



MELBOURNE AIRPORT AUTHORITY BOARD MEETING
AGENDA

September 25, 2024, at 8:30 AM
Melbourne Orlando International Airport Board Room

Pledge of Allegiance

Airport Announcements

Executive Director’s Recognition of Excellence Award

Presentation

Item P-1 EDC Rebranding

Action Items

Item A-1 Approval of the minutes for the July 24, 2024, Regularly Scheduled Board Meeting.

Item A-2 Recommendation to Approve Resolution 6-24 to Accept Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Fund Certain Improvements for the Cell Phone/Employee Parking Lot Expansion Project in the Amount of \$550,000.

The Florida Department of Transportation (FDOT) has issued a grant offer of \$550,000 to expand employee parking and modify the existing cell phone lot. The scope of the grant includes modifying the existing cell phone lot and building a new employee parking lot which will create more capacity in the public parking lots. Airport staff is still evaluating the scope of the project; however, acceptance of the grant will enable the Airport to proceed promptly to minimize impacts on passengers. This project is included in the FY 25 budget that was previously approved by the Board. This grant requires a 50 percent local match, the funding for the proposed grant is:

FDOT	\$	550,000
MAA	\$	550,000
Total Funding	\$	<u>1,100,000</u>

Staff recommends approval of Resolution 6-24 to accept the Florida Department of Transportation grant in the amount of \$550,000 to fund the Cell Phone/Employee Parking Lot Expansion project and authorization for the Chairman to execute said resolution on behalf of the Authority.

Item A-3 Recommendation to Approve Resolution 7-24 for the Airport Improvement Project Grant Agreement to Fund Certain Improvements for the for the Taxiway A Rehabilitation Project with the Federal Aviation Administration in the Amount of \$12,000,000.

This action item is to approve the Federal Aviation Administration (FAA) portion of the Taxiway A Rehabilitation project for the construction phase of the project. This funding will enable the Airport to rehabilitate a portion of Taxiway A with the rest of the taxiway to be completed next year as additional FAA funding becomes available. The funding for this portion of the project follows:

FAA	\$ 12,000,000
FDOT	\$ 666,666
MAA	\$ 666,667
Total Funding	\$ 13,333,333

This FAA Entitlement grant covers 90 percent of the eligible project costs.

This project is included in the current budget. Staff recommends approval of Resolution 7-24 for the Airport Improvement Project Grant for the Taxiway A Rehabilitation project with the Federal Aviation Administration in the amount of \$12,000,000 and authorization for the Chairman to execute said resolution on behalf of the Authority.

Item A-4 Recommendation to Approve an Owner Direct Purchase Order to Leonardo for the In-Line Baggage System Facility Project for the Purchase of the Baggage Handling Equipment in the Amount of \$8,800,000.

In September 2023, a Request for Proposal was issued for the In-Line Baggage System Facility Project for Construction Management at Risk (CmaR) firms to submit qualification proposals that the selection committee reviewed and shortlisted to three firms to provide schedule, methodology, and pricing.

While the selection of the CmaR firms is still under review, staff has learned of a potential price increase on the baggage handling equipment. In order to secure the current bid price, staff would like to issue an Owner Direct Purchase (ODP) order to Leonardo to lock in the current pricing. This ODP will also provide sales tax savings on the purchase. Once the CmaR is selected, the work performed by Leonardo will be assigned to that firm.

Staff recommends approval of an Owner Direct Purchase Order to Leonardo for the In-Line Baggage System Facility Project for the purchase of the baggage handling equipment in the amount of \$8,800,000 and authorization for the Executive Director to execute said purchase order on behalf of Authority.

Item A-5 Recommendation to Approve a Change Order with C&S Companies for the Comprehensive Construction Administration Services for the In-Line Baggage System Facility Project in an Amount Not-To-Exceed \$2,533,330.

In March 2022, the Board approved the design of the in-line baggage handling system to C&S Companies as the replacement designers to RS&H.

C&S and its team of VTC and Graef, completed the 70 percent design within the timeline required by the Transportation Security Administration (TSA) to maintain the funding schedule for the project. This milestone work was completed by the May 2022 deadline and the completion of the design continued to 100 percent.

Upon completion of the design and submission to TSA for review, the project was coming in over budget. Several value engineer options were considered when VTC suggested an alternate baggage handling system being used in Europe called a cross-belt system.

Leonardo, who has an office in Melbourne, is the leader in cross-belt systems and currently has several systems in use for baggage screening in Europe.

Staff and the design team met with Leonardo and a new design was developed and submitted to TSA for approval. This alternate system will allow the entire baggage screening system to reside within the existing terminal structure and not impact the terminal apron. With this new cross-belt system, construction time is reduced from 24 months to 18 months and the overall estimated construction costs are reduced by almost \$6 million bringing the project

back in budget. This contract is within the \$37,475,966 budget that was approved by the Board in December 2023 and the corresponding funding plan that was presented to the Board.

C&S Companies will provide the comprehensive construction administration service for the remainder of the project as a continuation of its design for all support areas, including the oversight review of the cross-belt installation.

Staff recommends approval of a change order to the original purchase order with C&S Companies for the Comprehensive Construction Administration Services for the In-Line Baggage System Facility Project in an amount not-to-exceed \$2,533,330 and authorization for the Executive Director to execute said change order on behalf of Authority.

Item A-6 Recommendation to Approve a Change Order to KCF Site Development, LLC for Schedule "A" Apron Work for the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project in the Amount of \$3,398,678.25.

At the May Board meeting, KCF Site Development was awarded a contract to perform the site infrastructure improvements for Project Vista. This work included Bid Schedules B, C, and D which included all underground utilities, road improvements off Apollo Boulevard, Taxiway S modifications, and Taxiway H reconstruction. Bid Schedule A for the common use apron was not awarded as grants funds were not available.

