

VERO BEACH AIRPORT COMMISSION MEETING
Friday, August 12, 2016 – 9:30 a.m.
City Hall, Council Chambers, Vero Beach, Florida

AGENDA

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
 - A) February 25, 2016 – Joint Airport Commission / Utilities Commission Meeting**
 - B) February 25, 2016 – Regular Airport Commission Meeting**
- 3. PUBLIC COMMENT**
- 4. NEW BUSINESS**
 - A) Corporate Air Consolidated Lease**
 - B) Treasure Coast Storage Addendum to Lease**
 - C) Flightline Extension / New Lease**
 - D) Mrs. Laura Moss, Chairwoman of the Utilities Commission – FMPA Solar Power Survey**
- 5. OLD BUSINESS**
 - A) Update on Airport Master Plan**
 - B) Fiscal Year 2017 Budget Review**
- 6. CHAIRMAN’S MATTERS**
- 7. AIRPORT DIRECTOR’S MATTERS**
- 8. NEXT MEETING DATE**
- 9. ADJOURNMENT**

This is a Public Meeting. Should any interested party seek to appeal any decision made by the Commission with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings, and that, for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Anyone who needs a special accommodation for this meeting may contact the City’s Americans with Disabilities Act (ADA) Coordinator at 978-4922 at least 48 hours in advance of the meeting.

JOINT AIRPORT COMMISSION / UTILITIES COMMISSION MINUTES

Thursday, February 25, 2016 – 9:30 a.m.

City Hall, Council Chambers, Vero Beach, Florida

PRESENT: Airport Commission: Chairman, Barbara Drndak; Vice Chairman, Richard Cantner; Members: Melvin Wood, Arthur Hodge, Louise Vocelle, Jr., Alternate Member #1, Mary Wood and Alternate Member #2, Carole Jean Jordan **Utilities Commission:** Members: Judy Orcutt, Stephen Lapointe, Bill Teston, J. Rock Tonkel, Laura Moss, and Alternate Member #1, Victor DeMattia **Also Present:** City Manager, James O'Connor; Airport Director, Eric Menger and Deputy City Clerk, Sherri Philo

Utilities Commission Excused Absences: Robert Auwaerter, Chuck Mechling, and Richard McDermott, Jr.

1. CALL TO ORDER

Today's meeting was called to order at 9:30 a.m.

2. SOLAR FARM PRESENTATION – ConEdison Solutions

*Please note that questions and discussion took place throughout the presentation.

Mrs. Drndak explained that the purpose of today's meeting is to discuss the potential for a solar farm at the Airport that would tie into the City of Vero Beach utilities.

Mr. Eric Menger, Airport Director, said they began thinking about having a solar farm at the Airport through the Airport Master Plan process. He reported that ConEdison Solutions prepared the Feasibility Study at no cost to the City in an effort to educate them and to see what type of facility would work at the Airport.

Mr. Craig Fisher, of ConEdison Solutions, said that he would be presenting a Feasibility Study on the possibility of locating solar photovoltaic systems at the Airport. He then gave a Power Point presentation on Solar Photovoltaic Feasibility at the Vero Beach Regional Airport (attached to the original minutes).

Mrs. Moss referred to page 12, under the bullet point, *JEA – Issued 3 phases of solar RFP's in 2015 Florida Municipal Solar in 2015*, where Mr. Fisher stated, "The developers who were awarded the projects are looking for investors like ConEdison and he reviewed the economics and plan to compete for long term ownership and operation of these assets." She asked Mr. Fisher to explain what he meant by "ownership."

Mr. Fisher explained that a lot of small scale developers answered the Request for Proposal (RFP). They submitted to JEA a price per megawatt hour that they believed the investors would be interested in taking ownership. Once JEA finalizes a Power Purchase Agreement (PPA) at that negotiated rate with that early developer, that early developer needs to find an investor that would finance the construction of the project. What that

basically means is ConEdison Solutions would take ownership of that project and the PPA for the next 20 years. ConEdison Solutions would finance the project, construct the project, and own and operate it for the 20 year term of the agreement. JEA would only be responsible for purchasing the power.

Mrs. Moss asked how does the project relate to property taxes.

Mr. Fisher said ConEdison Solutions would be financing the ownership of the solar system on the property. They also would have a site lease agreement with the property owner, which is also a cost that is factored in.

Mrs. Moss asked does that mean that ConEdison would be paying property taxes because they have the lease.

Mr. Fisher answered yes. He said with some projects the owner developers went to the County and negotiated payment in lieu of taxes, which is a negotiated rate below the full property tax value. He said it basically is seen as an economic tax abatement.

Mrs. Moss referred to page 10, *Legislative Update*. She asked how far along is the legislation and how will it affect contracts that are already signed.

Mr. Fisher said a lot of the projects were approved by JEA, the site lease agreements are in place, and a lot of the early developers are waiting to see how the legislation goes through the Florida legislative process before they accept offers.

Mrs. Drndak said that she has been watching the State Bill on exempting solar, but there was already a Constitutional Amendment that passed a few years ago. She asked how is it that the State Legislature can continue to deny what is already in the State Constitution.

Mr. Fisher said solar farms that already exist in the State of Florida have to pay property taxes. He said this Bill would alleviate that.

Mr. Tonkel referred to page 14, *VRB Airport Solar Opportunity - Estimated Project Cost*. He asked is the estimated project cost in today's dollars.

Mr. Fisher answered yes. He said it is a preliminary estimate in which once they do the engineering, that number would be plus or minus 10 %. He noted that this price is for an investor to build the system if it is procured through a PPA.

Mr. Tonkel asked what would the cost be per megawatt hour.

Mr. Fisher said they project the range to be somewhere between \$60 to \$80 per megawatt hour.

Mr. Baczynski referred to page 14, *Annual Production: 33,580 MWh*. He presumed that is based on average weather patterns.

