,000	200,000

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
MARCH 2023**

	2023	2022	MO CHANGE (%)	2023YTD	2022YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	24,113	22,863	5.5%	63,585	58,297	9.1%
Deplaned	23,989	23,313	2.9%	62,928	58,331	7.9%
Total Revenue PAX - Domestic	48,102	46,176	4.2%	126,513	116,628	8.5%
*Revenue PAX - Int'l						
Enplaned	339	59	474.6%	414	80	417.5%
Deplaned	1,995	1,861	7.2%	2,313	1,939	19.3%
Total Revenue PAX - Int'l	2,334	1,920	21.6%	2,727	2,019	35.1%
Non-Revenue PAX						
Enplaned	826	832	-0.7%	2,424	2,348	3.2%
Deplaned	882	750	17.6%	2,446	2,166	12.9%
Total Non-Revenue PAX	1,708	1,582	8.0%	4,870	4,514	7.9%
Total PASSENGERS	52,144	49,678	5.0%	134,110	123,161	8.9%
AIRCRAFT OPERATIONS						
Air Carrier	516	502	2.8%	1,484	1,429	3.8%
Air Taxi	160	204	-21.6%	456	633	-28.0%
General Aviation - Itinerant	9,987	6,852	45.8%	27,026	19,223	40.6%
General Aviation - Local	4,677	4,205	11.2%	15,038	11,442	31.4%
Military	53	147	-63.9%	269	352	-23.6%
Total OPERATIONS	15,393	11,910	29.2%	44,273	33,079	33.8%

*Includes Data from US Customs for General Aviation Passengers



MELBOURNE AIRPORT AUTHORITY BOARD
Minutes March 22, 2023, Board Meeting
Airport Board Room

In attendance: Mr. William C. Potter, Chairman
The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Mark LaRusso, Vice Mayor, Councilmember
Mr. Scott Mikuen, Member
Mr. Brent Peoples, 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

Absent: The Honorable Paul Alfrey, Mayor
Mr. Michael Fischer, Member

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Jack L. Ryals Welcome Center Dedication March 10, 2023, video presentation
Save the Date for Brevard Corporate 5K on April 13, 2023, at 6:30pm
Save the Date for TUI Executive Team & Media Reception at KSC April 30, 2023
Capital Improvements Workshop to be held in May 2023
Passenger Activity Report through February totaling 41,690, an increase of 11.5% from the previous year.
MLB Job Fair was successful.

Executive Director's Recognition of Excellence Award

Congratulations to Sgt. Raynisha Wheeler, Melbourne Airport Police, on receiving this month's award.

Mr. Potter inquired if Sun Country is meeting its projections. Mr. Donovan stated it is exceeding its original expectations.

Action Items

Approval of the February 22, 2023, board meeting minutes. A motion was made by Mr. Thomas for approval of the minutes, seconded by Mr. LaRusso. Motion passed unanimously.

Item A-1 Recommendation to Approve of the Sale of ± 94.73 Acres.

Mr. Donovan explained that Tropical Haven has been part of the Airport for many years and has been instrumental to the airport's self-sufficiency financially. The Airport became aware of an enforcement action by the Federal Aviation Administration (FAA) against another Florida airport as FAA guidance that does not allow for long-term residential use of airport-owned property. The FAA contacted another Florida airport regarding

residential use compliance issues that could have affected past, current, and future grant awards. This Airport has the same identical situation, so Airport staff became aware of the issue and began to research the implications of owning and operating Tropical Haven.

Mr. Donovan explained that before this situation became an issue with the FAA, the Airport began to look at options to stay ahead of this. The airport received an unsolicited contact from a company who owns and operates mobile home parks all over Florida and other states. The airport decided to conduct two separate appraisals for the Tropical Haven property. The existing Tropical Haven community is a 95.24 acre parcel. Due to this pending situation with the FAA, Airport staff decided to negotiate with The Carlyle Group, a global investment firm to purchase the Tropical Haven property for a proposed sale price of \$44 million and providing the residents with upgrades to the community's amenities, infrastructure, entranceways, and a home upgrade program.

Mr. LaRusso inquired about if the closing date for the sale of Tropical Haven would be in September 2023. Mr. Donovan responded that the goal is to complete all the approval processes in this fiscal year. Mr. LaRusso commented that he spoke with the City Manager to make her aware of the sale of the property of Tropical Haven and to be ready to work with Airport management and City Council to support this sale.

