

## REGULAR MEETING

TITUSVILLE-COCOA AIRPORT AUTHORITY

JUNE 12, 2003

The regular meeting of the Titusville-Cocoa Airport Authority was held on June 12, 2003, at 1:35 p.m., at the Titusville-Cocoa Airport Authority office, 355 Golden Knights Boulevard, Titusville, Florida. The following members were present: Joel H. Taft, Chairman; Frank Kinney, Vice Chairman; Jay G. M. Schenck; Russell Alarie; David N. Edwards, Jr., A.A.E., Executive Director; and Timothy F. Pickles, Esq.; Airport Attorney. Brian M. Lally, P.E., Secretary; R. Craig Rastello, Treasurer; and Philip R. Thompson were absent.

### **Roll Call**

Mr. Taft requested roll call and determined a quorum was present. All Authority members were present with the exception of Brian Lally, Craig Rastello and Phil Thompson.

### **Approval of Minutes**

Mr. Taft called for a motion to approve the minutes for the Regular meeting on May 14, 2003.

Mr. Schenck motioned the approval, seconded by Mr. Kinney. All voted Aye. Motion passed unanimously.

Mr. Taft addressed the public and advised that if they had a desire to speak on a specific item to fill out a card provided on the wall and turn them in to the Executive Secretary.

Mr. Edwards noted that the agenda had been revised and made the Board aware that New Business Item C was added shortly before the meeting.

**Appearances** – None.

**Presentations** – None.

### **Consent Agenda**

**Item A** – Approval of Updated Airport Authority Travel Policy.

Mr. Taft called for a motion to approve the consent agenda. Mr. Alarie motioned the approval of the consent agenda, seconded by Mr. Schenck.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

### **Old Business**

**Item A – Discussion of Airport Authority Debt Refinancing.**

Mr. Edwards stated that any discussion on this item will be deferred to the July meeting, pending the gathering of additional information.

Mr. Rastello joined the meeting at 1:40 PM.

**New Business**

**Item A – Approval of Addendum F to Discovery Aviation Services, Inc. Lease Agreement.**

Mr. Edwards stated that Staff and representatives of Discovery Aviation had met to negotiate certain changes to the lease agreement between the Airport Authority and Discovery Aviation.

Mr. Edwards stated that due to the rehabilitation of Taxiway "E", the Federal Aviation Administration (FAA) required that FAA Design Criteria be met for the project to be funded. As a result, certain leasehold areas for Discovery Aviation needed to be modified to conform to such design standards. Mr. Edwards advised that Staff has modified Exhibit A of the lease agreement to reflect the revised Leased Premises.

Mr. Edwards advised the Board that the lease of Building 52 and its associated land and aircraft ramp has reverted to a month-to-month lease, due to Discovery Aviation's request not to execute the first 5-year option period. Mr. Edwards stated that Staff has negotiated a 60-day notice should either party desire to terminate the month-to-month lease.

Lastly, Mr. Edwards advised that Staff has conducted a 5-year rental rate review and applied such rates to the revised Leased Premises. He stated that these rates will become effective on July 1, 2003. Mr. Edwards advised that this rate will provide a net annual revenue increase to the Airport Authority of \$5,544.20.

Mr. Edwards stated that prior to the meeting, Mr. Juhl (Discovery Aviation) expressed his concern that he was not quite comfortable with the modified Exhibit A of the lease agreement. Since Mr. Juhl did not attend this meeting, Mr. Edwards suggested moving forward with the existing lease agreement with some possible minor modifications.

Mr. Edwards stated that another issue Mr. Juhl had pointed out was that he felt he needed a longer term lease on Building 52. Mr. Edwards recommended that the Board not approve this request due to the deterioration of the building, which could result in possible demolition within the next few years.

Mr. Edwards recommended that the Authority Board approve the proposed Addendum F with the minor adjustments as discussed, and authorize

and Authority Officer or Executive Director to execute the necessary documentation up satisfactory review by legal counsel.

Discussion ensued among the Board.

Mr. Schenck motioned to approve the Executive Director's recommendation, seconded by Mr. Alarie.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

**Item B** – Approval of Lease Agreement with the Brevard County Sheriff's Department for the Construction of a Hangar/Office Space at Merritt Island Airport.

