

**TITUSVILLE – COCOA AIRPORT AUTHORITY**

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on May 21, 2015 at 8:30 a.m. at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL. The following members were present: Mr. Jerry Sansom, Chairman; Dr. David Hosley, Vice Chairman; Ms. Patricia Patch, Treasurer; Mr. Harry Carswell, Secretary; Dr. Wasim Niazi; Mr. Jay Stalrit; Mr. Milo Zonka; Mr. Michael D. Powell, C.M., ACE, CEO; Mr. Timothy Pickles, Esq., Airport Attorney.

**Call to Order**

Mr. Sansom called the meeting to order and determined that a quorum was present.

**Approval of the Agenda**

Mr. Sansom asked if there were any changes or additions to the Agenda. Mr. Powell stated that Mr. Ron Jones from Rocket Crafters at Space Coast Regional Airport wanted to give a presentation during the discussion of Item C. Mr. Sansom asked for a motion. Ms. Patch made a motion to approve the Agenda. Mr. Zonka seconded. Mr. Sansom called the question. There were no objections. Motion Passed.

**Appearances – None****Presentations – None****Consent Agenda****Item A – Approval of the Titusville-Cocoa Airport Authority Minutes:****1. April 16, 2015 – Regular Meeting**

Mr. Zonka made a motion to approve the Consent Agenda as presented. Mr. Carswell seconded. Mr. Sansom called the question. There were no objections. Motion passed.

**Old Business – None****New Business****Item A – Discussion & Consideration of a Space Use Permit for Florida Biplanes at TIX**

Mr. Powell gave a brief overview of the item, stating that Florida Biplanes would like to stage their biplane ride business at the far North East corner of the Space

Coast Regional Airport on a short term basis at the rate of \$134.17 per month. Mr. Powell added that the company would set up a tent with a table in it and only be open in the daylight hours.

Mr. Sansom turned the floor over to Mr. Mark Grainger, from Florida Biplanes. Mr. Grainger stated that he believed air tours were an impulse buy and that having the biplane staged in the proposed location would be a draw to people on their way to Space Center Visitor's Complex. Discussion continued.

Mr. Zonka made a motion to approve the space use permit. Dr. Niazi seconded. Mr. Sansom called the question. There were no objections. Motion passed.

### **Item B – Discussion & Consideration of an Amendment to the Lease for Space Coast Jet Center**

Mr. Powell gave an overview of the item, stating that Airscan had requested a modification to their lease, wanting to give back everything south of Taxiway E. Mr. Powell stated that they shared that part of the reason was the old hangar they were currently leasing was not safe, and that they were going to consolidate and have more apron space. Discussion continued.

Mr. Stalrit joined the meeting at 8:42 a.m.

Mr. Carswell made a motion to approve the Amendment. Dr. Hosley seconded. Mr. Sansom called the question. There were no objections. Motion passed.

### **Item C – Discussion & Consideration of Rocket Crafters' Office Space at Space Coast Regional Airport**

Mr. Powell gave a brief overview of the item, stating that Rocket Crafters was requesting to reduce their two offices in the Administrative Building at Space Coast Regional Airport down to one office, in addition to extending their agreement with the Airport Authority for another six months with the understanding that they may be able to move into another building on the airport before that six months was up. Mr. Powell turned the floor over to Mr. Ron Jones from Rocket Crafters. Mr. Jones gave a Power Point presentation. Discussion continued.

Mr. Zonka asked if they could state today that if the Airport Authority agreed to the request, at that point one way or another could Rocket Crafters pay rent, whether it was in the new building or not. Mr. Jones stated that they would work out a course of action with Mr. Powell, who would then bring it back to the Board for approval. Discussion continued.

Mr. Sansom called for a motion. Mr. Zonka made a motion to approve the request. Mr. Stalrit seconded. Dr. Hosley declared that since he was on the advisory board for Rocket Crafters, he would have to abstain from voting. Mr. Sansom called the

question. There were no objections. Motion passed. Mr. Pickles stated for the record that Dr. Hosley abstained from the vote.