As part of the agreement with Dassault Falcon Jet (DFJ), the airport has secured an additional grant from the Florida Department of Transportation (FDOT) to assist the airport in the construction of the common use apron. While the additional grant from FDOT does not cover the entire costs for the apron construction, DFJ will fund the balance of the costs through reimbursement to the Airport. The airport has no local match for this grant.

Staff recommends approval of a Change Order to KCF Site Development, LLC for Schedule "A" Apron Work for the Project Vista (Dassault Falcon Jet) Site Infrastructure Improvements Project in the Amount of \$3,398,678.25 and authorization for the Executive Director to execute said change order on behalf of Authority.

Item A-7 Recommendation to Approve a Lease Agreement Kegman, Inc.

Kegman, Inc. is a current tenant in the Airport-owned building at 1135 W. NASA Boulevard, leasing 2,100 square feet. This lease is for the relocation and expansion of the company in the same building. Kegman has made extensive renovations to the space that cost approximately \$526,000 to accommodate its growth, which is a benefit to the airport.

The salient points of the lease are as follows:

- **Term:** Five years with one, five-year option.
- **Lease Area:** 6,013.25 square feet.
- **Lease Rate:**
 - Base rent is \$12.50 per square foot per year, which is \$75,165.63 annually.
 - Common Area Maintenance (CAM) charge is \$3.50 per square foot per year, which is \$21,046.38 annually.
- **Rent and CAM Adjustments:** A CPI adjustment will occur on the extension of the period with a minimum of 2 percent and a maximum of 7 percent per year.
- **Rent Credit:** As consideration for the tenant build-out, tenant will be credited up to \$150,000, which will be applied immediately to all base rent due under the lease.
- **Taxes and Fees:** Kegman is responsible for all taxes and fees associated with the lease.
- **Utility Charges:** All utility charges will be charged to the Tenant and paid by Tenant as a pass-through charge.
- **Maintenance:** Airport is responsible for the replacement of the HVAC system or any HVAC units, if necessary. It is also responsible for any exterior maintenance, roof repairs or replacement.

This lease will generate revenues of approximately \$267,920.91 over the original five-year term.

Staff recommends approval of the Lease Agreement with Kegman, Inc. and authorization for the Executive Director to execute said Lease on behalf of the Authority.

Item A-8 Recommendation to Approve a Lease Agreement Poseidon Medical Inc.

Poseidon Medical Inc. ("Poseidon") designs and manufactures medical devices, more particularly heart stents and works closely with C2C Development, a current tenant. This is for a lease in the Airport-owned building at 1135 W. NASA Boulevard and Poseidon would be taking over the space previously leased by Kegman.

The salient points of the lease are as follows:

- **Term:** Five years with one, five-year option.
- **Lease Area:** 2,100 square feet.
- **Lease Rate:**
 - Base rent is \$13.00 per square foot per year, which is \$27,300 annually.
 - Common Area Maintenance (CAM) charge is \$3.50 per square foot per year, which is \$7,350 annually.
- **Rent and CAM Adjustments:** A CPI adjustment will occur on the extension of the period with a minimum of 2 percent and a maximum of 7 percent per year.
- **Taxes and Fees:** Poseidon is responsible for all taxes and fees associated with the lease.
- **Utilities:** All utility charges will be charged to Tenant and paid by Tenant to the Airport as a pass-through charge.
- **Maintenance:** Airport is responsible for the replacement of the HVAC system or any HVAC units, if necessary. It is also responsible for any exterior maintenance, roof repairs or replacement.

This lease will generate revenues of approximately \$173,250 over the original five-year term.

Staff recommends approval of the Lease Agreement with Poseidon Medical, Inc. and authorization for the Executive Director to execute said Lease on behalf of the Authority.

Item A-9 Recommendation for Approval of the 11th Amendment to the Purchase and Sale Agreement with Tropical Haven Owners, LLC.

At its regular meeting on March 22, 2023, the Board approved the sale of Tropical Haven to Tropical Haven Owners, LLC (THO). The agreement provided THO a due diligence period to review and analyze the environmental condition of the property, the condition of the utility infrastructure, as well as to have the zoning changed to residential. Several administratively approved amendments extended the due diligence period while the conditions were analyzed. The most serious of the issues is the wastewater sewer system serving the northern portion of the property. This portion of the system is going to require substantial future repairs and replacement. The costs were not reflected in the original purchase price of \$44 million.

Airport staff, City staff and THO continued negotiations to address this issue. The City of Melbourne has agreed to undertake a sewer capital improvement project to relocate a gravity sewer main to a more appropriate location, and the buyer will reimburse the City.

Further, the buyer has agreed to take on the responsibility of the future northern wastewater sewer system. It is estimated that the repairs and replacements will cost \$7.5 million. Airport staff negotiated a \$5.5 million reduction in the purchase price to help cover these costs, bringing the purchase price to \$38.5 million, which is still within the FAA guided fair market value range of the appraisals the airport received on the property.

The amendment includes other various items such as updated terms and conditions associated with the zoning approvals, mutual easements, public right-of-way, and clarifying the closing date, and is scheduled for the September 24, 2024, City Council meeting.

Staff recommends the approval of the 11th Amendment to the Purchase and Sale Agreement with Tropical Haven Owners, LLC, 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

