

TITUSVILLE – COCOA AIRPORT AUTHORITY

The regular meeting of the Titusville - Cocoa Airport Authority was held on September 21, 2006 at 3:00 p.m., at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL. The following members were present: Mr. Jay G. M. Schenck, Chairman; Mr. Larry Runyon, Vice Chairman; Ms. Patricia Patch, Treasurer; Mr. Ken Rivard; Ms. Veronica Clifford; Mr. Ken Griffin; Mr. Jerry Sansom; Mr. Scott C. Carr, C.M., Executive Director; Mr. Timothy Pickles, Esq., Airport Attorney.

Roll Call

Mr. Schenck requested the roll be called and determined a quorum was present.

Mr. Carr noted that Ms. Clifford was running late, but would be in attendance shortly.

Approval of Minutes

Mr. Schenck called for the approval of the Titusville – Cocoa Airport Authority July 20, 2006 Regular Meeting minutes. Ms. Patch made a motion to approve. Mr. Griffin seconded. All voted aye. Motion passed.

Mr. Schenck called for the approval of the Titusville – Cocoa Airport Authority August 17, 2006 Regular Meeting minutes. Mr. Runyon made a motion to approve. Ms. Patch seconded. All voted aye. Motion passed.

Mr. Schenck called for the approval of the Titusville – Cocoa Airport Authority August 17, 2006 First Public Budget Hearing minutes. Mr. Carr stated that he would like to request a change to Page #2, second paragraph regarding the date of the lease extension for the citrus groves. Mr. Runyon made a motion to approve the minutes as corrected. Ms. Patch seconded. All voted aye. Motion passed.

Mr. Schenck called for the approval of the Titusville – Cocoa Airport Authority August 28, 2006 Special Meeting minutes. Mr. Runyon made a motion to approve. Ms. Patch seconded. All voted aye. Motion passed.

Mr. Sansom discussed the length and detail of the typed minutes and questioned whether so much detail was necessary. Discussion ensued amongst the Board and it was concluded that some detail was necessary but Staff should try and condense the minutes only to dialogue that was germane to the topic being discussed.

New Business**Item A – Approval of a Five Year Lease Extension for Singleton Golf & Practice Range at Arthur Dunn Airpark**

Mr. Carr gave a brief overview of the item and explained that the initial five year lease agreement was executed on August 20, 2002 and went into effect on September 1, 2002. Mr. Carr stated that the lease agreement did contemplate a five year renewal period that could take effect at the conclusion of the lease term on September 1, 2007 and did require that the Lessee provide a written request for the renewal at least one year prior to the expiration of the lease term. Mr. Carr stated that Mr. Chuck Gudgel, the owner of Singleton Golf & Practice Range, had been working with Staff on some options for the future of the business, and in looking at the lease Mr. Carr noticed that the notice for renewal had come due. Mr. Carr stated that Mr. Gudgel had simply overlooked it and did not put in for the renewal in writing on September 11, 2006. Mr. Carr discussed the annual lease rate and explained that it would be adjusted by reappraisal not to exceed a 25% increase and CPI would be applied annually throughout the five year term. Mr. Carr requested that the Board approve the extension and authorize the Executive Director or an Authority Officer to execute the necessary documentation.

Ms. Patch made a motion to accept Mr. Carr's recommendation. Mr. Rivard seconded. Discussion ensued.

Mr. Schenck recognized Mr. Gudgel. Mr. Gudgel asked if the lease extension included a second five year renewal option after it expired. Mr. Carr stated that it did not. Mr. Schenck explained that there would be a disadvantage to extending beyond that five years if the Authority ever wanted to build t-hangars in that area. Mr. Gudgel explained that he was in the process of selling the business and it would make it difficult to sell if the prospective owner didn't have the security of knowing that the lease would be extended for an additional five years for a total of ten years beyond the initial lease term. Discussion ensued amongst the Board and Mr. Gudgel.

Mr. Carr recommended that the Board move forward with the five year option and if Mr. Gudgel wanted to renegotiate the lease agreement that Staff could come back to the Board at a future meeting with a renegotiated lease agreement for consideration. Mr. Tim Pickles, legal counsel, suggested also that when the proposed new owner came to the Board for approval to take over the leasehold the terms could be renegotiated at that time. Discussion continued amongst the Board.

Mr. Runyon asked if a new lease would be negotiated at the time of sale. Mr. Carr stated that there was a provision in the existing lease agreement that permitted it to be assigned with Board approval. Mr. Carr added that he had met with a potential buyer already and had told them that if the renewal issue was a concern, it should be raised in writing at the time of approval. Discussion continued.