Mr. Mikuen wanted to confirm that this would not impact the Airport's grant potential going forward with the FAA and Florida Department of Transportation (FDOT) and others. Mr. Donovan stated that the FAA is aware of the property acquisition of the Tropical Haven property and the Airport will not have any impact on future grants. Mr. Mikuen asked about the use of proceeds and stated that restricting the proceeds to land acquisition seems too restrictive. Mr. Mikuen would ask the Board's discretion for the use of proceeds to aeronautical use and capital projects related to aeronautical use and flexibility to at some point pay down debt. Mr. Potter stated that his discussion with Mr. Donovan was not land specifically, but income producing capital assets. Mr. Donovan stated the goal is to have something in writing on the use of the proceeds as directed by the Melbourne Airport Authority Board.

Mr. Mikuen asked if each of the residents at Tropical Haven will have a separate agreement on the lease increases. Mr. Busalacchi stated that they will be making an amendment to the current leases.

Mr. Busalacchi introduced Mr. Eric Zimmerman, COO of Mirex Properties and Pierre Molster from the Carlyle Group and offered to answer any questions or concerns from the board members.

Mr. Peoples commented that the sale of Tropical Haven is a win for the residents and a great deal for the Airport. Mr. Peoples stated he is in favor of having something in writing on restricting the proceeds. Since the Airport is already receiving an income from Tropical Haven, Mr. People would prefer to restrict the principal, but not the income that the principal generates.

Mr. Thomas commented that the sale of Tropical Haven is great for the residents with the incentives that each one will receive. Mr. Thomas expressed his gratitude to the Airport staff for their proactive approach regarding the issue of FAA guidance that does not allow for long-term residential use of airport owned property.

Mr. Potter commented on the use of proceeds and how they are restricted. Mr. Potter's discussion with Mr. Donovan is that the income could be used for operational purposes, but that the principal be accounted for separately in a separate account and it be used for income producing capital assets. Mr. Potter responded to Mr. Mikuen concerns that a future board would be able to authorize and change the restrictions of these proceeds.

Mr. LaRusso wanted to inform the board that State Legislature gave cities, municipalities, and counties the authorization to approve industrial zoning to residential zoning under Florida Statutes.

A motion was made by Mr. LaRusso to approve the Sale of ±94.73 acres to the Carlyle Group with provisions of restricting the proceeds, seconded by Mr. Thomas. Motion passed unanimously.

Item A-2 Recommendation to Approve Purchase Order with Aba-Con Aviation Services in the Amount of \$41,810 for Replacement of the Jet-A Fuel Tank Pump Motor

Mr. Donovan explained that the Airport's Jet-A fuel tank pump motor that is used for receiving fuel deliveries has reached the end of its useful life and has been rebuilt twice in the past 25 years. The lead time for this new pump is approximately 12 weeks. The Airport has selected Aba-Con as a single-source vendor, who currently performs inspections and repairs on our current fuel farm equipment and are familiar and knowledgeable with the fuel tanks. This purchase is included in the FY 23 budget.

Mr. Potter asked if there is a problem with sole source. Mr. Donovan stated there is no problem. Purchasing and Finance went through a process and determined it's within the Airport's policy.

A motion was made by Mr. Thomas to approve a Purchase Order with Aba-Con Aviation Services in the amount of \$41,810 for Replacement of the Jet-A Fuel Tank Pump Motor, seconded by Mr. Peoples. Motion passed unanimously.

Item A-3 Recommendation to Approve a Master Consulting Agreement with John Wagner Consulting, LLC

Mr. Donovan explained this master consulting agreement with Mr. John Wagner is to provide technical advice and education of Custom Border Protection (CBP) practices, corporate culture and policies, recommendations of best practices for communication and improve partnership with the CBP leaders and facilitate introductions to key staff and guidance on high tech advancement such as biometrics, pilot programs and participation in federal test programs. Mr. Wagner will be a valuable asset as the Airport works on attaining Port of Entry status.

Mr. Mikuen asked if Mr. Wagner had completed his two-year post-employment restrictions and suggested that before Mr. Wagner is given any task to work, to verify that he has no conflicts or other prohibitions just as a matter of precaution.

Mr. Potter asked if Mr. Wagner had already passed the two-year restrictions. Mr. Donovan stated Mr. Wagner is completely eligible to complete the task required by the Airport.

Mr. Peoples asked about what is the amount that the Airport can save when Port of Entry is established. Mr. O'Dell stated \$2 million per year.

A motion was made by Mr. Mikuen to approve a Master Consulting Agreement with John Wagner Consulting, LLC, seconded by Mr. Peoples. Motion passed unanimously.