Mr. Fisher said that is correct. He said the weather file that was put into the simulated model came from the Vero Beach Airport.

Mr. Vocelle asked does ConEdison own or operate a system that has been through a hurricane.

Mr. Fisher answered yes. He said several of their systems located in the northeast went through Super Storm Sandy and they had very little damage to the infrastructure. He said they might have had one or two panels that came loose, but they passed through the storm with flying colors. Last year they had a system with over 1,100 panels that went through a tornado and they only lost three (3). He reported that these systems have been tried and tested and structurally engineered with storms in mind.

Mr. Tonkel asked has the City's Finance Department looked at this.

Mr. James O'Connor, City Manager, answered no. He noted that the two options are options the City is currently trying to get out of, which are the 25 year commitment to a power supply and getting out of power generation.

Mr. Fisher explained that what they are currently doing is providing the basic details for staff to go back and evaluate. This is just showing the options from a procurement standpoint and what they would be looking at in terms of the cost of energy.

Mrs. Moss said it appears that the annual operations and maintenance (O&M) costs increases almost 50% by year 20. She asked what is that based on.

Mr. Fisher said it is a 2% annual escalation in O&M price, which is pretty much the industry standard.

Mrs. Moss asked what is the industry standard based on.

Mr. Fisher said it is based on the Consumer Price Index (CPI).

Mr. Tonkel asked is the cost of debt to finance the project in determining the possible rates that would be established included in the proforma provided.

Mr. Fisher answered yes. He said it is 3%, which is their current market rate for a 20-year tax exempt lease purchase.

Mr. Randy Old, Vice Mayor, said that he put a PV system on his home about six (6) years ago and now everything is better and he cannot change it out. He asked as efficiency of the solar system gets better, is there a way to change out the panels or would they be locked in with the old system.

Mr. Fisher said that could be negotiated in the PPA. He said the panels are about 33% of the overall cost of the project. The panels have a 25 year warranty so it is typically not something that is done.

Mrs. Orcutt assumed that the City would have to put out an RFP to get the best price for the ratepayers. She asked at what point does that fit into the process.

Mr. Fisher said the volume of work they are currently doing is at their (ConEdison Solutions) risk. If the City was to decide they do not want to move forward then that is ConEdison Solutions cost of doing business and they accept that.

Mr. Baczynski asked Mr. Fisher to send the Commission members information on the change of efficiency in panels over the past 20 years, as well as the change in the cost of panels over the past 20 years.

Mr. Fisher said since he has been involved in these projects (2008), he has seen the panels go from about 14% to about 18% in efficiency.

Mr. Teston asked if there is a failure in panels, can they change out the panels without shutting down the system.

Mr. Fisher said they can change out panels live. He reported that under the maintenance of the system, they would take one inverter off line at a time.

Mr. Teston asked what is the failure rate of panels.

Mr. Fisher said it is less than 1%.

Mrs. Moss asked Mr. Fisher who he prepared this presentation for. .

Mr. Fisher said the idea of locating solar was in the Airport Master Plan. He said that he offered to do this early development at their own cost to show the City what it would mean to own a solar system.

Mrs. Moss said that she was trying to place this within the context of the Orlando Utilities Commission (OUC) contract and the Florida Municipal Power Association (FMPA) contract. She asked when do these contracts end and what is the City required to spend on the OUC contract.

Mr. O'Connor said the FMPA contracts probably have 40 years, depending on the life of the St. Lucie Plant. But, that is a small component. The City's power supply is really with OUC and the renegotiated contract expires in seven (7) years. He noted that 23 megawatts would not be an issue.

Mrs. Drndak said the interest of the Airport is the lease of the land. She asked the Utilities Commission members if they felt this would make sense for the City.

Mr. O'Connor noted that the two (2) options that are viable in this are two (2) options the City extricated themselves from and he not sure ready to jump back into that hot oil again.

Mr. Dick Winger, Councilmember, said the current cost of acquired power is about \$71 and they are not satisfied with that cost. He said the City could do better if they didn't have the contracts they have. The City has been going in the direction of getting out of the power business.

Mrs. Moss said this information was very helpful and thanked the Airport Commission for inviting the Utilities Commission to today's meeting. She felt that if they were going to further explore this, that they have a joint Utilities/Finance Commission meeting.

3. PUBLIC COMMENT

Mr. Tim Zorc, Indian River County Commissioner, said the goal of the Airport should be to increase revenue by renting property, but they should also look at things that drive down costs. He said the County is looking to save \$500,000 to \$600,000 a year on their campus (County Building A and B and the Health Department Building) in electricity by installing a combined heat and power (CHP) system. He noted that this is a 24 hour system so when the sun goes down the system still runs.

Mrs. Drndak reported that Mr. O'Connor wanted to address the Utilities Commission regarding a proposed Resolution.

Mr. O'Connor reported that he just received the proposed Resolution (on file in the City Clerk's office) yesterday so he did not have time to vet it through the process (referring to a Resolution to express support for the construction of the Groveland Reservoir and Treatment area and requesting the St. John's Water Management District (SJWMD) to protect and preserve the Florida Aquifer Public Water Supply by restricting withdrawals from the Floridan Aquifer for electric utility use). He reported that there would be a Technical Staff Advisory Report that would be going before the Board of the SJWMD next week. He reported that it was first believed that the City had until March 7, 2016 to submit their comments, but they have until April. He asked the Utilities Commission to put this off until their next regularly scheduled meeting to allow the City to do their due diligence.

4. ADJOURNMENT

Today's Joint Airport Commission / Utilities Commission meeting adjourned at 11:49 a.m. and the Airport Commission called their regular meeting to order at 12:04 p.m.

/sp

AIRPORT COMMISSION MINUTES
Thursday, February 25, 2016
City Hall, Council Chambers, Vero Beach, Florida

*Please note that a Joint Airport Commission / Utilities Commission meeting was held from 9:30 a.m. to 11:49 a.m. and the Regular Airport Commission meeting was called to order at 12:04 p.m.