Mr. Schenck recommended that the Board approve the five year extension and have Staff entertain a year-to-year basis after that if the negotiations went in that direction.

Mr. Schenck called the question. All voted aye. Motion passed unanimously.

Item B – Review of Space Coast Jet Center’s Lease Agreement at Space Coast Regional Airport

Mr. Carr stated that Ms. Annette Benson, owner of Space Coast Jet Center (SCJC) was in attendance. Mr. Carr also stated that Ms. Clifford had requested to be present for this item, but had not arrived yet for the meeting. Mr. Schenck asked the Board if they had received a copy of the e-mail that was sent to the Authority by Ms. Benson. Mr. Carr subsequently provided the Board with copies of that e-mail for their review. Mr. Schenck stated that Ms. Benson was correct in her comments; however, she was not following the Authority’s Rules and Regulations in regards to having an approved sublease. Mr. Schenck recommended that Mr. Carr give a brief history and the Board could look over the documentation that was provided. Mr. Schenck stated that the item could be tabled and brought back at the next meeting if the Board preferred.

Mr. Griffin made a motion to table the item. Mr. Rivard seconded. Mr. Sansom noted that there could be no discussion if the item was being tabled.

Mr. Bob Anderson, SCJC, stated that the reason for the request to table was because SCJC needed more time to prepare. Mr. Anderson stated that individual issues could be discussed now, but he felt it would be more preferable if it was all done at the same time.

Mr. Pickles stated that the only appropriate thing to do was to vote on the motion to table and then move on to discuss the issues. Mr. Schenck called the question. Mr. Griffin, Ms. Patch, and Mr. Rivard voted aye. Motion to table failed. Discussion ensued.

The Board discussed the issue of the lease violations and what action should be taken.

Mr. Carr stated that this was not the first unapproved sublease at SCJC. Mr. Carr referred to several letters that had been sent to SCJC since February 3, 2006 and stated that Staff had been working on finding an amicable solution since that time. Mr. Carr also stated that SCJC and Staff had agreed to put the item on the current agenda during a meeting following the August 28, 2006 Special Board Meeting. Discussion continued.

Mr. Schenck stated that the Board was giving Mr. Carr direction to resolve the issue. Mr. Schenck also stated that the Authority wanted SCJC to follow the Rules & Regulations and terms of their lease agreement. Mr. Schenck added that if SCJC could not do that, then the Board could move to place SCJC in default of their lease agreement and follow the subsequent legal process. Discussion continued amongst the Board.

Mr. Carr stated that Staff would bring the item back to the Board at the next Regular Board Meeting.

Mr. Bob Anderson from SCJC commented that he felt some ambiguity in how the issues were handled and briefly discussed the issue. Mr. Anderson explained that the owner of the boat and tractor trailer in question was not a commercial operation and he didn't feel SCJC needed approval from the Board to rent hangar space to them. Mr. Anderson discussed conformity issues in regards to FBO standards. Discussion continued.

Mr. Sansom asked how the Board would handle the issue of items not related to aircraft being stored in hangars now and in the future, and would they consider that to be a violation or not. Discussion continued.

Ms. Clifford joined the meeting. Mr. Schenck gave Ms. Clifford a brief summary of the discussion. Discussion continued amongst the Board.

Ms. Clifford stated that for the record she wanted the Board to know that her husband rented space from SCJC to house his aircraft. Mr. Schenck stated that he believed there was no conflict at this time. Discussion continued.

Mr. Carr gave a brief timeline of the issue and also discussed ways that Staff had tried to assist SCJC, which included giving them a copy of the Space Coast Regional Airport T-Hangar Waiting List. Mr. Carr stated that SCJC commented back that they would not receive enough revenue from the storage of individual aircraft vs. non-aviation use. Mr. Carr stated that one of SCJC's arguments was that airport operations and fuel flow were down, so Staff took the initiative and researched operations and fuel flow. Mr. Carr distributed a hand-out showing the results of that research and stated that operations and fuel flow were actually up year over year for the airport as a whole. Mr. Carr stated that Staff would be happy to entertain a resolution and bring it back to the Board with a recommendation based on what SCJC provided.

Mr. Runyon stated that it was clear SCJC was in violation. Mr. Runyon commented that his concern was that the issue be resolved in a manner consistent with the lease agreement and that those standards were also enforced with the rest of the tenants; or if appropriate, to update the standards. Discussion continued amongst the Board.