Item A-4 Recommendation for Approval of Resolution 1-23 to Approve the Addition of a New Capital Project and to Establish Budget of \$3,060,405 for the Taxiway C Rehabilitation Project

Mr. Donovan explained that Taxiway C is in poor condition and in need of repairs. The last pavement evaluation in 2019 from the Florida Department of Transportation (FDOT) Statement evaluation report indicated that the existing Taxiway C had numerous cracking, patching, weathering areas along with dislodged pieces of pavement that requires rehabilitation. The taxiway has a Pavement Condition Index (PCI) of 65, the state report recommends a minimum value of 70 for taxiway pavement. The Airport has an existing

grant with the Florida Department of Economic Opportunity (FDEO) that provided 100 percent funding for the Northside project and presented to its staff the need to rehabilitate Taxiway C. Airport staff is working with FDEO to amend the scope of the grant to include Taxiway C Rehabilitation. With the remaining grant funds, the Airport proposes to amend our current budget and create a new capital project for Taxiway C Rehabilitation.

Mr. Potter asked if this would impact our ability to complete the Northside Expansion Project. Mr. Donovan stated there is no impact on the project.

Mr. Peoples asked to explain the process of the funds being used for the Northside project. Mr. Donovan stated that the funds from the FDEO is a 100 percent grant, and the Airport is working with FEDO to amend the grant to include Taxiway C.

A motion was made by Mr. Peoples for Approval of Resolution 1-23 to Approve the Addition of a New Capital Project and to Establish Budget of \$3,060,405 for the Taxiway C Rehabilitation Project, seconded by Mr. Thomas. Motion passed unanimously.

Item A-5 Recommendation to Award a Purchase Order to C&S Companies to Complete the 70 Percent Design on the In-Line Baggage Screening Expansion Project in an Amount Not-To-Exceed \$461,742.

Mr. Donovan explained the board had previously approved the design of the in-line baggage handling system to RS&H. RS&H had completed 30 percent of the design and it was submitted to the Transportation Security Administration (TSA) for review. Further review of the designs revealed the use of the airside apron would restrict aircraft size at Gate 1 and limit truck access to the kitchen loading dock. Airport staff had an independent consultant review the design and a new concept was developed. RS&H was released from its contract. C&S Companies, a firm under the Continuing Service Contracts, was selected to complete the design and maintain the schedule in order to preserve the grant for the capital improvement construction work. With this approval, the Airport will meet the deadlines and continue the OTA process for TSA funding.

Mr. Potter asked if the actual cost of the project is going to be in the tens of millions of dollars. Mr. Donovan stated yes. Mr. Perley stated the approximate cost is around \$20 million.

Mr. LaRusso asked if C&S will be using the same support staff as did RS&H. Mr. Donovan stated C&S will have its own staff.

A motion was made by Mr. Thomas to Award a Purchase Order to C&S Companies to complete the 70 Percent Design on the In-Line Baggage Screening Expansion Project in an Amount Not-To-Exceed \$461,742, seconded by Mr. LaRusso. Motion passed unanimously.

Information Items

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

Mr. O'Dell presented the 2022 fiscal year audit results.

Mr. Potter inquired about the locked in higher rates. Mr. O'Dell stated he has not locked in the rates yet and is working on an investment ladder. Mr. Potter asked how far out he will go. Mr. O'Dell stated that he will ladder out a year. The current liquid rate is 4.76, so we're able to generate good returns by keeping everything liquid.

Mr. Potter stated that the landing fees were down about 11 percent, partially due to the decrease in ferry landings. Mr. O'Dell stated ferrying is the planes coming in for maintenance and there has been a decrease in activity due to lower ferrying at STS. Mr. Potter asked if their business is slowing down. Mr. Donovan stated that their work goes through commercial cycles, and depending on what time of the year it is, they may have a seasonal dip, other than summer when there is a lot of work that's done and do more elaborate work on the aircraft.

Mr. Peoples asked if the computer software fee is a one-time fee or will it be reoccurring on an annual basis. Mr. O'Dell stated both. The common use software will be an annual expenditure and the website fee is a one-time fee.

Item I-2 Operations Update by Mr. Graham

Mr. Graham explained the details of the Federal Aviation Administration (FAA) Part 139 Certification Annual Airport Inspection. This type of inspection is comprehensive 2½ day inspection of the airport's airfield facilities and compliance record keeping that is required to maintain and present to the FAA during the time of inspection. The airport is in the southern region of the US, and it's noted as the toughest region from an inspection standpoint. This year, we had a second inspector from another region join our assigned certification inspector. We had a thorough assessment and we made it difficult for the FAA to find any areas of improvement at the airport, which made them both look very deeply. Overall, we had very minor areas of improvement that were noted.

Wildlife: One area noted was in wildlife, a new bird species on airport property which is an Osceola Turkey which were seen during the time of the inspection. It's a concern and the FAA recommends that the airport conduct a supplemental wildlife assessment on how to handle that species going forward.