PRESENT: Chairman, Barbara Drndak; Vice Chairman, Richard Cantner; Members: Melvin Wood, Arthur Hodge, Louise Vocelle, Jr., Alternate Member #1, Mary Wood and Alternate Member #2, Carole Jean Jordan

1. CALL TO ORDER

Today's regular Airport Commission meeting was called to order at 12:04 p.m. and the Deputy City Clerk performed the roll call.

2. APPROVAL OF MINUTES

A) November 5, 2015

Mr. Cantner made a motion to approve the minutes of the November 5, 2015 Airport Commission meeting. Mr. Vocelle seconded the motion.

Mrs. Drndak referred to page four of the November 5, 2015 Airport Commission meeting. She noted that "dew" south should be "due" south.

The minutes were unanimously approved as amended.

3. ELECTION OF OFFICERS

A) Chairman

Mr. Vocelle nominated Mrs. Barbara Drndak for Chairman of the Airport Commission. There were no other nominations. Mrs. Barbara Drndak was unanimously appointed Chairman of the Airport Commission.

B) Vice Chairman

Mr. Wood nominated Mr. Richard Cantner for Vice Chairman of the Airport Commission. There were no other nominations. Mr. Richard Cantner was unanimously appointed Vice Chairman of the Airport Commission.

4. NEW BUSINESS

A) North Ramp Parcel 3 (former Airport Operations Building) – 2 Interested Parties

Mr. Eric Menger, Airport Director, briefly went over staff's report with the Commission members (attached to the original minutes). He reported that this site is the former Airport Operations Building located at 2640 Airport North Drive. Existing Airport tenant Corporate Air, Inc., and a proposed new tenant, Treasure Coast Seaplanes, LLC, have submitted proposals to enter into a long-term lease agreement for this site, including the existing hangar and associated office space (attached to the original minutes). Staff analysis has determined that these two proposals are essentially revenue-neutral. Staff reviewed both proposals and recommends acceptance of the proposal from Treasure Coast Seaplanes because they feel it would be the best business model that would fit the long term development plans and the public need at the Airport. He reported that after the agenda was sent out, Corporate Air, Inc. decided that they were no longer interested in this parcel and would like to lease an Executive Hanger that is available and ready for lease.

Mrs. Sheena Hoover and Mr. Michael Hoover introduced themselves to the Commission members. They gave a brief overview of their business plan. They plan to give site seeing tours to both locals and tourists where they would take off and land in the water using various points. They hope to start offering charters to the Bahamas, Keys, etc., within a year.

Mr. Vocelle made a motion to recommend to the City Council that they approve of the lease agreement with Treasure Coast Seaplanes, LLC. Mr. Wood seconded the motion and it passed 5-0 Mr. Vocelle voting yes, Mr. Hodge yes, Mr. Wood yes, Mr. Cantner yes, and Mrs. Drndak yes.

B) North Ramp Parcel 12 (current Sheriff's Hangar)

Mr. Menger reported that Harbor Hangar 700, LLC, would like to lease the existing hangar located at 2520 Airport North Drive for a term of 10 years with a 10-year option (total 20 years). He then briefly went over staff's report with the Commission members (attached to the original minutes). Staff recommends approval.

Mr. Hodge made a motion to forward this to the City Council for their consideration. Mr. Wood seconded the motion passed 5-0 with Mr. Vocelle voting yes, Mr. Hodge yes, Mr. Wood yes, Mr. Cantner yes, and Mrs. Drndak yes.

5. OLD BUSINESS

A) Update on Airport Master Plan

Mr. Menger felt that the Airport Master Plan was well done. He asked the Commission members to bring any comments to the table today as they could still make some changes prior to bringing it before the City Council.

Mrs. Drndak asked what will be the effective date of the Airport Master Plan.

Mr. Remy Lucette, of Ricondo and Associates, said early in 2016.

Mrs. Drndak referred to page 12 of the Plan for Sustaining Vero Beach Regional Airport / Executive Summary 1 – February 2016 booklet (on file in the City Clerk’s office). She said the Airport has airline service, but Focused Action 1, states “*Develop a Strategy to Restore Scheduled Commercial Air Service.*”

Mr. Lucette explained that information was left in because they wanted to show the FAA that as part of the Master Planning process some things have been implemented, such as air service. He said they could add that it now exists.

Mrs. Drndak referred to page 13, “*Identify supporting utility and infrastructure needs for site development and establish a plan to bring utilities to future development sites (specifically consider water pressure issues on west side of Airport and natural gas).*” She did not remember discussing water pressure issues and asked when did that come from.

Mr. Lucette said that was part of the survey they did with the tenants at the Airport. He explained that they did not state there was water pressure constraints currently, but additional sprinklers or fire suppressing systems would more than likely increase the water capacity in that area.

Mr. Menger said that would be part of the site plan.

Mrs. Drndak said infrastructure would be up to the tenants.

Mrs. Drndak referred to page 21, *Track Energy Consumption.* She said this section was probably a “cut and paste” from a large airport, but the way it reads it sounds like Airport staff is suppose to track all the energy used by all tenants on a monthly basis. She asked that they rephrase it so that it is just for what the Airport is responsible for and not include the tenant’s properties.

Mr. Lucette said they would reword it.

Mr. Vocelle asked that once the Airport Master Plan is finalized that it is placed on the Airport’s website.

At this time, Mr. Tim Zorc, Indian River County Commissioner, gave a brief update on Aviation Boulevard and the widening of 43rd Avenue.

Mr. Vocelle excused himself from today’s meeting at 12:45 p.m.

6. CHAIRMAN’S MATTERS

None

7. MEMBER’S MATTERS

Mr. Cantner asked for an update on the Citrus Mobile Home Park.