Mr. Edwards reviewed the background on this item and advised that after a long negotiation process, Staff and legal counsel have completed negotiations with the Sheriff's Department for the above referenced project.

Mr. Edwards reviewed the base terms of the agreement for the Board.

Mr. Edwards advised that the annual revenue to the Airport Authority for this lease is \$12,000.00.

Mr. Edwards recommended that the Authority Board approve the proposed agreement with the Brevard County Sheriff's Department, and authorize and Authority Officer or Executive Director to execute the necessary documentation up satisfactory review by legal counsel.

Mr. Edwards advised the Board that Staff and legal counsel would recommend holding firm on the issue of the provision on monitoring and inspection to enhance security. Mr. Edwards asked the Board for concurrence that this item must be included in the agreement.

Mr. Edwards advised that upon approval of the Board, Staff would finalize the lease with appropriate language in the paragraph relating to the security issue and execute the lease.

Mr. Pickles explained the security language to the Board and the reasoning for including it in the lease.

Discussion ensued among the Board.

Mr. Taft suggested composing a transfer letter to the Sheriff's Department that restates the FAA requirements and explaining that the security issue is not due to the actions of the Airport Authority. Mr. Pickles stated that he would include this information in the cover letter.

Mr. Kinney motioned to approve the Executive Director's recommendation, seconded by Mr. Schenck.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

**Item C** – Approval of Lease Agreement with Airborne Partners, L.L.C. for the Design and Construction of a Box Hangar Complex at Merritt Island Airport.

Mr. Edwards stated that Mr. John Murphy representing Airborne Partners, L.L.C. approached Staff to discuss construction of a 7-unit box hangar facility on the north side of Merritt Island Airport.

Mr. Edwards stated that negotiations of the proposed facility are complete and he reviewed the base terms of the agreement for the Board.

Mr. Edwards stated that in order for the project to be constructed, building 5 must be demolished. Space Coast Aviation is currently leasing this building and has agreed to amend their lease for the removal of the building. Mr. Edwards stated that Space Coast Aviation will receive a corresponding reduction in its lease rates, which would be approximately \$4,500.00 annually. However, Mr. Edwards also noted that the annual net revenue increase from the project to the Airport Authority is approximately \$1,425.00.

Mr. Edwards recommended that the Authority Board approve the proposed agreement with Airborne Partners, L.L.C., approve an amendment to the Space Coast Aviation Inc. lease agreement to remove the building 5 lease area, and authorize an Authority Officer or Executive Director to execute the necessary documentation up satisfactory review by legal counsel.

Mr. Murphy requested a 30-year lease with a 10-year extension in order to amortize the investment over an appropriate amount of time. Mr. Murphy reviewed the type of hangar that he is planning to construct.

Discussion ensued regarding the proposed term of the lease.

Mr. Edwards stated that he was not in favor of a 40-year lease for a project of this size, however, he advised that the term is completely up to the discretion of the Board.

Discussion continued.

Mr. Taft commented that he felt that it would benefit the Authority to foster this project in order to increase the growth of private aviation. Mr. Taft stated his opinion that this project would provide an overall benefit for all parties involved.

Mr. Murphy stated that he holds a list of people who expressed a desire for this project and anticipates a full building accompanied by a waiting list.

Discussion continued.

Mr. Rastello motioned to approve the Executive Director's recommendation with the amendment of a 10-year option added to the 30-year

term, at which point the rental rate would be subject to the 100% appraised fair market value of the land, seconded by Mr. Schenck.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

Mr. Taft confirmed with Mr. Murphy that any plans for the hangars must be approved by Staff before construction takes place. Mr. Murphy agreed.

### **Executive Director's Report**

**RKT Update** – Mr. Pickles reviewed the background of this item and advised that the attorney pointed out some provisions of the contract the he claims RKT should benefit from. Mr. Pickles suggested that the Board consider the items brought back from the attorney and determine if these items are legitimate. He also suggested granting some discretion on the part of the Executive Director to review the items following a discussion with the contractor and legal counsel to determine whether or not these items are legitimate. He stated that this would help the Authority reach a resolution and avoid having to bring the issue back to the Board for further discussion.