July 31, 2024

	Year To Date Actual		\$ change	% change
	7/31/2024	7/31/2023		
Operating Revenue				
Airline Landing Fees	554,698	482,578	72,120	15%
Airline Service Fees	2,405,656	2,169,167	236,489	11%
Land & Bldg Lease Rents	9,290,912	8,385,742	905,170	11%
Terminal Rents	239,057	233,770	5,287	2%
Parking Lot Fees	1,828,310	1,748,100	80,210	5%
Car Rental Concessions	1,443,060	1,506,436	(63,375)	-4%
Restaurant Concessions	313,408	272,768	40,640	15%
Mobile Home Park Rent	1,697,571	1,702,282	(4,711)	0%
T-Hangar Rentals	72,452	74,457	(2,005)	-3%
Operating Grant Revenue	62,458	127,274	(64,816)	-51%
Other	673,512	588,931	84,582	14%
Total Operating Revenues	18,581,096	17,291,505	1,289,591	7%
Operating Expense:				
Personnel Services	4,830,891	4,681,396	149,496	3%
Contract Services	7,130,092	7,102,778	27,314	0%
Police & Fire Services	1,122,155	1,054,868	67,287	6%
Maintenance and Operations	4,971,553	4,747,920	223,634	5%
Other	167,410	307,627	(140,218)	-46%
Total Operating Expenses	18,222,102	17,894,589	327,513	2%
Operating Income (Loss)	358,994	(603,084)	962,078	
Non-Operating Revenue (Expense):				
Passenger Facility Charges	1,166,833	1,224,489	(57,656)	-5%
Customer Facility Charges	1,223,656	1,040,645	183,011	18%
CARES Grant Revenue	2,262,865	3,078,091	(815,226)	-26%
Gain (Loss) on Sale of Assets	(43,729)	364	(44,094)	-12104%
Interest Income (Loss)	1,289,121	786,768	502,352	64%
Ad Valorem Tax Revenue	1,069,070	900,181	168,889	19%
Ad Valorem Tax Expense	(1,035,152)	(908,259)	(126,893)	14%
Interest Expense	(170,625)	(170,625)	-	0%
Total Non-Operating Revenue (Expense)	5,762,038	5,951,654	(189,616)	
Net Income (Loss) Before Depreciation*	6,121,032	5,348,570		

* Net Income before capital contributions, capital equipment, and transfers

MELBOURNE ORLANDO INTERNATIONAL AIRPORT
Statement of Revenues, Expenditures and Changes in Fund Net Assets
July 31, 2024

	YTD Actual	Annual Budget	% of Budget
Operating Revenues:			
Airline Landing Fees	554,698	548,700	101%
Airline Service Fees	2,405,656	2,580,095	93%
Land & Bldg Lease Rents	9,290,912	9,985,740	93%
Terminal Rents	239,057	253,683	94%
Parking Lot Fees	1,828,310	1,869,722	98%
Car Rental Concessions	1,443,060	1,712,402	84%
Restaurant Concessions	313,408	800,000	39%
Mobile Home Park Rent	1,697,571	2,884,990	59%
T-Hangar Rentals	72,452	-	#DIV/0!
Operating Grant Revenue	62,458	66,000	95%
Other	673,512	811,493	83%
Total Operating Revenues	18,581,096	21,512,825	86%
Operating Expense:			
Personnel Services	4,830,891	6,734,923	72%
Contract Services	7,130,092	9,183,957	78%
Police & Fire Services	1,122,155	1,375,676	82%
Maintenance and Operations	4,971,553	7,818,561	64%
Other	167,410	300,000	56%
Total Operating Expenses	18,222,102	25,413,117	72%
Operating Income (Loss)	358,994	(3,900,292)	
Non-Operating Revenue (Expense):			
Passenger Facility Charges	1,166,833	1,577,117	74%
Customer Facility Charges	1,223,656	1,325,101	92%
CARES Grant Revenue	2,262,865	2,262,865	100%
Gain (Loss) on Sale of Assets	(43,729)	2,328	-1878%
Interest Income (Loss)	1,289,121	796,201	162%
Ad Valorem Tax Revenue	1,069,070	2,042,116	52%
Ad Valorem Tax Expense	(1,035,152)	(2,092,604)	49%
Interest Expense	(170,625)	(312,500)	55%
Total Non-Operating Revenue (Expense)	5,762,038	5,600,624	
Net Income (Loss) before Depreciation, Transfers, and Capital Contributions	6,121,032	1,700,332	
Depreciation Expense	(14,228)	-	
Machinery and Equipment	(472,439)	(754,000)	63%
FAA Equipment Grant	-	-	#DIV/0!
Intra Transfer to Airport Capital	-	(2,154,365)	0%
Net Income (Loss) After Transfers	5,634,365	(1,208,033)	

Melbourne Orlando International Airport
Top 10 Operating Revenues
7/31/2024

Rank	Description	YTD FY 2024	FY 24 % of Total Rev	YTD FY 2023	FY 23 % of Total Rev	\$ Change	% Change
1	Airfield Facilities Rental	5,574,788	30%	4,718,412	27%	856,376	18% A
2	Commercial Business Center Rent	2,752,488	15%	2,735,664	16%	16,824	1%
3	Parking Revenue	1,828,310	10%	1,748,100	10%	80,210	5%
4	Tropical Haven Revenue	1,697,571	9%	1,702,282	10%	(4,711)	0%
5	Ground Handling Revenue	1,614,217	9%	1,454,574	8%	159,643	11% B
6	Car Rental Concession	1,443,060	8%	1,506,436	9%	(63,376)	-4% C
7	Terminal Rent-Airline	841,431	5%	760,386	4%	81,045	11% D
8	Hangar Rent	715,883	4%	698,504	4%	17,379	2%
9	Landing Fees	554,698	3%	482,578	3%	72,120	15% D
10	Terminal Concessions	313,408	2%	272,768	2%	40,640	15%
Total Top 10 Operating Revenue		17,335,854	93%	16,079,704	93%	1,256,150	
Other Operating Revenue		1,245,242	7%	1,211,801	7%	33,441	3%
Total Operating Revenue		18,581,096	100%	17,291,505	100%	1,289,591	7%

A Increase is primarily the result of an option for property that was executed in Feb 2024 for airport property, the airport received almost \$600k for the option on undeveloped property-a new revenue source for FY 24. The remaining increase is due to CPI adjustment on one of large tenants that went into effect at the beginning of the fiscal year.

B Revenue increase is due primarily to increase in activity levels coupled with a 5% rate adjustment that went into effect on 10/1/23 coupled with the fact that some airlines (Allegiant) are rolling off the incentive plan so they are paying airport fees.

C Revenue decline is due to a reduction in the price car rental companies charge (MLB receives 10% of the gross revenues). During the pandemic, there was a shortage of cars that resulted in the escalation of prices charged by the rental car companies. As the supply of vehicles available for rent increases, the average price charged to end users has declined so the applicable fees remitted to the airport have had a corresponding decrease.

