

**TITUSVILLE – COCOA AIRPORT AUTHORITY**

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on October 15, 2020 at 8:30 a.m. at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL and Via Video Conference. The following members were present via video conference: Mr. Jerry Sansom, Chairman; Mr. John Craig, Vice Chairman; Mr. Al Elebash, Secretary; Mr. Roger Molitor; Mr. Donn Mount; Mr. Al Voss; Mr. Michael D. Powell, C.M., ACE, CEO; Mr. Adam Bird, Attorney. Mr. Harry Carswell was absent.

**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 proposed changes to the Agenda. Mr. Powell stated that he had sent a revision to the Agenda the previous evening for the Board's consideration for a lease option, which could be New Business – Item D. Mr. Mount made a motion to approve the Agenda with the revision for the added item. Mr. Elebash seconded. Mr. Sansom called the question. All voted aye. Motion passed.

**Appearances – None****Presentations – None****Consent Agenda****Item A – Approval of the Titusville-Cocoa Airport Authority Minutes:**

1. September 17, 2020 – Regular Meeting
2. September 17, 2020 – First Public Budget Hearing

Mr. Sansom called for a motion to approve the Consent Agenda. Mr. Craig made the motion. Mr. Voss seconded. Mr. Sansom called the question. There were no objections. Motion passed.

**Old Business – None****New Business****Item A – Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker and Contractors Regarding Current Projects**

Mr. Powell turned the floor over to Mr. McDaniel

Mr. McDaniel presented Pay Request Number 5 in the amount of \$24,750.70 and Pay Request Number 6 in the amount of \$18,091.75, both from Michael Baker International, in addition to Pay Request Number 5 in the amount of \$165,284.32 and Pay Request Number 6 in the amount of \$137,453.92, both from V.A. Paving, which were for the South Apron & Runway 11/29 Rehabilitation Project at Merritt Island Airport.

Mr. McDaniel presented Pay Request Number 1 in the amount of \$29,033.85 from Michael Baker International, which was for the Hangar 52 Demolition Project at Space Coast Regional Airport.

Mr. McDaniel presented Pay Request Number 1 in the amount of \$38,445.65 from Michael Baker International, which was for the Runway 9-27 Rehabilitation Project at Space Coast Regional Airport.

Mr. McDaniel presented Pay Request Number 1-A in the amount of \$21,688.90 from Michael Baker International, which was for the VAC Apron Project (50/50) at Space Coast Regional Airport. Mr. McDaniel presented Pay Request Number 1-B in the amount of \$21,688.90 from Michael Baker International, which was for the Titusville-Cocoa Airport Authority Taxi Lane and Apron Project (80/20) at Space Coast Regional Airport. Mr. McDaniel explained that the two were actually the same project, but it had to be split so that they could go to the correct grant written by FDOT.

Mr. Craig made a motion to approve the invoices. Mr. Molitor seconded. Mr. Sansom called the question. There were no objections. Motion passed.

**Item B – Discussion by Mr. Rob Hambrecht of Recent Invoiced Costs by AVCON and Contractors Regarding Current Projects**

Mr. Powell turned the floor over to Mr. Hambrecht.

Mr. Hambrecht presented Pay Request Number 1 in the amount of \$208,895.59 and Pay Request Number 2 in the amount of \$762.25, both from Aviation Construction & Electric, LLC, in addition to Pay Request Number 4 in the amount of \$3,562.51 from AVCON, Inc., which were for the PAPIs Replacement Project at Arthur Dunn Airpark.

Mr. Hambrecht presented Pay Request Number 3 in the amount of \$12,257.97 from Trinity Electrical Services, and Pay Request Number 4 in the amount of \$647.91 from AVCON, Inc., which were for the PAPIs Replacement Project at Merritt Island Airport.

Mr. Mount made a motion to approve the invoices. Mr. Craig seconded. Mr. Sansom called the question. All voted aye. Motion passed.

**Item C – Discussion and Consideration of a Lease Termination and New Lease at Space Coast Regional Airport**

Mr. Powell gave an overview of the item, stating that Airscan, Inc. was in the process of finalizing the sale of Space Coast Jet Center at Space Coast Regional Airport to Mr. Carsten Peterson and Ms. Wendy Peterson. Mr. Powell explained that Airscan wanted to terminate their lease, and the Petersons wanted to proceed with a new lease, operating under the name Space Coast Executive Jet Center. Mr. Powell stated that the numbers would be exactly the same. Mr. Powell stated that Staff was still finalizing the paperwork, which was supposed to be in by the next day. Mr. Powell stated that Staff recommended approval. Discussion continued.

Mr. Craig asked how Staff could proceed if they didn't know anything about the new ownership. Mr. Powell stated that there was a time crunch, and the Board could approve the business terms provide all the required documentation was provided and the lease wouldn't be executed unless all that was satisfied.

Mr. Bird stated that, to address Mr. Craig's question, it was akin to a conditional approval and that often times there were folks that came with some time constraints. Mr. Bird stated that Staff didn't want to be the cause of delay. Mr. Bird also stated that the terms were exactly the same as the current terms, and the operations were the same. Mr. Bird stated that the Peterson's personally guaranteed the lease, which were some of the reasons Staff brought it to the Board under the circumstances. Discussion continued.

