

**TITUSVILLE – COCOA AIRPORT AUTHORITY**

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on April 19, 2018 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; Mr. Milo Zonka, Vice Chairman; Mr. Harry Carswell, Secretary; Dr. David Hosley; Mr. John Craig; Mr. Michael D. Powell, C.M., ACE, CEO; Mr. Adam Bird, Attorney; Dr. John Leavitt and Dr. Wasim Niazi were absent.

Mr. Sansom welcomed new Board member, Mr. John Craig. Mr. Craig introduced himself and gave the Board a brief background. The Board welcomed him.

**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. Seeing none, Mr. Sansom called for a motion to approve the Agenda as presented. Mr. Zonka made the motion. Dr. Hosley 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. March 15, 2018 – Regular Meeting**

Mr. Craig 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 an Amendment to a Ground Lease at Space Coast Regional Airport**

Mr. Powell gave a brief overview of the item, stating that this was for a lease that the Board had approved a little over a year ago for a company called Delta Hotel Aviation Group, which had been delayed because of unforeseen circumstances. Mr.

Powell stated that legally, after a certain amount of time with no action, the lease could become invalid. Mr. Powell stated that the company stated they were now ready to go and Staff was presenting an amendment to the Board of the already approved lease, so that the company could build a large hangar on the Southwest side of Taxiway Delta at Space Coast Regional Airport.

Mr. Zonka asked if they had been paying rent since the lease had been approved. Mr. Powell stated that they had not. Mr. Sansom asked if there was any expense to the Airport Authority. Mr. Powell stated that there was not. Mr. Sansom asked if anyone else had been interested in the property. Mr. Powell stated that there had not. Discussion continued.

Mr. Powell stated that the tenant signed the lease, but it wasn't fully executed. Mr. Zonka stated that he didn't agree, because the Board approved the lease and the tenant signed it.

Mr. Bird stated that the amendment would bring the dates forward, and that although there were multiple breaches he thought it was best to move it forward. Mr. Powell stated that the Airport Authority was not losing any money. Mr. Sansom asked when they would start paying. Mr. Powell stated they requested a construction clause it would be eight months from the approval.

Mr. Powell stated that he was told that Delta Hotel Group ready to give a deposit to the builders. Mr. Bird stated that if the Delta Hotel Group got their Certificate of Occupancy sooner, they would start paying rent earlier. Discussion continued.

Mr. Carswell asked if the Delta Hotel Group had given any money up front. Mr. Powell stated that they had not. Discussion continued.

Mr. Carswell stated that he felt there should be a deposit. Mr. Powell explained why that would be difficult, stating that all the group's money was going into the build. Discussion continued.

Mr. Sansom asked if the Delta Hotel Group defaulted on their agreement, would the Airport Authority be able to go back to the original lease date and collect money. Mr. Sansom asked who would clean up if they started construction and didn't finish. Mr. Zonka suggested a completion bond or fix the current lease. Discussion continued.

Mr. Zonka suggested to amend the agreement giving eight months from the beginning of the lease and start paying rent at the end of that period. Mr. Zonka stated that they hadn't occupied the land yet. Mr. Zonka stated it was a good faith issue. Mr. Sansom asked why Staff chose to do an Amendment. Mr. Bird stated that it was the cleanest way for both sides. Discussion continued.

Mr. Sansom stated that he didn't mind moving forward, but would like some kind of security, deposit or something else that would show a commitment. Mr. Zonka stated that they had no assets. Discussion continued.

Mr. Zonka made a motion to maintain the original lease period and give Delta Hotel Group an eight month concession date in an amendment. There was no second. The motion died for lack of a second. Mr. Sansom stated that the item would be deferred.

**Item B – Discussion & Consideration for an Amendment to a lease at Space Coast Regional Airport**

Mr. Powell gave an overview of the item, stating that Spaceport Avionics at Space Coast Regional Airport wanted to put in a 500 gallon Low Lead fuel tank, which would only be self-serving and they would not sell to customers. Mr. Sansom asked if there would be any cost to the Airport Authority. Mr. Powell stated that there would not.

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

**Item C – Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker International & Contractors Regarding Current Projects**

Mr. Powell gave an overview of the item and turned the floor over to Mr. McDaniel.

Mr. McDaniel presented Pay Request Number 3 in the amount of \$6,000.30 and Pay Request Number 4 in the amount of \$24,815.25, both from American Infrastructure, which were for the Runway End Identifier Lights Replacement Project at Spacecoast Regional Airport. Mr. McDaniel stated that the project was ahead of schedule and should be done in less than two weeks. Discussion continued.

Mr. McDaniel presented Pay Request Number 25 in the amount of \$28,095.33 from Michael Baker International, which was for Runway Safety Area Shoreline Stabilization and Improvements Project at Merritt Island Airport. Discussion continued.

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

Mr. McDaniel gave a brief update on the Spaceport License process.

**Item D – Discussion & Consideration of an Amendment to a Lease at Space Coast Regional Airport**

Mr. Powell gave a brief overview of the item, stating that North American Surveillance Systems at Space Coast Regional Airport had asked for an Amendment to better clarify their property description. Mr. Powell stated that he understood they were working with a bank and the bank wanted clarity on a few

items within the lease itself, and the Amendment laid out the lease hold parcels to make everything consistent. Mr. Powell stated that the bank had difficulty with all the different parcels and simply wanted everything combined. Mr. Powell stated that the numbers were okay and that it would cost nothing to the Airport Authority.