Mr. Menger reported that they are currently developing an RFP for management of the park.

At this time, Mr. Mike Moon, Director of the 2016 Vero Beach Airshow, gave a brief update on the upcoming Airshow.

8. AIRPORT DIRECTOR'S MATTERS

Mr. Menger gave a brief update on Walking Tree Brewery noting that they hope to open in April.

9. NEXT MEETING DATE

After a brief discussion, the Commission members agreed not to schedule their next meeting at this time.

Mrs. Jordan said there are a lot of changes happening in the County and she felt it would be a good idea to have a workshop with new County employees or employees in new positions to go over what is happening at the Airport and in the Airport Master Plan.

Mrs. Drndak said that she would be happy to go and speak with new County employees like she does with the new City Councilmembers. She also did not have a problem inviting County staff to attend their meetings.

10. ADJOURNMENT

Today's meeting adjourned at 1:13 p.m.

/sp

MEMORANDUM

TO: Airport Commissioners
FROM: Ericson W. Menger, Airport Director
DATE: August 8, 2016
SUBJECT: AIRPORT COMMISSION AGENDA LEASE ITEMS A, B, and C



The following airport lease items will be discussed at our next Airport Commission meeting at 9:30 AM on August 12, 2016, at City Hall. Other agenda items are updates to those previously discussed at earlier meetings.

BACKGROUND:

A. Corporate Air, Inc. The lease for Corporate Air, Inc. is being consolidated from multiple addendums and land parcels along Airport West area to one 30-year Lease Agreement, with option for additional 10-years. Construction of a west apron area with hangars and office space is underway; finalizing this lease with a start date of September 1, 2016, allows the lending company to complete their internal transactions with Corporate Air so that construction will not be delayed. This lease was conceptually approved by City Council on June 7, 2016, and will be on the next City Council meeting on August 16, 2016, for final approval pending comments by the Airport Commission.

B. Flightline Group Inc. A new 3-year lease, with option for 1-year, allows Flightline Group to move forward with needed renovations to existing office space within the second floor of the Terminal Building. This lease agreement extends their current year-to-year lease commitments.

C. Treasure Coast Storage. Treasure Coast Storage has requested the ability to accept their reversion early (originally reverting on October 31, 2019) without changing their existing termination of September 30, 2035. By early appraisal and re-financing, Treasure Coast Storage hopes to reduce its overall costs of doing business. To complete this transaction, monthly rent will be adjusted from \$1,686.03 to \$4,478.43 (a \$2,792.40 monthly increase) commencing October 1, 2016.

ANALYSIS:

Strengths: These lease agreements create long-term sources of revenue for the airport and are compatible with the Airport Master Plan.

Weaknesses: Stabilizes Treasure Coast Storage, but somewhat reduces options for other expansion/development in the Airport Commercial Village. Corporate Air development reduces existing green space (per site plan).

Opportunities: Enables the City to enhance the strengths of airport businesses, while complying with changes in applicable regulations.

Threats: Expansion of Corporate Air may be perceived as an increased threat to commerce by competing FBOs. There is no perceived threat by the leases or actions of Flightline Group or Treasure Coast Storage.

RECOMMENDATION:

Staff respectfully requests that these items be placed on the **August 12, 2016**, Airport Commission Agenda, recommending approval to Items A, B, and C.

EWM/ch

Attachments

cc: City Manager's Office (via email)
City Clerk's Office (via email)

4-A)

FIXED BASE OPERATOR LEASE AGREEMENT
[Land and Building Space]

This Fixed Base Operator Lease Agreement ("Lease Agreement") is entered into as of the _____ day of _____, 2016, by and between the **CITY OF VERO BEACH**, a Florida municipal corporation, whose mailing address is P.O. Box 1389, Vero Beach, Florida 32961-1389 ("LANDLORD"); and **CORPORATE AIR, INC.**, a Florida profit corporation, whose mailing address is 3200 Airport West Drive, Vero Beach, Florida 32960 ("TENANT").

WHEREAS, TENANT is currently developing long-range plans pertaining to its business located at the Vero Beach Regional Airport ("AIRPORT"); and

WHEREAS, on August 17, 2004, LANDLORD and TENANT executed a Fixed Base Operator Lease Agreement for Lots 7, 8, and 16 through 20, subsequently amended by four addenda, with an Initial Term of thirty (30) years commencing on October 1, 2004, and terminating on September 30, 2034 ("2004 FBO Lease Agreement"); and

WHEREAS, on March 16, 2010, LANDLORD and TENANT executed a Fixed Base Operator Agreement for Lot 21, subsequently amended by two addenda, with an Initial Term of thirty (30) years commencing on April 1, 2010, and terminating on March 31, 2040 ("2010 FBO Lease Agreement"); and

WHEREAS, the TENANT desires to terminate the 2004 FBO Lease Agreement and the 2010 FBO Lease Agreement, and to execute a new Fixed Base Operator Lease Agreement to take effect on September 1, 2016 and to terminate on August 31, 2046; and

WHEREAS, TENANT desires the security of a long-term commitment from LANDLORD in order to properly plan for future operations of the TENANT at the AIRPORT; and LANDLORD desires the economic benefit of securing a long-term commitment from TENANT to remain at the AIRPORT,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LANDLORD and TENANT agree as follows:

1. The foregoing "WHEREAS" clauses are hereby incorporated herein.
2. **TERMINATION OF PRIOR LEASE AGREEMENTS.**

On September 1, 2016, the date this Consolidated Lease Agreement takes effect, this Agreement will supersede and terminate for all purposes the 2004 FBO Lease Agreement and the 2010 FBO Lease Agreement between LANDLORD and TENANT, and any and all assignments/amendments thereto, and extensions thereof; provided that on September 1, 2016, TENANT is not in default under the terms of the leases which are to be superseded and terminated.