D Revenue is higher due to increase in activity level, such as gate use fees, as there was no rate adjustment for terminal rent or landing fees. In addition, the incentive periods ended on for some airlines on certain routes in FY 24 so they are now paying airport fees.

Melbourne Orlando International Airport
Top 10 Operating Expenses
7/31/2024

Rank	Description	YTD FY 2024	FY 24 % Operating Expense	YTD FY 2023	FY 23 % Operating Expense	\$ change	% change
1	Other Contract Services	5,208,740	29%	5,195,485	29%	13,255	0%
2	Personnel	4,830,891	27%	4,681,396	26%	149,495	3%
3	Fire Services	1,109,168	6%	1,027,179	6%	81,989	8%
4	Contractual Employee	1,012,886	6%	990,047	6%	22,839	2%
5	Electric	704,534	4%	729,236	4%	(24,702)	-3%
6	Consulting Fees	483,268	3%	443,645	2%	39,623	9%
7	Risk Management	482,278	3%	385,419	2%	96,859	25% A
8	Cable TV Expense	347,948	2%	317,533	2%	30,415	10%
9	Landscaping/Irrigation Expense	292,111	2%	245,518	1%	46,593	19% B
10	R&M-Building	268,770	1%	229,801	1%	38,969	17% C
Total Top 10 Operating Expense		14,740,594	81%	14,245,259	80%		
Other Operating Expense		3,481,508	19%	3,649,330	20%	(167,822)	-5%
Total Operating Expense		18,222,102	100%	17,894,589	100%	327,513	2%

A Primary component of this expense, which includes insurance coverage on Airport assets, is property insurance coverage through Florida Municipal Insurance Trust (the city buys insurance through FMIT and then back charges the premium to the Airport). The premium for property insurance has increased significantly this year due to the current insurance environment. The expense recorded through period 10 represents the true-up on this expense for the year.

B Increase is due to new property that is being maintained by an outside landscaping company. This landscaping was the result of the St. Michaels Place road extension, the property was previously undeveloped and was not mowed/maintained. The Airport also hired the landscaper to remove several trees near the terminal entry road.

C Expenses in this account vary, some of the major R&M building expenses this year include: Tropical Haven water leak repair (\$10,600); various electrical repairs (\$69,549); water leak cleanup tenant building (\$26,152); elevator repair (\$19,002); tenant loading dock repair (\$30,720); plumbing repairs (\$10,280);

Melbourne Orlando Int'l Airport
Cash Flow Projection
8/16/2024

	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25
Beginning Cash/Investment Balance	\$ 34,196,793	\$ 35,691,390	\$ 35,315,387	\$ 34,047,442	\$ 32,602,135	\$ 26,966,644	\$ 26,320,297	\$ 26,195,434	\$ 28,042,859	\$ 26,655,985	\$ 31,313,873	\$ 28,227,420
Operating Revenue	1,722,929	1,722,929	1,722,929	1,948,019	1,948,019	1,948,019	2,853,114	1,948,019	1,948,019	1,948,019	1,948,019	1,948,019
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: Annual Land Option Revenue							212,355		578,148			
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	(92,051)											(20,000)
Personnel	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(555,098)	(559,687)	(559,687)	(559,687)	(559,687)	(559,687)	(559,687)
TUI Marketing Incentive Payment	(27,196)	(150,175)	(175,000)	(135,000)	(97,804)							
Debt Payment (Interest)					(128,700)						(128,700)	
Maintenance and Operations Expense	(1,406,991)	(1,406,991)	(1,406,991)	(1,406,991)	(1,339,923)	(1,339,923)	(1,339,923)	(1,339,923)	(1,339,923)	(1,339,923)	(1,339,923)	(1,339,923)
Ad Valorem Tax Payment					(2,707,599)							
Net Increase (Decrease) in Cash Flow from Operations	(251,691)	(282,619)	(307,444)	(42,354)	(2,774,389)	159,714	1,272,575	155,125	733,273	155,125	26,425	135,125
Total Capital Outlay	(618,211)	(1,282,994)	(1,800,544)	(3,861,438)	(3,050,000)	(4,070,000)	(3,700,000)	(3,500,000)	(2,325,911)	(1,510,000)	(1,554,419)	(819,806)
Principal Payment-Outstanding Debt											(1,820,000)	
Total Capital Grant Revenue	2,053,639	924,281	595,920	2,210,953	-	3,097,500	2,137,500	5,016,250	-	5,737,608	-	75,000
PFC Collections (Reimbursement of Eligible Costs)	168,927	144,184	132,660	130,849	99,854	87,982	87,254	93,063	108,770	145,451	138,255	126,995
CFC Collections	141,933	121,144	111,462	116,683	89,043	78,456	77,808	82,987	96,994	129,703	123,286	113,246
Net Increase (Decrease) in Cash From Capital and Debt	1,746,288	(93,384)	(960,502)	(1,402,953)	(2,861,102)	(806,062)	(1,397,438)	1,692,300	(2,120,148)	4,502,763	(3,112,878)	(504,565)
Beginning Cash/Investments	34,196,793	35,691,390	35,315,387	34,047,442	32,602,135	26,966,644	26,320,297	26,195,434	28,042,859	26,655,985	31,313,873	28,227,420
Ending Cash/Investments	35,691,390	35,315,387	34,047,442	32,602,135	26,966,644	26,320,297	26,195,434	28,042,859	26,655,985	31,313,873	28,227,420	27,857,981

Melbourne Orlando Int'l Airport
Cash Flow Projection - Capital Exp and Grant Revenue
8/16/2024