Mr. Zonka made a motion to approve the Amendment. Mr. Carswell seconded. There were no objections. Motion passed.

### **Item E – Discussion & Consideration of a Settlement and Security Agreement with Comp Air**

Mr. Powell gave a brief overview of the item, stating that Staff had been working with Comp Air to get their account current, because they had a significant amount of money that was owed to Comp Air that had been delayed. Mr. Powell stated that Staff had given them two notices and sent the account to legal to move forward with eviction. Mr. Powell explained that Comp Air sent a letter asking for the Board's consideration to give them some breathing room by allowing them to not pay rent through May 1<sup>st</sup>, by giving them what worked out to be a \$50,000 loan that they would collateralize with their assets. Mr. Powell stated that the letter had been included in the Agenda package.

Dr. Hosley stated that he may have to recuse himself due to his long term acquaintance with the tenant. Mr. Sansom asked what his relationship was with the tenant. Dr. Hosley stated that he did not have any legal or advisory relationship with the tenant. Mr. Sansom and Mr. Bird agreed that there were no issues and Dr. Hosley did not have to recuse himself.

Mr. Sansom turned the floor over to Mr. Paul Koseracki, the CFO of Comp Air. Mr. Koseracki gave a brief explanation of why they were waiting for the money and stated that they were willing to put forth their working capital as collateral for a \$50,000 note. Mr. Koseracki stated that Mr. Ron Lueck, President of Comp Air, would sign a Document of Lien. Mr. Sansom asked Mr. Bird if there were any concerns. Mr. Bird replied that he had no concerns. Discussion continued.

Mr. Craig stated that he felt it was bad practice for government entities to loan money to a company to stay in business. Mr. Bird stated that Comp Air had requested it be structured as a loan, but he had problems with that so he restructured it as a settlement. Mr. Bird stated that the agreement was extremely one sided in favor of the Airport Authority and included legal fees plus interest, a security deposit and a waiver of defenses. Discussion continued.

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

## **Information Section**

### **CEO Report**

Mr. Powell reported that the Airshow at Space Coast Regional Airport turned out very nice, but there had been an incident when the Tora, Tora, Tora pyro portion of the act was too close to the fireworks and set them off. Mr. Powell stated that there were a few other complications, but all in all the event was good.

Mr. Powell stated that there was a successful C17 operation at Space Coast Regional Airport just before the Airshow. Mr. Powell stated that there were some delays, but it all worked out.

Mr. Powell stated that he attended the MRO convention in Orlando and that Mr. Troy Post from the North Brevard Economic Development Zone (NBEDZ), the City of Cocoa, and the City of Titusville had a booth. He mentioned it seemed to be a very well attended event and nice opportunity. Discussion continued.

Mr. Powell concluded his report.

### **Attorney Report**

Mr. Bird reported he should be able to bring the Lightle contract to the Board meeting next month. Mr. Bird stated that Mr. Lightle was crafting terms specific to the Airport Authority.

Mr. Bird stated he had drafted the contract for AVCON, made revisions to some of the Airport Authority space use agreements, working towards tenant issues and had spoken with counsel for Welsh Construction.

Mr. Bird concluded his report.

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

Mr. Powell stated that financial reports had been provided and would be happy to answer any questions.

### **Administration & Project Reports**

Mr. Powell stated that there had been a few updates. Discussion continued.

### **Authority Members Report**

Dr. Hosley stated that there seemed to be a relationship shift at Space Florida supporting commercialization of space. Dr. Hosley asked Mr. Powell if he had any recent discussions with them. Mr. Powell stated that he hadn't, but he thought there would be a lot of dialogue regarding the SLF facilities and what the Airport Authority could help with there in the future. Discussion continued.

Mr. Sansom stated that the legislature had been a little quiet and that aviation grants came through well. Discussion continued.

**Public & Tenants Report**

Mr. Sansom turned the floor over to Mr. Mark Grainger from Florida Biplanes at Merritt Island Airport. Mr. Grainger thanked Mr. Powell and Airport Authority Staff for doing such a great job. Discussion continued.

Mr. Don White, EAA President at Merritt Island Airport, stated that the next Young Eagles event was coming up on April 28<sup>th</sup>. Mr. White asked about the status of the PAPI lights at Merritt Island Airport. Mr. Aaron McDaniel stated that he was working with the Facilities Director, Richard Jones and they were waiting on some pricing.

Mr. White asked Mr. McDaniel about the issue with hangar doors and securing them for hurricanes. Mr. McDaniel stated that the engineer had looked at old designs and provided recommendation. Mr. Powell added that Staff and Michael Baker were trying to come up with a logical solution. Mr. Sansom requested bringing back an idea at the next meeting, if possible. Discussion continued.

**Adjournment**

Mr. Sansom adjourned the meeting at 10:16 a.m.

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JERRY SANSOM, CHAIRMAN

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HARRY CARSWELL, SECRETARY