Mr. Mount made a motion to give Mr. Powell and Mr. Bird the authority to make the lease changes as proposed. Mr. Elebash seconded. Discussion continued.

Mr. Molitor asked if Mr. Powell evaluated the Peterson's past performance in FBO's. Mr. Powell stated that Mr. Peterson had actually been running Space Coast Jet Center for several years for Airscan. Discussion continued.

Mr. Sansom turned the floor over to Mr. Peterson. Mr. Peterson stated that he and Ms. Peterson appreciated Authority Staff and Mr. Bird working with them, and that they were a little behind getting the paperwork done, but he assured it was getting done. Mr. Peterson stated that some things had taken a little bit longer than they had anticipated. Mr. Sansom asked if it would cause issues if they waited until the next meeting to approve the lease. Mr. Carsten stated that he felt it would, because it could cause business delays. Discussion continued.

Mr. Mount wanted to make sure the motion included the termination of the lease with Airscan. Mr. Bird stated that the termination of the existing lease needed to be conditioned on Staff's ultimate review and approval of the new lease with the Petersons as Space Coast Executive Jet Center. Mr. Bird re-stated the motion for the Board to approve the business terms of the lease agreement with Space Coast Executive Jet Center conditioned upon Staff's ultimate acceptance and approval of due diligence and review of the non-business terms of the lease, and if approved, then termination of the existing Space Coast Jet Center lease agreement. Mr. Sansom called the question. Mr. Sansom called the question. All voted aye. Motion passed.

**Item D – Discussion and Consideration of an Option to Lease for Development at Space Coast Regional Airport**

Mr. Powell gave an overview of the item, stating that TIX Ventures was in the process of a ground lease to build a structure for Eastern Florida State College (EFSC) on three acres at Space Coast Regional Airport. Mr. Powell stated that TIX Ventures was asking for an option to lease the land for a year before pulling the trigger and were subject to the terms of the lease. Mr. Powell stated that they would give the Airport Authority a percentage of the rent to hold that parcel.

Mr. Mount asked what the percentage of the rent would be. Mr. Powell stated that it wasn't determined yet, but Staff was proposing 30%, which would be approximately \$11,000, with no cost to the Authority. Discussion continued.

Mr. Sansom turned the floor over to Mr. Ken Simback, representing TIX Ventures. Mr. Simback stated that they were excited to build the facility and gave an explanation as to why they wanted the option. Discussion continued.

Mr. Mount made a motion to accept the option terms with the \$11,000 consideration. Mr. Molitor seconded. Discussion continued.

Mr. Simback asked if the option could be applicable to the first year's rent, once they exercised it. Discussion continued.

Mr. Powell reiterated that the condition would be 30% of the annual rate of the lease for tying up the land for a year. Mr. Bird stated that the original ask by TIX Ventures was for a free option, but the FAA frowned upon tying up property without compensation, so Staff thought the 30% was a fair and reasonable option fee. Discussion continued.

Mr. Elebash asked if the rate would be pro-rated and the extra would be applied to the lease. Mr. Bird stated that he was going to suggest that if the Board wanted to make a concession, and that he felt it would be something that could be done without upsetting the FAA. Discussion continued.

Mr. Elebash asked if the lease was finalized. Mr. Powell stated that it was not finalized yet, but once it was the option document could be attached to it. Mr. Elebash stated that he felt the lease should be approved first. Mr. Powell stated that Staff hoped to bring the lease back by the next month. Mr. Bird stated that to keep the process moving forward, the Board could conditionally approve the option, subject to a satisfactory lease agreement being subsequently approved by the Board. Discussion continued.

Mr. Craig stated that he hesitated to add an exact dollar amount, and felt it should be a specific statement of 30% of whatever the ultimate lease value would be. Mr. Craig also asked where the commercial real estate firm stood in this situation, and if the Airport Authority had to notify them, since they were already marketing this property. Mr. Powell stated currently the agreement with LBR was in a sunset

stage until they came and gave a presentation to the Board and even if the agreement was active there was a caveat which stated that if the Airport Authority was currently working with the client, it would be outside of the firm and wouldn't be subject to the terms. Discussion continued.

Mr. Bird restated the motion that was made by Mr. Mount. Mr. Bird stated that the motion was to amend the option to the lease that was provided to include a 30% of the market value of the three acres of the subject property, and to condition the final approval of the option on an ultimate approval by the Board of the lease agreement to be attached to the option, and to amend the option to include a pro-ration of the option fee based upon the timing of the exercising of the option that would affect a rebate. Mr. Sansom called the question. All voted aye. Motion passed.

## **Information Section**

### **CEO Report**

Mr. Powell reported that it was exciting that there was so much interest in the Airport Authority, most predominantly at Space Coast Regional Airport, but that there were a lot of people asking about public/private partnerships. Mr. Powell stated that Staff was trying to finalize an RFP to bring detailed proposals to the Board for future partnerships.