Capital Project Expenditures	Proj #	Total Cost	Prior Expend	July-24	August-24	September-24	October-24	November-24	December-24	January-25	February-25	March-25	April-25	May-25	June-25
Term Upgrade-Restrooms Gate Belt etc	Various	5,263,158	(1,289,545)	(34,315)	(339,298)	(350,000)	(500,000)	(600,000)	(600,000)	(750,000)	(400,000)	(400,000)			
Term Upgrade-Fire Sprinkler/Plumbing	50023	5,959,412	(596,157)	(58,836)	(200,000)	(200,000)	(250,000)	(500,000)	(750,000)	(750,000)	(750,000)	(600,000)	(500,000)	(804,419)	
Terminal Exp-Public Space (Haskell)	50519	52,264,894	(50,130,130)	(173,326)			(1,961,438)								
In Line Baggage System-Design	50121	1,024,944	(1,024,918)	-	-										
Northside Expansion	54120	11,948,523													
Northside Exp-T/W M Ext	54320	3,930,000	(777,140)	(125,821)	(401,128)	(400,000)	(400,000)	(400,000)	(400,000)	(350,000)	(350,000)	(325,911)			
Project Vista Site Improvements	50323	8,600,000	(1,704,786)	-	(51,408)	(400,000)	(500,000)	(500,000)	(750,000)	(850,000)	(850,000)	(850,000)	(850,000)	(750,000)	(543,806)
Taxiway A Rehab	50524	28,937,300	(984,415)	(100,913)	(167,960)	(188,322)									
ATCT Roof/Bldg Imp/Remodel	50924/51024/51124	418,105	(338,544)	-	(80,200)										
Equipment Purchases		1,560,000	(347,439)	(125,000)	(43,000)	(262,222)			(70,000)		(300,000)		(160,000)		(276,000)
T-Hangars Phase 1	50223	3,000,000					(100,000)	(500,000)	(750,000)	(750,000)	(750,000)	(150,000)			
Roof Replacement-1135 W. Nasa	50724	700,000					(100,000)	(250,000)	(350,000)						
Employee/Cell Parking Lot Expansion	51224	1,100,000					(50,000)	(300,000)	(400,000)	(250,000)	(100,000)				
Total Capital Outlay				(618,211)	(1,282,994)	(1,800,544)	(3,861,438)	(3,050,000)	(4,070,000)	(3,700,000)	(3,500,000)	(2,325,911)	(1,510,000)	(1,554,419)	(819,806)
Grant Revenue															
FDOT DRA-Ramp Reimb (\$5,902,919)			4,415,100	1,071,700			416,119								
FAA Grant 59 Restrooms/Gate/Belt/etc	Multi	5,000,000	986,041		271,626		654,833		1,045,000		1,282,500		760,000		
FDOT Restrooms/Gate/Belt/Flooring/etc	Multi	131,000	25,948		7,149		17,232		27,500		33,750		20,000		
FAA-Fire Sprinklers-Grnt 60	50023	5,363,470	215,790		320,751		412,952			2,025,000			1,695,976		
FDOT Fire Sprinklers	50023	297,971	11,988		2,916		16,250			112,500			85,721		
TSA OTA-In Line Baggage Sys Design		711,496	640,316			71,146									
NORTHSIDE EXPANSION GRANTS															
FDOT (T/W M Realignment/Ext)	54320	6,815,402	389,178	379,883		524,774			800,000		1,150,000		675,911		
<i>FDEO (Inf Dev & T/W C)</i>	<i>54420/50623</i>	<i>3,922,132</i>	<i>3,331,746</i>	<i>432,281</i>		-					-				
FDOT-Project Vista Grant	50323	8,600,000	1,535,011	169,775			451,408		1,000,000		1,600,000		1,700,000		
FDOT FY 23 T Hangar Grant	50223	1,500,000							50,000		625,000		750,000		75,000
FAA Taxiway A Rehab	50524	1,267,370	733,058		304,900		229,412		-						
FDOT Taxiway A Rehab	50524	70,410	40,725		16,939		12,746		-						
FDOT-Employee Parking Grant	51224	550,000							175,000		325,000		50,000		
Total Grant Revenue				2,053,639	924,281	595,920	2,210,953	-	3,097,500	2,137,500	5,016,250	-	5,737,608	-	75,000

**MELBOURNE ORLANDO INTERNATIONAL AIRPORT (MLB) MONTHLY ACTIVITY REPORT
AUGUST 2024**

	2024	2023	MO CHANGE (%)	2024 YTD	2023 YTD	YTD CHANGE (%)
PASSENGERS						
Revenue PAX - Domestic						
Enplaned	20,557	20,316	1.2%	179,715	172,306	4.3%
Deplaned	20,312	20,068	1.2%	177,227	169,758	4.4%
Total Revenue PAX - Domestic	40,869	40,384	1.2%	356,942	342,064	4.3%
Revenue PAX - Int'l						
Enplaned	15,874	20,126	-21.1%	58,319	74,225	-21.4%
Deplaned	15,303	19,003	-19.5%	64,977	81,932	-20.7%
Total Revenue PAX - Int'l	31,177	39,129	-20.3%	123,296	156,157	-21.0%
Non-Revenue PAX						
Enplaned	478	765	-37.5%	5,023	6,106	-17.7%
Deplaned	496	749	-33.8%	5,055	6,155	-17.9%
Total Non-Revenue PAX	974	1,514	-35.7%	10,078	12,261	-17.8%
Total PASSENGERS	73,020	81,027	-9.9%	490,316	510,482	-4.0%
AIRCRAFT OPERATIONS						
Air Carrier	598	583	2.6%	4,481	4,351	3.0%
Air Taxi	99	157	-36.9%	1,168	1,217	-4.0%
General Aviation - Itinerant	9,589	8,331	15.1%	81,351	72,484	12.2%
General Aviation - Local	2,964	3,802	-22.0%	17,831	37,160	-52.0%
Military	65	75	-13.3%	630	472	33.5%
					0	
Total OPERATIONS	13,315	12,948	2.8%	105,461	115,684	-8.8%

RESOLUTION NO. 6-24

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO A "PUBLIC TRANSPORTATION GRANT AGREEMENT" FOR THE CELL PHONE AND EMPLOYEE PARKING LOT EXPANSION PROJECT WITH THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) PROVIDING FOR THE FINANCIAL PARTICIPATION BY FDOT IN CERTAIN AIRPORT IMPROVEMENT PROJECTS AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the State of Florida Department of Transportation in certain Airport improvement projects, and

WHEREAS, the State Department of Transportation has approved a grant in the amount of \$550,000 to fund certain improvements upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into a "Public Transportation Grant Agreement" with the State of Florida Department of Transportation providing for assistance by the State in the form of a Grant in the amount of \$550,000.00 upon the terms and conditions stated in said agreement.