**Item D – Discussion & Consideration of an Amendment to the Lease for the Valiant Air Command at Space Coast Regional Airport**

Mr. Powell gave a brief overview of the item, stating that the Valiant Air Command (VAC) had an opportunity to refinance an existing loan at a better interest rate, but the bank needed another ten year commitment on their lease. Mr. Powell stated that their lease was a twenty year lease with four five (5) year options and that they were currently in their second five (5) year option. Mr. Powell stated that the VAC had already met the improvement requirements of the lease. Mr. Powell stated that the bank wanted language which would state that in the event that VAC defaulted on their loan, they could bring another kind of commercial business in there and not just a museum. Mr. Powell stated that Staff and the attorney were still working on that lease language. Discussion continued.

Mr. Bob Boswell from the Valiant Air Command gave a brief explanation of the language the bank was looking for. Discussion continued.

Mr. Pickles stated that the 10 year extension language was easy, but from the VAC's and the bank's timing, would it need to be something that came back to the Board for approval, or should the Board give Mr. Powell the authority to negotiate the terms and sign it now in case they lose their rate. Mr. Powell stated that Staff was looking to at least approve the 10 year extension, so the VAC could continue to negotiate. Mr. Powell stated that he had not heard a hard timeline regarding the rates. Mr. Boswell stated that they needed to move pretty quickly before the rates started to go back up. Discussion continued.

Mr. Zonka made a motion to authorize Mr. Powell to negotiate and sign the agreement. Dr. Hosley seconded. Mr. Sansom called the question. There were no objections. Motion passed.

**Item E – Discussion & Consideration of a Lease for Building 13 at Arthur Dunn Airpark**

Mr. Powell gave a brief overview of the item, stating that he had spoken with the tenant of the building whose proposal was a 20% increase in rent while Staff continued to market the facility, and the commercial lease would go away and that it would be a month to month lease like other t-hangar tenants. Mr. Powell stated that he had reached out to the largest tenant at Arthur Dunn, but they were not interested in renting the facility.

Mr. Pickles stated that Ms. Patch had filed a voting conflict form. Mr. Pickles also stated that if the Board were to approve less than the appraised value of the building, then his opinion was that the Board would need to make a specific finding as to the value of maintenance in order to justify the fact that they were charging

less than the appraised value. Mr. Stalrit stated that it was very important to him that there was a justification of the maintenance number, and asked how they got the number of \$1,000 a month. Ms. Patch replied that the number should actually have been roughly \$1,000 a year understanding sometimes there were quite a few repairs and costs of upkeep and other times there were not. Mr. Powell stated that the number came from Mr. Jim Garrison, who built the hangar. Discussion continued.

Mr. Pickles stated that if the lease was changed to a regular hangar lease, the Airport Authority would be responsible for insurance, so the Authority would need to make sure the tenant would cover any increase in premium. Discussion continued.

Mr. Carswell asked if it was a t-hangar or a commercial building. Ms. Patch stated that it had no AC, no office and no restroom and that it was a place to park planes, not a commercial building. Discussion continued.

Mr. Zonka stated that the recommendation was discriminatory because if the Airport Authority was going to lease the building with the same terms and conditions as a t-hangar, then the same consideration to negotiate the terms of the lease would have to be offered to the other t-hangar tenants. Discussion continued.

Mr. Sansom stated that if the Board didn't approve the recommendation, the tenant could move out and the hangar would sit empty until Staff found someone to rent it, or take Staff recommendation. Mr. Sansom stated he felt the best action would be to have the tenant continue with the recommended 20% increase until Staff found someone willing to sign a long term commitment. Discussion continued.

Mr. Zonka made a motion to apply the rent at market value effective immediately. The motion died for lack of a second.

Mr. Carswell stated that it was easy to establish what a t-hangar that size should cost per month, if it was done by square footage. Mr. Carswell made a motion to establish what the t-hangar square foot rate was and immediately make that effective. Mr. Zonka seconded. Mr. Stalrit asked if \$3.75 per square foot was the t-hangar appraisal rate. Mr. Powell stated that it was the square footage rate that the appraiser used based on the usage of that hangar. Mr. Stalrit asked if it was the non-commercial rate for a box hangar. Mr. Powell confirmed that it was that it was slightly different than the t-hangar rate because it was for bigger and better use. Mr. Sansom stated that Mr. Carswell's motion was to apply the t-hangar square footage rate. Mr. Carswell confirmed that it was. Based on that information, Mr. Zonka withdrew his second.