Safety Areas: In our safety areas, we had minor bumps and depressions that were noted in the grassy areas adjacent to the runway and FAA may recommend a topographical survey to determine the extent of those areas.

Pavement markings: There were a few minor inconsistencies on some of the taxiway centerline pavement markings due to the taxiways being built at different times under different design standards. FAA may recommend that we update the markings to the current standards and get them consistent.

The inspection highlights noted that our records were very thorough and organized. FAA inspectors were very impressed with the airport's fuel farm area and the overall fuel fire safety program of the airport that includes all the airport's tenants. ARFF performed well in the time of response drill as well as their records were very well organized. Our overall condition of pavement markings were excellent. The FAA inspector had high confidence in our airport's safety culture and operations and felt our airport is safe and one of the best in the region and overall had improved over last year's inspection. Mr. Graham expressed his gratitude to the maintenance staff and Stephanie Betts for leading our operations and maintenance team for a job well done. This is Stephanie's first time heading up the annual FAA part 139 inspection for the airport in her new role as Assistant Director of Operations and Maintenance.

Item I-3 Construction Projects Update by Mr. Perley

Atrium Skylights

Temporary repairs have been made to the skylight to prevent uplift and leaks.

Airport staff has hired an independent engineer to review the skylight installation who happens to be the original engineer who designed the skylight back in 1989. Since the original skylight was installed, building codes for wind loads have changed significantly. While the skylight was an "in-kind" replacement, the

contractor did not get it approved by the building department. The contractor is reviewing options for a permanent fix that include the complete replacement of the new skylight.

The independent engineer has a potential fix to keep the replaced skylight but will need the approval of the manufacturer who is set on full replacement of the skylight system.

The contractor is waiting on direction from the airport for an approval of a change order before doing any work. Staff has pushed back stating the skylight replacement was part of the GMP and that it is the contractor's responsibility to provide a complete package.

Terminal Renovation Phase 2

Installation of the new fire alarm in the renovation spaces continues with testing of the system.

Testing of the CCTV system is nearing completion.

Temporary repairs to the atrium skylight are complete and waiting for a permanent fix.

Phase 2 of the VIP lounge in the old TSA Security Checkpoint area is complete and waiting on furniture.

In-Line Baggage System

Staff is currently working with a new design team to pick up and complete the design in time for this year's construction funding.

To meet the TSA deadline, 70 percent of the design needs to be completed and submitted by May 1, 2023.

In an agreement with TSA, a construction cost estimate on the 70% drawings will be accepted by TSA as long as it is submitted by the May 1, 2023, deadline.

Completion of the design will occur in August.

A Request for Proposal for CM at Risk will be issued in August for a selection in September.

Construction funding will not be available until October 2023 when Notice to Proceed will be issued.

Construction is estimated to take 16 to 18 months.

Gate 9 Passenger Boarding Bridge

Foundations are complete and steel erection of the fixed bridge portion is complete.

Framing of the bridge is underway.

A full permit has not been issued as new review comments are being issued.

The boarding bridge fabrication continues and is expected for delivery in late April.

Completion of the project and first use of the bridge is set for May 7, 2023.

Northside Expansion

The final lift of asphalt has been installed.

In order to secure the delivery of the material, the contractor had to prepay for the asphalt.

Shoulder stabilization along GA Drive is complete.

Contractor demobilization is nearing completion.

Final striping of the roadway will take place in mid-April once asphalt has fully cured.

Project closeout is expected in May 2023.

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

Mr. Busalacchi explained the ambassador program lead by Samantha Jackson will be starting soon with TUI first flight on March 27, 2023.

The Airport held two meetings for the Tropical Haven residents, one was an in person meeting via zoom where the residents were able to watch a presentation and ask questions via comment cards that were provided to each of the residents. The second follow up meeting was the response to all the questions and concerns of the Tropical Haven residents. Mr. Busalacchi expressed his gratitude to Mr. Molster and Mr.

Zimmerman for attending today's meeting and also expressed his thanks to Robin Rice, Tropical Haven Manager, for assisting with the residents and making sure they were well informed of the upcoming changes.

Sheltair has purchased Atlantic Jet Center and will no longer operate here at the Airport. Fallon aviation will take over the jet center facility and run its flight school out of that facility.

Mr. LaRusso wanted to express his gratitude to the Airport staff for an outstanding job being performed.

Adjournment

This meeting was adjourned by Chairman William Potter at 9:55 a.m.

PREPARED BY:

Sandra Acevedo, Administrative Assistant II

SUBMITTED BY:

Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:

William C. Potter, Chairman