SECTION 2. That the Melbourne Airport Authority Chairman is hereby to execute on behalf of the City of Melbourne Airport Authority, and the Executive Director is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the State Department of Transportation for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the State's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 25th Day of September 2024.



BY: _____
William C. Potter, Chairman
Melbourne Airport Authority

ATTEST:

Greg Donovan, A.A.E.
Executive Director

RESOLUTION NO. 7-24

A RESOLUTION OF THE CITY OF MELBOURNE AIRPORT AUTHORITY, BREVARD COUNTY, FLORIDA, ENTERING INTO AN "AIRPORT IMPROVEMENT PROGRAM" GRANT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) PROVIDING FOR THE FINANCIAL PARTICIPATION BY THE FAA IN REIMBURSEMENT FOR THE REHABILITATION OF TAXIWAY A (PHASE 1 CONSTRUCTION) AT THE MELBOURNE ORLANDO INTERNATIONAL AIRPORT.

WHEREAS, the City of Melbourne Airport Authority has requested financial participation by the Federal Aviation Administration in rehabilitating Taxiway A, and

WHEREAS, the Federal Aviation Administration has approved the application request for financial assistance (entitlement and discretionary funds) and agrees to a maximum participation in the amount not to exceed \$12,000,000.00 upon the terms and conditions stated in said agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MELBOURNE AIRPORT AUTHORITY AS FOLLOWS:

SECTION 1. That the City of Melbourne Airport Authority, Brevard County, Florida, agrees to enter into an "Airport Improvement Program Grant" with the Federal Aviation Administration providing for assistance by the FAA in the form of a Grant in the amount not to exceed \$12,000,000.00 upon the terms and conditions stated in said agreement

SECTION 2. That the Airport Authority Chairman is hereby authorized to execute on behalf of the City of Melbourne Airport Authority, and the Executive Director is hereby authorized and directed to impress the official seal of the City of Melbourne Airport Authority, Brevard County, Florida, and attest said execution.

SECTION 3. That the City of Melbourne Airport Authority, Brevard County, Florida, expresses its sincere appreciation to the Federal Aviation Administration for the above grant and pledges its continued support and cooperation in the improvement and development of the Melbourne Orlando International Airport as a vital link in the Nation's Transportation System.

SECTION 4. This Resolution was duly passed at a regular meeting of the Melbourne Airport Authority, Brevard County, Florida, on the 25th Day of September 2024.



BY: _____
William C. Potter, Chairman
Melbourne Airport Authority

ATTEST:

Greg Donovan, A.A.E.
Executive Director



MELBOURNE AIRPORT AUTHORITY BOARD

Minutes July 24, 2024

Board Meeting Airport Board Room

In Attendance: Mr. William C. Potter, Chairman
Mr. Brent Peoples, Member
Mr. Scott Mikuen, Member
Mr. Michael Fischer, Member
Mr. Adam Bird, Attorney
Mr. Greg Donovan, A.A.E., Executive Director
Mr. David Perley, A.I.C., Director of Capital Improvements
Ms. Melissa Naughton, C.M., ACE, Assistant Director of Business Development
Ms. Stephanie Betts, C.M., ACE, Assistant Director of Operations and Maintenance
Ms. Kayla Krause, ACE, Accountant
Ms. Linda Moros, Captain, Melbourne International Airport Police Department

Absent: The Honorable Tim Thomas, Vice Chairman, Councilmember
The Honorable Paul Alfrey, Mayor
The Honorable Mark LaRusso, Councilmember
Mr. Mark Busalacchi, Director of Business Development
Mr. Mike O'Dell, C.P.A., Director of Finance and Administration
Mr. Cliff Graham, C.M., Director of Operations and Maintenance
Ms. Renee Purden, Chief of Police/Director of Public Safety

Pledge of Allegiance

Airport Announcements by Executive Director Greg Donovan

Allegiant Airlines new route to Cincinnati, Ohio beginning November 15, 2024.

CrowdStrike outage global glitch on July 19th affected many airlines worldwide. Mr. Donovan thanked Menzies and staff for doing a great job handling the outage issues at MLB.

Next Board Meeting will be on September 25, 2024.

Executive Director's Recognition of Excellence Award

Congratulations to Stephanie Betts, C.M., ACE, Assistant Director of Operations and Maintenance, Seth Barber, Operations Officer, Travis McNeely, Airport Electrician and Teagan Frawley, Airport Electrician on receiving this month's award for their dedication and service during a security incident that took place on June 28, 2024.

Action Items

Item A-1 Approval of the minutes for the June 26, 2024, Regularly Scheduled Board Meeting.

Approval of the June 26, 2024, board meeting minutes. A motion was made by Mr. Peoples for approval of the minutes, seconded by Mr. Fischer. Motion passed unanimously.

Item A-2 Recommendation for Approval of Resolution 4-24 to Amend Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to Increase Funding by \$2,000,000 to Fund Certain Improvements for the Project Vista Infrastructure Project.

Mr. Donovan explained the airport received prior funding from Florida Department of Transportation (FDOT) to cover some of the site development costs for the Project Vista Infrastructure Project supporting the Dassault Falcon Jet (DFJ) development. Costs of materials have gone up since the original grant award. Airport staff approached FDOT about obtaining increased funding and was awarded an additional \$2,000,000 to bring the total grant award to \$8,600,000. The grant is 100 percent funded by FDOT, with no matching component from the airport and deemed strategic by the state.