Ms. Clifford stated that she didn't believe the issue should be tabled and brought back to the Board at the next meeting. Mr. Sansom stated that no action was needed and the Board could just move on to the next item on the agenda and by the next meeting Staff could bring a resolution for consideration. Mr. Sansom also stated that if there was no resolution then Mr. Carr could discuss that in his report. The Board concurred.

Information Section**Executive Director Report**

Mr. Carr announced that Brevard County Risk Management had just given word that an insurance check for the 2004 hurricane damage in the amount of \$336,000 was going to be issued to the Airport Authority. Mr. Carr stated that those funds would be applied back to the operating expenses and the tenants of damaged t-hangars would now get their reimbursements from the Authority.

Mr. Carr reported that the Authority had received the notices of disclosure from the Sculptor Charter School for the Fiscal Year 2006-2007. The Board discussed the approval by the City of Titusville for the Sculptor School to receive conduit debt financing in order for them to purchase the facility the school was currently housed. Ms. Clifford stated that once the school purchased the building, the likelihood of the school vacating that property any time soon was not good. Discussion continued amongst the Board.

Mr. Carr reported that Staff was working on a Space Use Permit for Vortex Aerospace to put up a temporary structure for a wind tunnel at Space Coast Regional Airport. He provided the Board with information about Vortex. Mr. Carr stated Vortex would eventually be looking for a long term solution, but the Space Use Permit would allow them to come back to the Staff in the future for a possible long term lease. Discussion continued.

Mr. Carr reported that Staff was working with Airscan, Inc. on a new long term lease agreement as well as some short term expansion plans and also doing a new sublease agreement with Space Coast Jet Center at the Space Coast Regional Airport. Mr. Carr stated that Staff would be coming back to the Board with a sublease agreement which would be reviewed by Staff and legal counsel. Discussion ensued.

The Board discussed the Willow Creek project and whether or not the developer was going to put a new road in on the property off of Shepard Drive and Armstrong Drive at Space Coast Regional Airport. Ms. Clifford stated that she didn't believe there was a deadline for the developer to put in the road. Mr. Carr stated that in the original agreement there wasn't a specific deadline. Mr. Carr also stated that Staff was working with the developer to come up with a deadline to put in the road. The Board gave Authority Staff direction to meet with the developer and try to resolve the issue. Mr. Carr stated that the developer's attorney assured him there would be a draft agreement by October 2, 2006 and a meeting was scheduled with the developer on October 5, 2006. Discussion continued amongst the Board.

Mr. Carr reported that the new frequency for Merritt Island Airport had been permanently assigned and that Staff would be notifying all the tenants as well as neighboring airports.

Mr. Carr reported that on September 12, 2006 Staff attended the City of Titusville Council Meeting and there had been a proposed hotel up to 60 feet in the Vector Space property off the approach end of Runway 27 at Space Coast Regional Airport. Mr. Carr stated that height wasn't an issue, but from a land use compatibility standpoint, Staff requested an aviation easement in addition to a waiver of claims and notice of disclosure documents. Mr. Carr stated that the applicant agreed and City Council put it into the development plan. Discussion ensued.

Mr. Carr stated that the Board had directed Staff to see if Florida Airports Council (FAC) would look at petitioning the state legislature to strengthen Chapter 333 of the Florida Statutes. Mr. Carr reported that the State Affairs Committee of FAC had "picked up the ball" and were moving forward with that initiative. Mr. Carr stated that he had received something that indicated that FAC would try and introduce something to the legislature in the upcoming legislative session. Discussion ensued.

Mr. Carr discussed his resignation and stated that at the last meeting the Board had requested some numbers on what it would cost to have him come back every other week for two days to assist either as a consultant or to leave him on the payroll as an employee until the end of December 2006. Mr. Carr stated that if he came back as a consultant he would be required to purchase consultant liability insurance and he wasn't in a position to do that for a two month period. Mr. Carr also stated that if he was left on the payroll, the only additional cost to the Airport Authority would be health insurance and the total cost of that would be approximately \$1,500.

Ms. Clifford discussed her opposition for having Mr. Carr remain as an employee after October 20, 2006. Discussion continued amongst the Board.

Mr. Sansom made a motion to keep Mr. Carr as an employee with benefits until December 31, 2006. Mr. Runyon seconded the motion. Discussion ensued.