3. **LEASED PREMISES.**

LANDLORD hereby demises and leases to TENANT, and TENANT hereby hires, rents, and leases from LANDLORD, real property located at the Vero Beach Regional Airport ("Airport"), Vero Beach, Indian River County, Florida, consisting of 422,739 square feet of land including 10,900 square feet of building space as more particularly described in Attachment A and A-1 to this Lease Agreement ("Leased Premises").

3. **TERM; OPTION TO RENEW.**

(a) The initial term of this Lease Agreement shall be thirty (30) years, commencing on September 1, 2016, and terminating on August 31, 2046 ("Initial Term").

(b) TENANT shall have the option to renew this Lease Agreement for one additional successive term of ten (10) years at the conclusion of the Initial Term, provided, however, that TENANT is not in default hereunder, and provided that TENANT shall first give written notice

to LANDLORD of TENANT's intention to exercise this option no less than three (3) months, and no more than eighteen (18) months, prior to the termination of the initial term. All terms and conditions herein shall apply during the renewal term unless otherwise provided herein.

4. **RENT; CONCESSION FEES; RENT ADJUSTMENT; TAXES;**

TENANT's rent, effective on the commencement date of this lease, shall consist of a rent, and minimum concession fee, as described below:

TENANT shall be subject to rental payments for its leasehold interest for the real property, including any improvements to the real property constructed or installed by TENANT during the term of this Lease Agreement. TENANT shall also be responsible for concession, privilege, or franchise fees, payable to LANDLORD as enumerated herein.

(a) **Land and Building Rent.** Subject to the adjustment, escalation, and other provisions of this Lease Agreement, including Airport Leasing Policy, Vero Beach Resolution No. 2015-30, and Attachment B (Effective date: February 16, 2016), as amended by SPECIAL PROVISIONS in Section 7 of this Lease Agreement, TENANT shall pay to LANDLORD, in lawful money of the United States, a total rent during the initial term of this Lease Agreement of approximately \$1,941,534.38 plus sales tax, if applicable. The monthly rent shall be \$5,393.15, plus sales tax.

(1) This initial monthly land rental rate is based on 398,511 square feet of "aeronautical land" at \$.1085 per square foot per year per square foot per year, 12,665 square feet of "utility easement land" at \$.05425 per square foot per year per square foot per year, and 11,563 square feet of "well protection easement land" at \$.05425 per square foot per year per square foot per year for a monthly land rental rate of \$ 3,712.73.

(2) The existing 10,900 square foot building located on lot 7, at a rate of \$1.85 per square foot per year, for a monthly rental rate of \$1,680.42.

Rent shall be due on the first day of each month. Failure to pay the monthly rent in full by the tenth (10th) day of each month shall result in a late charge of five percent (5%) of the amount then owing or \$50.00, whichever is greater.

(b) **Concession Fee 1 (Gross Receipts)**. For the privilege of doing business at the Airport, TENANT shall pay a concession or franchise fee which shall be calculated on the gross receipts from the aggregate amount of all sales made and services performed, for cash or credit or otherwise of every kind, name and nature, regardless of when or whether paid or not, together with the aggregate amount on all wares, merchandise, and services for like property or services as the selling price thereof, as if the same had been sold for cash or the fair and reasonable value thereof, at a rate of 2% of gross receipts, excluding only the gross receipts from the sales of aircraft, fuel and oil as well as services and goods sold directly to military agencies of the United States. The selling price of any accessory, part or supply added to service furnished to an aircraft sold by the TENANT shall be considered as part of the gross receipts hereunder. TENANT shall also pay one-quarter of one percent (1/4%) of the gross receipts on the sale of new and/or used aircraft. The concession fee shall be payable on a monthly basis no later than the tenth (10th) of the month for the preceding month. Failure to pay the concession fee by the due date shall result in the assessment of a late charge of five percent (5%) of the amount then owing or \$50.00 whichever is greater.

(c) **Concession Fee 2 (Fuel Flowage)**. For the privilege of operating a fueling facility at the Airport, TENANT shall pay a concession fee at the initial rate of \$0.07 per gallon on fuel flowage, payable on a monthly basis no later than the tenth (10th) of the month for the preceding month, in accordance with Airport Leasing Policy, Vero Beach Resolution 2015-30, unless and until that resolution is amended or replaced, at which time TENANT shall pay an

amount established by an amending resolution or surrogate document. Failure to pay the concession fee by the due date shall result in the assessment of a late charge of five percent (5%) of the amount then owing or \$50.00 whichever is greater.

(d) **Minimum Concession Fee.** On the next business day after the 10th day of each month, LANDLORD will calculate the sum of Concession Fee 1 and Concession Fee 2 as collected in accordance with Section 4(b) and (c). The total Concession Fee shall be no less than an amount equal to the land rent collected in Section 4. Any shortage shall be paid by TENANT in the next monthly Concession Fee payment. Failure to pay the Concession Fee by the due date shall result in the assessment of a late charge of five percent (5%) of the amount then owing or \$50.00 whichever is greater.

(e) **Rental Adjustment at Option to Renew.** If TENANT exercises an option to renew, TENANT's rent shall be adjusted as set forth in Attachment B.

(f) **Taxes.** Pursuant to Section 8 of Attachment B of this Lease Agreement, TENANT also shall pay all legally imposed taxes, fees, or assessments accruing during the term(s) of this Lease Agreement.

5. **STANDARD PROVISIONS.**

Attachment B to this Lease Agreement entitled "Standard Lease Provisions For Airport Tenants," (Effective date: February 16, 2016) and Attachment C to this Lease Agreement, City Resolution 2015-30 "Airport Leasing Policy," (Effective date: September 1, 2015) are incorporated into and made a part of this Lease Agreement, subject to the Special Provisions in Section 7 of this Lease Agreement.