Mr. Powell stated that the rate the appraiser used for the building, \$3.75 per square foot, was the standard box hangar rate. Mr. Powell stated that the t-hangar rate was varied based on the age of the facility, but that it was roughly \$2.85 per square foot.

Mr. Sansom asked Mr. Carswell to clarify his motion. Mr. Carswell stated that if the rent was \$3.75 per square foot, per year it was about .31 per square foot per month. Mr. Stalrit stated that it came out to about \$781, which was more than he thought, but he felt it was fair. Mr. Sansom stated that there was no second on Mr. Carswell's motion.

Mr. Stalrit made a motion, to choose a number in between the square foot rate of a box hangar and a t-hangar, which he was putting out as \$3.25 per square foot, based on the intended use of the facility being more in line with a t-hangar than a commercial facility. Dr. Niazi seconded. Mr. Sansom asked if Mr. Stalrit's motion proposed to charge that rate on a conventional lease. Mr. Carswell confirmed that it did. Mr. Pickles stated for that record that t-hangar leases were month to month by definition. Mr. Carswell stated he agreed with everything, but wanted to amend the motion to allow Ms. Patch three months at the current rate if she elected not to accept the proposed rate. Mr. Stalrit and Dr. Niazi agreed to the amendment. Mr. Sansom asked if that would be the rate for anyone else after that. Mr. Stalrit stated that it would be as long as the usage was the same.

Mr. Zonka stated that he felt the proposed action was inappropriate. Mr. Pickles stated that if the Board determined that this was the rate, that they would need specific findings to justify it.

Mr. Sansom turned the floor over to Mr. Jim Garrison, who was the contractor that built the hangar. Mr. Garrison stated that Ms. Patch paid for everything to build the hangar herself upfront. Mr. Garrison also explained that the hangar door opening was only nine feet, four inches, which was too small for any type of commercial aircraft and that it was basically a square t-hangar, thus it could not technically be classified as a commercial hangar. Mr. Garrison also stated that he was an appraiser. Mr. Garrison requested that the Board honor Staff's recommendation. Discussion continued.

Dr. Niazi left the meeting at 10:10 a.m.

Mr. Sansom turned the floor over to Ms. Patti Vest from Voyager Aviation at the Merritt Island Airport. Ms. Best asked if it would be feasible for Ms. Patch to move into a regular t-hangar the Arthur Dunn Airpark. Ms. Best stated that it sounded like Ms. Patch had a horrible lease, because the door was too short for a commercial aircraft, yet the lease was a commercial lease. Mr. Sansom stated that it was actually a "commercial style" lease. Ms. Best stated that the Airport Authority shouldn't treat special circumstances at the cost of jeopardizing their integrity.

Mr. Sansom stated that he wanted to make it clear that the Board was not negotiating with the tenant at the current meeting, and that they had not asked the tenant whether or not the proposal was acceptable or not. Mr. Sansom stated that his primary concerns were to do the right thing, but also that it could take a long time to rent the building. Discussion continued.

Mr. Pickles stated that if the Board made a determination that because maintenance was done on this particular hangar and they assessed a value to it, whatever that value was, and because it's a unique situation, then the Board could come up with a less than appraised value. Mr. Pickles stated that the alternative was that if the Airport Authority did the appraised value, and took over the maintenance of the hangar. Mr. Pickles stated that if the Board did decide to use the less than appraised value, as long as it was on a month to month basis and was actively marketed, the potential damage would be minimized. Discussion continued.

Mr. Stalrit recapped the motion, stating that it was for a month to month lease with ninety days at the current rate and \$3.25 per square foot after the ninety days, in addition to the Airport Authority taking over the maintenance. Discussion continued.

Mr. Sansom called the question. All voted aye, except Mr. Zonka. Motion passed.

Mr. Sansom called a recess at 10:31 a.m.

Mr. Sansom called the meeting back to order at 10:40 a.m.