It was determined that after October 20, 2006, Mr. Carr would utilize his vacation and sick time to return to the Airport Authority twice in November and once in December for two days a week and would remain on call any other time until the end of the year to assist Mr. Michael Powell. Discussion continued amongst the Board and the public in regards to the issue.

Mr. Schenck called the question. All voted aye except Ms. Clifford and Mr. Rivard. Motion passed.

The Board discussed the proposed joint workshop between the County Commissioners and the Titusville – Cocoa Airport Authority. Mr. Carr stated that Brevard County had set a date for October 19, 2006, but Staff would be out of town on that date for the National Business Aircraft Association (NBAA) conference. It was also determined that three Airport Authority Board members would be unable to attend the workshop on that date. The Board gave Mr. Carr direction to attempt

to set a new date with the County Commissioners.

Attorney Report

Mr. Pickles discussed an incident in May of 2005 that occurred at the Valiant Air Command (VAC) at Space Coast Regional Airport in which one person was killed and another was seriously injured when an aircraft collapsed. Mr. Pickles stated that the family of the minor who was injured made a claim with the insurance carrier of VAC and now made a demand on the Airport Authority for negligence; however, the family of the deceased had taken no action against the Authority to date. Mr. Pickles stated that if the Authority was found to be at fault, insurance would pay the claim and due to a legislative cap for governmental entities it could only be up to \$100,000. Discussion ensued amongst the Board.

Check Register & Budget to Actual

Mr. Carr reported that there was nothing out of the ordinary in the Budget or Check Register.

Administration & Project Reports

Mr. Carr reported that the Rotating Beacon Project at Arthur Dunn Airpark was complete and that the Rotating Beacon Project at the Space Coast Regional Airport was nearing completion.

Mr. Carr reported that the Sheriff's Hangar Project at Merritt Island Airport was moving along and would hopefully be finished by the end of the calendar year.

Mr. Carr stated that the Authority just submitted a Request for Proposals for the Bacteriological Tests for the new Water Main at Space Coast Regional Airport.

Mr. Rivard asked if Mr. Carr could send the Administration and Project Reports to the Board before the meetings. Mr. Carr stated that he would gladly do so in the future.

Mr. Carr briefly went over some issues on the Administrative Report. Mr. Carr discussed the proposed Fire Station with the City of Titusville at the Space Coast Regional Airport. He stated that Staff was currently reviewing a draft of the agreement, so things were moving forward. Ms. Clifford stated that she thought it would be a good idea that the Board knew what this issue was about. Mr. Schenck asked Mr. Carr to review the issue, as it had been discussed several years ago. Mr. Carr gave an overview of the issue stating that the Authority and the City of Titusville had agreed in principle for the City to put a dual purpose Fire Station at the Space Coast Regional Airport with a rent free lease agreement and in exchange the City would be responsible for their own capital improvements and also provide services to the Airport. Mr. Carr proceeded to give details on the agreement. Discussion ensued amongst the Board.

Authority Members Report

Mr. Rivard stated that he was still waiting to hear from Commissioner Pritchard in regards to the Mosquito Control issue.

Ms. Patch asked when the AWOS at Arthur Dunn would be repaired. Mr. Powell explained that he was working with FPL and Bell South on that issue, but there had been some difficulties in determining where the problem was stemming from. Mr. Powell stated that he was going to get the contractor, FPL and Bell South together to work it out.

Mr. Runyon inquired about the Administrative and Projects Reports and asked at what point it was determined that a project could be taken off the list. Mr. Carr asked the Board what they preferred. The Board concluded that sixty days would be appropriate.

Public and Tenants Report

Mr. Schenck acknowledged Mr. Tony Yacono, Brevard Aviation Association. Mr. Yacono mentioned some of the BAA's concerns at Merritt Island Airport including the former Mosquito Control building, the Airfield Lighting Project, and the Sheriff's Department Hangar Project. Mr. Yacono also discussed the Toys for Tots and Young Eagles events that were put on by the BAA, and stated that Mr. Powell had sent him an event permit application to fill out, which included information about insurance. Mr. Yacono expressed that he would like to talk to someone about the insurance requirement. Mr. Schenck suggested that he speak with Authority Staff. It was determined that the BAA did meet the insurance requirements. Mr. Schenck directed Mr. Yacono to work with Staff on the issue.

Adjournment

Mr. Schenck called the question. Ms. Clifford made the motion to adjourn the meeting. All voted aye. Mr. Schenck adjourned meeting.

JAY G. M. SCHENCK, CHAIRMAN

LARRY RUNYON, VICE CHAIRMAN