6. **ENVIRONMENTAL.**

(a) Attached hereto, and incorporated as Attachment C, is a copy of the Phase I environmental Property Assessment, dated February 14, 2003, by Fraser Environmental and Geotechnical Services, Inc. LANDLORD and TENANT accept this report as an accurate representation of the environmental condition of the property as of the commencement date of this Lease Agreement.

(b) Upon termination of the Lease Agreement, TENANT shall pay for a Phase I Environmental Audit of the property described in Attachment A to this Lease Agreement, to determine whether or not the property was contaminated as a result of TENANT'S occupancy of the property. If a Phase II Environmental Audit is recommended by the environmental auditor, TENANT shall be responsible for any and all costs associated with the Audit and environmental remediation pursuant to the terms of Section 15, "Environmental Provisions", of Attachment B of this Lease Agreement.

7. **USE OF PREMISES.**

TENANT is authorized to conduct, for the term of this Lease Agreement and any renewal period, activities described within Section 2, Category "G", Complete Fixed Base Operator, as defined in Vero Beach Resolution No. 2677 (Minimum Standards for Fixed Base Operators), which Resolution is incorporated into and made part hereof by reference. TENANT agrees to be bound by Vero Beach Resolution No. 2677 as it now exists or as it may hereafter be amended, attached hereto and incorporated herein as Attachment D.

8. **GROSS RECEIPTS AND AUDITS.**

(a) TENANT shall, on or before January 15th of each year submit to LANDLORD a certified statement as determined by generally accepted accounting practices for an FBO,

showing the Applicable Gross Receipts and Fuel Flowage from the operation of TENANT on, in, and from the demised premises for the preceding calendar year. This statement shall show such reasonable detail and breakdown as may be required by LANDLORD.

(b) LANDLORD or LANDLORDS's agent shall have the right and privilege to examine, inspect, and audit all books of account and records of TENANT pertaining to any operations under the terms of this Lease Agreement at any time during the term hereof. TENANT shall, at all times, maintain and keep available for such inspection complete and accurate books of account covering its operations hereunder, in accordance with generally accepted accounting practices for an FBO.

9. **SPECIAL PROVISIONS.**

To the extent that any of the following Special Provisions are in conflict with any other provision of this Lease Agreement (including Attachment B), the Special Provision shall govern.

(a) Revisions to Attachment B: TENANT agrees that if required by LANDLORD as a condition for approval of any renewal period, the latest version of Attachment B shall be incorporated as part of the Lease Agreement.

(b) If at any time during the initial term of this Lease Agreement, or any renewal thereof, TENANT proposes to construct or reconstruct buildings on the Leased Premises, TENANT shall submit a complete site plan application, along with approved engineering plans, to the City of Vero Beach Planning and Development Department, in accordance with Section 12 of Attachment B. Tenant shall obtain all necessary permits pursuant to the City of Vero Beach Land Development Regulations and the Florida Building Code.

(c) Within thirty (30) days of completion of construction or reconstruction of buildings and improvements on the Leased properties, TENANT shall submit a complete site plan, along with approved engineering plan, to the City of Vero Beach Airport Director's office.

(d) Section 26 (b) of Attachment B is amended to add the following language:

“LANDLORD reserves the right of ingress, egress and regress for the installation, replacement and maintenance of utilities on the Leased Premises as may be deemed necessary by LANDLORD. LANDLORD shall, to the extent possible, locate such utilities in such a manner as not to disturb TENANT'S operations.”

(e) Existing Structures and Improvements. TENANT acknowledges and agrees that the rental rate for improvements and fixtures existing on the Leased Premises as of the date upon which this Lease Agreement is fully executed shall be adjusted in accordance with Section 2 (b) of Attachment B according to the following schedule:

(1) Beginning October 1, 2020: Tenant acknowledges that the value of the improvements and fixtures existing on Lot 5 of the Leased Premises as of the date upon which this Lease Agreement is fully executed shall be adjusted and that LANDLORD shall be entitled to increased rent as provided herein.

(2) Beginning October 1, 2034: Tenant acknowledges that the value of the improvements and fixtures existing on Lot 16 and 17 of the Leased Premises as of the date upon which this Lease Agreement is fully executed shall be adjusted and that LANDLORD shall be entitled to increased rent as provided herein.

(f) TENANT acknowledges the easements relative to Lots 19 and 20 on the Leased Premises, more particularly described in Attachment A, and agrees to rental rate changes if and when City of Vero Beach alters and/or removes these easements.

(g) TENANT agrees that the use of any subtenants, suboperators or submanagement, shall require express written by LANDLORD pursuant to Section 3 "Assignment" of Attachment B, and shall not in any way diminish any Rents (set forth in Section 4 of this Lease Agreement) due to LANDLORD.

(h) TENANT shall utilize its best efforts to participate to the extent deemed necessary and as directed by LANDLORD in the defense of any lawsuits brought by any entity challenging the validity of this Lease Agreement, the circumstances under which it was entered into, or any other such causes of action relating to the power of the parties to enter into this Lease Agreement or the procedures utilized by the parties for leasing the Leased Property.

(i) TENANT shall provide LANDLORD with certificates of insurance and endorsements stating that the coverages, as provided by Section 10 of Attachment B of this Lease Agreement, are in force prior to the commencement date of this Lease Agreement, and annually thereafter.

(j) As additional security under the Lease Agreement, TENANT assigns, transfers, and sets over unto LANDLORD all of the rents of the leased premises; this assignment shall become operative upon any default being made by TENANT under the terms of this Lease Agreement and shall remain in full force and effect so long as any default continues to exist in the making of any of the payments or performance of any of the covenants of this Lease Agreement, and LANDLORD shall have the right to enter upon the premises and collect same directly from persons in possession.