#### **Item F – Discussion & Consideration of the Spaceport License Application Costs**

Mr. Powell gave a brief overview of the item, stating that he had briefed the Board a couple of months ago that the FAA had become concerned with rate in which agencies all over the nation were proceeding in acquiring their space port licenses, so they made a requirement that everyone had to take all of the information they had completed, no matter where they were in the process, and go through the aviation side of the house as well as the Commercial Space Transportation agency. Mr. Powell stated that this added more time and resources required to complete the process. Mr. Powell stated that staff asking for approval of Amendment Three which was revising the contract with Michael Baker based on the additional cost and requirements. Mr. Powell turned the floor over to Mr. Brian Russell, who gave a brief explanation of what was going on in this process. Discussion continued.

Ms. Mariben Anderson from Michael Baker stated that currently there were ten applications for spaceport licenses, and the Airport Authority was just one of them. Discussion continued.

Mr. Sansom called for a motion. Mr. Stalrit made a motion to approve the recommendation. Mr. Carswell seconded. Mr. Sansom called the question. There were no objections. Motion passed.

#### **Item G – Discussion by Mr. Brian Russell of Recent Invoiced Costs by Michael Baker Jr., Inc. and Contractors Regarding Current Projects**

Mr. Sansom turned the floor over to Mr. Russell.

Mr. Russell presented Pay Request Number 7 in the amount of \$383,397.01 from GLF, which was for the East Apron Rehabilitation Project at Space Coast Regional Airport.

Mr. Russell presented Pay Request Number 2 in the amount of \$57,956.40 from C & D Construction, which was for the East Side Hangar Project at Space Coast Regional Airport. Discussion continued.

Mr. Russell presented Invoice Number 906483 in the amount of \$1,148.55 from Michael Baker International, which was for the RSA Compliance & Shoreline Stabilization Construction Project at the Merritt Island Airport.

Mr. Russell presented paperwork documenting mitigation property purchase to Brevard HMA Investments in the amount of \$288,865.72, which was for the RSA Compliance & Shoreline Stabilization Project – Mitigation at the Merritt Island Airport.

Mr. Zonka made a motion to approve the invoices. Dr. Hosley seconded. Mr. Sansom called the question. There were no objections. Motion passed.

## **Information Section**

### **CEO Report**

Mr. Powell reported that the Wildlife Hazard Management Plan at Space Coast Regional Airport had been completed and submitted to the FAA for review and approval. Discussion continued.

Mr. Powell reported that several businesses have been showing interest in our facilities and gave the example of a different kind of new business, Precision Exotics, they we were still speaking with on possibilities.

Mr. Powell concluded his report.

### **Attorney Report – None**

### **Check Register & Budget to Actual**

Mr. Powell shared that everything was provided to the Board and would be happy to answer any questions anyone had.

### **Administration & Project Reports**

Mr. Powell stated that the reports were provided, and that some old projects had been removed.

**Authority Members Report**

Dr. Hosley stated that there was a huge push in Brevard County to really launch manufacturing. Discussion continued.

Mr. Stalrit asked Mr. Sansom if there were any updates on the potential legislative of grants for the Airport Authority. Mr. Sansom stated that there was a special session planned for June 1<sup>st</sup>, but the likelihood was low, but still alive. Mr. Sansom also stated that drone legislation had passed, and was signed by the Governor.

Mr. Stalrit stated that the Next Generation Heavy Lift Rocket had gotten significant funding approval by the U.S. House.

Mr. Sansom stated that NASA and Space Florida were about to agree to terms on the Shuttle Landing Facility. Discussion continued.

**Public & Tenants Report**

Mr. Don White from the Merritt Island Airport, stated that he gave Mr. Tony Yacono the award that he had accepted for him from the Airport Authority at the last meeting. Mr. White presented a photo of Mr. Yacono accepting the award. Mr. White stated that the EAA was giving a full scholarship for Oshkosh training through the Young Eagles Program and that the EAA was going through the applications right now. Mr. White stated that he would announce the winner of the scholarship next month. Discussion continued.

**Adjournment**

Mr. Sansom adjourned the meeting at 11:24 a.m.

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JERRY SANSOM, CHAIRMAN

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HARRY CARSWELL, SECRETARY