Mr. Rastello motioned to allow the Executive Director to determine the legitimacy of the items under the contract. He also motioned that should any items prove to be legitimate, the \$9,500.00 would be reduced by that amount and the Authority could then provide a check for the balance. Mr. Schenck seconded the motion.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

**Project Hawk** – Mr. Edwards stated that the Authority has not received a commitment letter to date. He advised that after further discussion with representatives from Project Hawk, the commitment letter is not anticipated to be forthcoming until August 1, 2003.

**Ron Lueck** – Mr. Edwards reviewed the background on the fence issue at Merritt Island. As a result, Mr. Lueck has reimbursed the Authority for the cost of repairing the damaged fence area.

**Tower Dedication** – Mr. Edwards stated that the tower dedication will take place on August 14, 2003 directly following the Board meeting.

**Young Eagle's** – Mr. Edwards stated that this event will occur on Saturday, June 14 at the Merritt Island Airport. He encouraged the Board members to participate should they have an opportunity to do so.

**Finance** – Mr. Edwards stated that the Board has been provided with the monthly check register and budget to actual report.

**Newspaper Articles** – Mr. Edwards pointed out a few newspaper articles for the Board to review at their leisure.

**Fuel Flowage Report** – Mr. Carr reviewed the fuel flowage report for March and April.

**Construction Update** – Mr. Carr reviewed the Merritt Island Airport west apron project and road addition on the south side. Mr. Carr stated that the road addition has been completed, as well as the installation of an electric gate for tenant access.

Mr. Carr stated that the apron in front the Sheriff's Department is currently being demolished. Mr. Carr stated that during this process, several large tree stumps were discovered. He stated that the contractor has provided a change order in the amount of \$28,000.00 to remove the stumps and replace the area with clean fill. Mr. Carr stated that Staff has sought approval from the FAA and FDOT for the amount, and the net change for the Airport Authority would be \$1,400.00. Mr. Carr recommended the Board to approve this additional project in order to complete the new apron.

Mr. Kinney motioned to approve Staff to spend the additional 5% in order to match the \$28,000.00 to move forward with the project, seconded by Mr. Rastello.

Mr. Taft called the question. All voted Aye. Motion passed unanimously.

### **Authority Member's Report**

Mr. Kinney pointed out some issues for clarification regarding the travel policy.

Mr. Edwards clarified all points noted in his comments.

Mr. Schenck asked Mr. Carr to provide an update on the t-hangar renovations.

Mr. Carr advised that the last set is in progress at the current time. He stated that the tenants seem to be pleased with the outcome.

Mr. Edwards presented a package to the Board for his yearly review. The Board determined to have all evaluations forwarded to the Executive Secretary upon completion, at which time they will be distributed to each Board member for their review. Mr. Edwards stated that discussion of this item will take place at the next Board meeting.

### **Public Comment**

Ms. Barbash, Helicopter Adventures, asked if there were any future plans to renovate Tico Road. She also mentioned that the train blocks the roadway off US 1 on a weekly basis and allows no other alternative than to drive on Tico Road, which also becomes an inconvenience for those that are unfamiliar with the area.

Mr. Edwards stated that someone will eventually renovate the road, however, there is not a definite time frame as to when this improvement will take place. He explained the situation and what Staff is trying to do to move this project forward.

Mr. Edwards stated that regarding the train situation, he would advise the tenants to send complaint letters to the Airport Authority, which would then be forwarded with a cover letter to FEC.

Mr. Edwards also stated a possibility of erecting signs on either side of the railroad track directing people to the alternate entrance.

Ms. Lasher, tenant, thanked Mr. Edwards for acknowledging Young Eagles Day. She also thanked the Board for allowing Patterson-Bach to conduct public relations for the event. Ms. Lasher stated that she has received much interest and anticipated 300-400 kids.

Mr. Kinney advised the public to demonstrate support for the Tico Road project by communicating their concerns to the Commissioner. He stated that this would help move this project forward.

Mr. Edwards advised that Staff would draft a letter of support to the Commissioner for this project as well.

Mr. Schenck motioned to adjourn, seconded by Mr. Rastello.

The regular meeting was adjourned at 3:10 PM.

  
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JOEL H. TAFT, CHAIRMAN

  
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BRIAN M. LALLY, P.E., SECRETARY