(k) The property boundary line separating TENANT's leased property (Lot 8) from the adjacent property (Lot 9) was designed by LANDLORD to serve as a common point of aircraft ingress and egress to Lots 8 and 9. TENANT shall at all times ensure that a sufficient

amount of space remains available and unobstructed on TENANT's side of said boundary line to enable aircraft to utilize this common point of ingress and egress, as intended. TENANT shall continue to remain responsible for the payment of rent, maintenance, insurance coverage, and all other items pertaining to the portion of TENANT's property utilized as a common point of aircraft ingress and egress, as described herein, pursuant to the terms and conditions of this Lease Agreement.

(l) It is recognized that TENANT leases and conducts business operations at three separate locations at the Airport West Subdivision. The three locations at the Airport West Subdivision are identified as Lots 5, 7, 8, and 16-21. All movement between TENANT's three locations, whether by foot, golf cart, automobile, airplane, or any other form of transportation, shall be accomplished using public roadways or airport taxiways intended to be used for that purpose. TENANT shall not, under any circumstances whatsoever, conduct any type of business operation on, or allow any form of transportation across Lots 10-15.

(m) Section 12 (d) of Attachment B is amended to read as follows:

In advance of any and all construction projects by TENANT on Leased Premises, TENANT shall furnish, to the airport, all GIS (Geographic Information System) coordinates required to enable the airport to initiate an FAA-Required Airspace Study regarding the proposed new structure. A determination of no hazard or other statement of approval from FAA is required prior to construction.

(n) Ambiguities shall not be resolved against the drafting party. Each party and its counsel have reviewed this Lease Agreement. Accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the construction and interpretation of this Lease Agreement.

10. INTEGRATION/AMENDMENTS.

(a) This written Lease Agreement and Attachments "A," "A-1," "B," "C," and "D" contain the entire Agreement of the undertakings by and between the parties hereto relative to the leasing of the premises. No prior or present agreements, representations, statements, or promises, whether oral or written, made by any party, or agent of any party hereto, which is not contained herein, shall be binding or valid.

(b) No provision of this written Lease Agreement or Attachments "A," "A-1," "B," "C," and "D" may be amended, extended or modified except by written instrument executed by all parties to this Lease Agreement.

(c) The parties hereto acknowledge that they were given the opportunity to have their legal counsel review this Lease Agreement and Attachments "A," "A-1," "B," "C," and "D" and that the Lease Agreement and Attachments "A," "A-1," "B," "C," and "D" shall be construed neither against, nor in favor of, any party hereto, but rather in accordance with the fair meaning thereof.

IN WITNESS WHEREOF, we the LANDLORD and TENANT have hereunto affixed our hands and seals.

[SIGNATURE PAGES FOLLOW]

TENANT – Corporate Air, Inc.
(This section to be completed by TENANT only)

WITNESS:

TENANT: CORPORATE AIR, INC.

Sign: _____

Sign: _____

Print: _____

Rodger L. Pridgeon
President

Sign: _____

[SEAL]

Print: _____

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Rodger L. Pridgeon, as President, on behalf of corporation. He is personally known to me or produced _____ as identification.

NOTARY PUBLIC
Commission No.:
My Commission Expires:

[NOTARY SEAL]

LANDLORD – CITY OF VERO BEACH

(This section to be completed by LANDLORD only)

ATTEST:

LANDLORD: CITY OF VERO BEACH

Tammy K. Vock
City Clerk

Jay Kramer
Mayor

[SEAL]

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Jay Kramer, as Mayor, and attested by Tammy K. Vock, as City Clerk of the City of Vero Beach, Florida. They are both known to me.

NOTARY PUBLIC
Commission No.:
My Commission Expires:

[NOTARY SEAL]

CITY MANAGEMENT

(This section to be completed by City Management Staff only)

Approved as to form
and legal sufficiency:

Wayne R. Coment
City Attorney

Approved as conforming to
municipal policy:

James R. O'Connor
City Manager

Approved as to technical
requirements:

Ericson W. Menger
Airport Director

Approved as to technical
requirements:

Cynthia D. Lawson
Finance Director

4-B)

AMENDMENT TO AMENDED AND RE-STATED
COMMERCIAL LEASE AGREEMENT
Parcel C 3

THIS AMENDMENT to Amended and Re-stated Commercial Lease Agreement ("Amendment") is entered into as of the ____ day of _____ 2016 ("Effective Date") by and between the **CITY OF VERO BEACH**, a Florida municipal corporation whose mailing address is P. O. Box 1389, Vero Beach, Florida 32961-1389 ("LANDLORD"), and **TREASURE COAST STORAGE VERO, LLC**, a Florida limited liability company, f/k/a Treasure Coast Storage, LLC, whose mailing address is 6270 37th Street, Vero Beach, Florida 32966 ("TENANT").

WHEREAS, on October 17, 1989, LANDLORD and Aero Self-Storage, Inc. ("Aero") entered into a Commercial Lease Agreement ("Lease Agreement") leasing to Aero certain real property located at the Vero Beach Regional Airport f/k/a Vero Beach Municipal Airport as described in said Lease Agreement ("Leased Premises") for a term commencing November 1, 1989 and terminating October 31, 2019 ("Lease Term"); and

WHEREAS, on September 9, 2005, said Lease Agreement was assigned by Aero to TENANT as Treasure Coast Storage, LLC, which entity name TENANT subsequently amended to "Treasure Coast Storage Vero, LLC" on December 27, 2011 by filing "Articles of Amendment to Articles of Organization of Treasure Coast Storage, LLC" with the Florida Department of State, Division of Corporations; and

WHEREAS, on July 15, 2008, at TENANT'S request, LANDLORD and TENANT executed an Amended and Re-stated Commercial Lease Agreement ("Amended Lease Agreement") which increased the area of the Leased Premises from 91,344.20 square feet of land to 91,460 square feet of land and extended the end date of the Lease Term from October 31, 2019 to September 30, 2035 ("Extended Lease Term"); and