Mr. Mikuen asked if the escalation in price was due to scope increase or material. Mr. Donovan stated it is escalation of materials, in particular, the high cost and quantity of asphalt required for this project.

Mr. Potter asked if the airport anticipates costs will exceed the \$8.6 million. Mr. Donovan stated he believes it will exceed another million dollars. Mr. Potter asked if DFJ is prepared for this escalation. Mr. Donovan stated DFJ is prepared for the additional costs.

A motion was made by Mr. Mikuen for approval of Resolution 4-24 to amend Florida Department of Transportation (FDOT) Public Transportation Grant Agreement to increase funding by \$2,000,000 to fund certain improvements for the Project Vista Infrastructure Project, seconded by Mr. Peoples. Motion passed unanimously.

Item A-3 Recommendation to Approve of Resolution 5-24 to Accept the Federal Aviation Administration (FAA) Airport Improvement Grant to Fund Certain Improvements for the In-Line Baggage System Project in the Amount of \$3,263,505.

Mr. Donovan explained the airport has received an Airport Improvement Grant from the Federal Aviation Administration (FAA) to fund a portion of the In-Line Baggage System project. This amount will be the first portion of FAA funding as the Airport will use multi-year Bipartisan Infrastructure Law Airport Infrastructure Grants (BIL-AIG) as part of the project funding plan for FY24to FY26. The next funding portion is expected in summer 2025.

Mr. Mikuen asked when the second portion of funding is received from FAA, does it reduce the contribution amount required by the airport. Mr. Donovan stated our contribution amount of \$3.9 million is reliant on the second tranche from the FAA.

Mr. Potter asked if this grant is based on enplanements and if the current enplanements support this. Mr. Donovan stated this is not an Entitlement Grant, this is more of a Discretionary Grant.

A motion was made by Mr. Peoples to approve of Resolution 5-24 to accept the Federal Aviation Administration (FAA) Airport Improvement Grant to fund certain improvements for the In-Line Baggage System Project in the Amount of \$3,263,505, seconded by Mr. Fischer. Motion passed unanimously.

Item A-4 Recommendation to Approve a Lease Agreement for Office Space at 1135 W. NASA Boulevard with C2C Development, LLC.

Mr. Donovan explained C2C currently has a lease agreement for office space at 1135 W. NASA Boulevard. Airport staff has negotiated with C2C a new lease with updated terms and language that includes an increase in rent based on a fair market value appraisal. The term will be for five years with one five-year option. The base rent will be \$13.00 per square foot per year, which is \$49,140 annually. CPI adjustments will occur every five (5) years with a minimum of 2 percent and a maximum of 7 percent per year. Utilities charges shall be charged to tenant and paid

by tenant to the Airport as a pass-through charge. The Airport is responsible for the HVAC system or any HVAC units, the exterior maintenance, common area maintenance, and roof repairs or replacement.

Mr. Potter asked if the airport is satisfied with \$13.00 as the market base. Ms. Naughton stated yes per the recent appraisal and hopes to bring to the board in the next meeting a few more leases that will fill out the building.

Mr. Fischer asked if the airport sees a dip in the rent rates now based on the market. Mr. Donovan stated the demand for being at the airport is not showing a weakness or any lapses in our rates.

A motion was made by Mr. Fischer to approve a Lease Agreement for office space at 1135 W. NASA Boulevard with C2C Development, LLC, seconded by Mr. Peoples. Motion passed unanimously.

Item A-5 Recommendation to Approve Issuance of a Purchase Order to Global ARFF for refurbishment of Crash 3 Fire Truck in an Amount Not-To-Exceed \$221,136.51

Mr. Donovan explained this particular Aircraft Rescue and Fire Fighting (ARFF) truck needs repairs and staff has determined it is more cost effective to refurbish this truck than to replace it with a used or newer vehicle. Global ARFF is a nationwide emergency vehicle provider and servicer t has performed work on other Airport vehicles. There is sufficient budget available for this equipment refurbishment in the current budget.

A motion was made by Mr. Peoples to approve issuance of a Purchase Order to Global ARFF for refurbishment of Crash 3 Fire Truck in an amount not-to-exceed \$221,136.51, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-6 Recommendation to Approve a Change Order to Southern Fire Protection for Modifications to the Remaining Fire Sprinkler System within the Existing Terminal in the Amount of \$99,310.

Mr. Donovan explained installation of the fire sprinkler work continues in the existing portions of the terminal. During the inspections, it was noted by the Fire Marshall that no Fire Department Connection (FDC) was provided in the front of the terminal building, which is a requirement. The second item noted is for the new In-Line Baggage System facility, which will require a fire sprinkler system. There is sufficient budget in the approved project for this change order.

Mr. Fischer asked if the work is complete. Mr. Perley stated the fire sprinklers' installation should be complete by the end of this year.

A motion was made by Mr. Peoples to approve a Change Order to Southern Fire Protection for Modifications to the remaining Fire Sprinkler System within the existing terminal in the amount of \$99,310, seconded by Mr. Mikuen. Motion passed unanimously.

Item A-7 Recommendation to Award a Purchase Order to W&J Construction Corporation under its Continuing Services Contract for a Monument Sign at 1135 W. NASA Boulevard in an Amount Not-To-Exceed \$80,200.

Mr. Donovan explained the renovations to the building at 1135 W. NASA Boulevard are nearing completion. Staff worked closely with Tsark Architecture to create a new monument sign that will be illuminated and will allow the tenants names to be added or removed. W&J Construction is currently on-site completing work on this building and is familiar with this scope of work and will remove the existing old sign and replace it with the new monument sign.

A motion was made by Mr. Fischer to award a Purchase Order to W&J Construction Corporation under its Continuing Services Contract for a monument sign at 1135 W. NASA Boulevard in an amount not-to-exceed \$80,200, seconded by Mr. Peoples. Motion passed unanimously.

Information Items

Item I-1 Financial Update

Ms. Krause presented the financial report through May 30, 2024.