Mr. Powell stated that the County EDC had been sending a lot of potential leads to the Airport Authority, and that a couple of them seemed promising. Mr. Powell stated that one of them came for a site visit, and he hoped that he would have something to share with the Board soon.

Mr. Powell stated that Staff was still working with Space Perspective, and they thought it would be a benefit if the Airport Authority Board would send a letter of support for their potential development at Space Coast Regional Airport. Discussion continued.

The consensus of the Board was for Mr. Powell to draft a letter of support for Space Perspective that stated the Airport Authority Board was supportive of their concept and looked forward to working with them.

Mr. Powell stated that at the Board's request, Staff had provided a list of action items. Mr. Powell briefly went over the list. Discussion continued.

Mr. Powell concluded his report.

### **Attorney Report**

Mr. Bird reported that he was working on finalizing the grant assurance issue regarding 275 Manor Drive at Merritt Island. Mr. Bird stated that some communications with the FAA and whether the proposed through-the-fence-operation met the federal grant assurances.

Mr. Bird stated that one of the issues trying to locate an easement from 1966. Mr. Bird stated that Mr. McDaniel worked with the surveyor, and he was happy to report that the easement essentially ran east to west along the northern most edge of 275 Manor Drive, and it only abutted airport property for a span of 20 feet at the eastern most portion of 275 Manor Drive and the western most portion of the airport. Mr. Bird stated that it didn't run down north to south along the property, and it didn't cover any portion within the airport security fence and there was no longer an issue on that right-of-way. Mr. Bird stated that he and Staff and Mr. McDaniel had a conference call with Mr. Bill Farris at the FAA, and Mr. Farris was very complimentary of Staff and also of the legal opinion letter that was put together. Mr. Bird stated that Mr. Farris supported the Airport Authority's position. Mr. Bird continued the discussion, stating that Staff would now let Mr. DeGrosa know that unless he wanted to provide a complete access agreement, there was nothing else for the Airport Authority to do, per the FAA. Mr. Sansom requested that Mr. Bird keep Commissioner Lober apprised of the situation. Mr. Bird stated that he would.

Mr. Bird stated that Staff had asked him to weigh in on a question of contingency that Mr. Craig raised about the budget. Mr. Bird stated that as a matter of regulation for dependent special districts, there was not a requirement for a contingency fund to be built into the budget, but if there was, it would be more self-governance than anything else. Mr. Bird stated that it was at the Board and the CEO's discretion.

Mr. Bird stated that Staff received an email from Mr. Crisafulli that he no longer wanted to be responsible for the property at Space Coast Regional Airport, which was the old orange grove.

Mr. Bird stated that he wanted to let the Board know that he accepted responsibility for bringing some of the ideas to the Board on a conditional basis, and that he was mindful of getting prospective tenants' terms to the Board, but he was also aware of the limitations the Board had regarding that. Mr. Bird stated that he was happy to have the Board set the terms of what to consider when it came to approval. Mr. Bird stated that typically it would be the salient terms of an agreement, but the details were normally left up to staff. Mr. Bird stated that it was at the Board's discretion, but he just wanted to make sure that he and Staff had a clear direction on what the Board wished to see, consider and approve. Discussion continued.

Mr. Bird concluded his report.

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

### **Administration & Project Reports**

Mr. Powell gave a brief overview of the current report.

### **Authority Members Report**

Mr. Mount asked about the t-hangar waiting lists and wondered if there were any plans for future hangar development. Mr. Powell explained that hangars were not at the top of the priority list for funding with FDOT. Discussion continued.

Mr. Craig asked Mr. Bird to discuss the issues with the right-of-way at Merritt Island that they had talked about on the previous day. Mr. Bird stated that Staff had submitted a permit application for Mr. Mark Grainger for development at Merritt Island Airport. The County submitted comments, and one of them was particularly problematic. Mr. Bird explained that they were requiring that the Airport Authority dedicate rights-of-way along Manor Drive down Kemp Street and down Wall Street. Mr. Bird explained the issue, stating that although Manor Drive was part Authority property and part County property, Kemp Street was entirely on airport property, and the Airport Authority issued a letter back to the County stating that per grant assurances, they couldn't give away airport property, and Staff didn't feel this issue was related to the permit request. Mr. Bird stated that the response from the County was that if we didn't want to dedicate the right-of-ways, there were other things they wanted the Authority to do, which increased construction costs substantially. Mr. Bird stated that he was working on setting up a meeting with the County and talk about what was best for everyone involved, and also to clear up any confusion as to what was County property and what was airport property. Discussion continued.

Mr. Craig discussed the budget briefly, regarding a specific budget item.

Mr. Sansom stated that he wasn't sure how next month's meeting would be held, and suggested that Staff look into how to safely hold the meetings when they did return to in-person.

### **Public & Tenants Report**

Mr. Don White stated that the Young Eagles event would be held on the 24<sup>th</sup> of October and would be held at the Servant Air Ministries hangar. Mr. White stated that they would require masks and have hand sanitizer available. Discussion continued.

### **Adjournment**

Mr. Sansom adjourned the meeting at 10:11 a.m.

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JERRY SANSOM, CHAIRMAN

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AL ELEBASH, SECRETARY