

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 FY24 to 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