Mr. Mikuen stated the expenses were really under running when you showed the projection, but on the actuals, it's only 3% delta and asked is it timing, so we will have more expenses at the end of the fiscal year, and it will catch up. Ms. Krause responded yes.

Item I-2 Operations Update

Ms. Betts explained during this summer season, the operations field team has been very busy and steadily working on painting and striping taxiways, foam testing on the fire trucks, and working diligently in keeping up with grass cutting. Our terminal team is doing a great job keeping the terminal running daily. There are a lot of construction projects currently on the airfield and staff is making sure the airfield stays safe at all times within these areas of construction. The northside runway has been closed daily for several months due to the Dassault Falcon Jet (DFJ) project, and I am happy to report the runway is now open, with closure only once a week for the continued work at the DFJ project. Taxiway Mike has also been closed due to the rehabilitation of the runway. Work is progressing and Taxiway Mike should be open in the next few weeks.

Item I-3 Construction Projects Update

In-Line Baggage System

TSA completed its review and has given its approval to proceed. Follow-up letters were issued to the Construction Manager's at Risk and given a week to respond. The selection committee has received the responses and reviewed them. A public meeting for the selection committee to make its recommendation was held on Thursday, July 18, 2024. A firm was selected, and staff has begun a final review before it is brought to the Board for approval. With no Board meeting in August, the recommendation of the selected firm will be brought to the September board meeting for approval. Notice to proceed should be issued in October and start with the relocation of bag screening and ticketing offices to temporary facilities east of the current ticketing area. New TSA scanners are expected to arrive in late February 2025 and be stored until they are ready for installation. Part of the selection will include discussion of the overall construction schedule. It is the goal of the airport to complete this project by March 2026.

Terminal Fire Sprinklers

Fire alarm and fire sprinkler work continues in the existing terminal. The administration office area, Police Department and TSA offices are complete and have been signed off by the Fire Marshall. Tie-in of the system to the administration areas will require some additional work and is expected to be operational by the end of July. The next phase of work will begin in the car rental area. Material for this work is currently being fabricated. As each sprinkler area is completed, the fire alarm contractor is making connections to the new fire alarm system. It is expected that the old fire alarm system will be able to be removed in its entirety by the end of September.

Existing Terminal Re-roofing

A contract has been signed with the roofer, and it has submitted the drawings for permitting, which is expected any day. Once the permit is in hand, a pre-construction meeting will be held before work begins. Project should complete by November 2024.

Domestic Bag Belt Replacement

Fabrication of the new domestic bag belt continues with some parts already being stored on site. All parts are expected to be on site by the end of August. Replacement of the domestic bag belt will not begin until the TUI season ends, which is expected by the end of November. It is anticipated that the replacement of the domestic bag belt will take four weeks.

Federal Inspection Station Escalator Replacement

Fabrication of the new replacement escalator in the Custom's area continues. Delivery of the new escalator is expected in January 2025. Due to the plant shutting down for the last two weeks of the year, we are not expected to get the escalator any earlier. Demolition of the existing escalator will begin after the last seasonal flight from TUI in preparation for the delivery and installation of the new one. Replacement of the escalator is expected to be completed by the end of February 2025.

Terminal Renovation and Expansion

The replacement freight lift in the back-of-house area of the concession area of the new concourse is now complete. Testing and training were completed, and the lift is now operational. The Terminal Contractor has completed their assessment of the skylight in the atrium and has submitted a new permit from the City. No further update on the skylight has been reported.

Project Vista – Dassault Falcon Jet Site Work

Shop drawings for the utilities portion have been approved and fabrication has begun. A permit for temporary access has been granted by the County. The full permit is expected any day now. A pre-construction meeting for the underground utilities was held on Monday, July 22. Revised plans for the apron work are currently being priced and will be brought back to the next Board meeting for approval. Project completion is expected in June 2025.

Taxiway A Rehabilitation

Bids for the first phase of work on the taxiway have been received which have come in higher than the FAA budget. The formal grant application, with the bids, has been submitted to the FAA for discretionary funding. The FAA is currently working to see if any additional discretionary funding can be obtained. Award of the bid to the lowest responsive qualified contractor by the Board will not occur until discretionary funding is available. Phase 2 of the taxiway rehabilitation is expected to bid next year with FAA funding coming from discretionary funding for FY 2026.

Taxiway M Phase 1 (Realignment) and Phase 2 (Extension)

Taxiway M Phase 1 asphalt is complete and the new Taxiway M1 is open to traffic. Final striping is expected near the middle of August. Demolition of the old Taxiway M has started. Material from the demolition is being stored for use on the Taxiway M extension. Delays in getting a gopher tortoise permit have held up the extension construction. Work on clearing the drainage ditches associated with the project is now complete. Temporary security fencing is now in place and ready for when the tortoises are relocated. Phase 2 work is expected to be complete in October.

Item I-4 Business Development and Marketing Update

Ms. Naughton gave an update on the campaign for the new Allegiant route to Cincinnati (CVG) and how social media has been very receptive of the announcement for the new route. Marketing currently has a trivia contest on Facebook to win a Stanley cup. Staff is currently working on placing outdoor banners at the front of the terminal and also at the Hyatt Place Hotel. Beginning in August, the airport will be collaborating with CVG staff to discuss campaign strategies and also contacting the local TDC on the campaign as well. Airport staff will coordinate an inaugural flight celebration on November 15, 2024.

The next tenant spotlight is C2C Development. They are a medical device manufacturer focused on front end product development, regulatory approval, and pilot production. This company partners with universities, physicians, inventors and other device companies to bring products from “Concept to Commercialization”.

Adjournment

This meeting was adjourned by Chairman William Potter at 9:20 a.m.

PREPARED BY:

Sandra Acevedo – Executive Assistant

SUBMITTED BY:

Greg Donovan, A.A.E.
Executive Director

APPROVED BY ACTION OF AIRPORT AUTHORITY:

William C. Potter, Chairman