WHEREAS, notwithstanding the Extended Lease Term, paragraph 5(c) of said Amended Lease Agreement provides for vesting of ownership of the structures, improvements, and fixtures located on the Leased Premises in LANDLORD upon the original Lease Term termination date of October 31, 2019 with LANDLORD having a corresponding entitlement to an increase in rent to be paid by TENANT; and

WHEREAS, paragraph 5(d) of the Amended Lease Agreement provides TENANT with the option, at any time during the initial term of the Amended Lease Agreement, to propose its

purchase of LANDLORD'S entitlement to increased rent under said paragraph 5(c) for the structures, improvements, and fixtures on the Leased Premises otherwise commencing October 31, 2019 upon ownership thereof vesting in LANDLORD; and

WHEREAS, TENANT has now requested to exercise said option under paragraph 5(d) of the Amended Lease Agreement to purchase LANDLORD'S entitlement to increased rent as provided in paragraph 5(c) of the Amended Lease Agreement; and

WHEREAS, as consideration in exchange for and purchase by TENANT of LANDLORD'S said entitlement to increased rent commencing October 31, 2019, TENANT has offered and agreed to pay to LANDLORD pursuant to paragraph 5(d) of the Amended Lease Agreement, additional monthly rent of \$2,792.40 commencing October 1, 2016 and thereafter on the first day of each month during the Extended Lease Term ending September 30, 2035,

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby adopted and incorporated herein, together with the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, LANDLORD and TENANT, intending to be legally bound, hereby amend the Amended Lease Agreement executed July 15, 2008 to provide for the following modified covenants and conditions:

1. TENANT Purchase of LANDLORD'S Entitlement to Increased Rent. LANDLORD and TENANT acknowledge that TENANT has elected to and does hereby exercise its option pursuant to Paragraph 5(d) of the Amended Lease Agreement to purchase LANDLORD'S entitlement to increased rent provided in Amended Lease Agreement Paragraph 5(c) for the structures, improvements, and fixtures existing on the Leased Premises on October 31, 2019. As consideration in exchange for and purchase of said LANDLORD entitlement to increased rent, TENANT shall pay to LANDLORD in addition to all other amounts due under the Amended Lease Agreement, additional monthly rent of \$2,792.40 commencing October 1, 2016 and thereafter on the first day of each month during the Extended Lease Term ending September 30, 2035, which additional rent is and shall be subject to all other applicable provisions of the Amended Lease Agreement and its attachments.

2. Vesting of Ownership in Structures, Improvements, and Fixtures. In light of TENANT purchasing LANDLORD'S entitlement to increased rent under Paragraph 5(c) of the Amended Lease Agreement for the balance of the Extended Lease Term, LANDLORD and

TENANT acknowledge and agree that the vesting in LANDLORD of full title to and ownership of all structures, improvements, and fixtures existing on the Leased Premises is hereby extended from October 31, 2019 to the end date of the Extended Lease Term, September 30, 2035, on which date full title to and ownership of all structures, improvements, and fixtures then existing on the Leased Premises shall vest in LANDLORD free and clear of any and all liens and other encumbrances, and that LANDLORD shall thereafter be entitled to increased rent calculated as provided in the Amended Lease Agreement and attachments and amendments thereto should TENANT exercise its option to renew as provided in the Amended Lease Agreement. LANDLORD acknowledges and agrees such occurrence of vesting of ownership in the LANDLORD shall not cause TENANT to relinquish possession of the Leased Premises or any of the structures, improvements, or fixtures if TENANT exercises its option to renew nor shall it modify the term of such renewal.

3. Conflicting Provisions Stricken. The foregoing provisions are hereby incorporated by the Parties into and made a part of the Amended Lease Agreement executed by the Parties July 15, 2008 and shall be fully enforceable as provided in said Amended Lease Agreement. Those existing provisions of the Amended Lease Agreement in direct conflict with this Amendment shall be deemed stricken and replaced herewith to the extent necessary and shall be of no further force and effect. All other provisions of the Amended Lease Agreement, its exhibits, attachments, and amendments remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the dates entered below and each party's respective signatory whose signature appears below hereby warrants and represents that such signatory has been and is on the date of execution of this Amendment duly authorized to execute this Amendment on behalf their respective party.

SIGNATURE PAGES FOLLOW

TENANT – Treasure Coast Storage Vero, LLC.
(This section to be completed by TENANT only)

TENANT: Treasure Coast Storage Vero, LLC.

WITNESSES:

By: _____
Bruce Watson
Managing Member

Sign: _____
Print Name: _____

Sign: _____
Print Name: _____

[SEAL]

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this ____ day of _____ 2016, by Bruce Watson, as Managing Member, on behalf of Treasure Coast Storage Vero, LLC. He is personally known to me or produced _____ as identification.

Notary Public
Commission No.:
My Commission Expires:

TENANT: Treasure Coast Storage Vero, LLC.

WITNESSES:

By: _____
Walter Oliwa
Managing Member

Sign: _____
Print Name: _____

Sign: _____
Print Name: _____

STATE OF CONNECTICUT
COUNTY OF NEW HAVEN

The foregoing instrument was acknowledged before me this ____ day of _____ 2016, by Walter Oliwa, as Managing Member, on behalf of Treasure Coast Storage Vero, LLC. He is personally known to me or produced _____ as identification.

Notary Public
Commission No.:
My Commission Expires:

[NOTARY SEAL]

LANDLORD – CITY OF VERO BEACH
(This section to be completed by LANDLORD only)

ATTEST:

LANDLORD:

Tammy K. Vock
City Clerk

By: _____
Jay Kramer
Mayor

[Seal]

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this ____ day of _____ 2016, by Jay Kramer, as Mayor, and attested by Tammy K. Vock, as City Clerk, of the City of Vero Beach, Florida. They are both known to me.

Notary Public
Commission No.
My Commission Expires:

[NOTARY SEAL]

CITY MANAGEMENT
(This section to be completed by City Management Staff only)

Approved as to form
and legal sufficiency:

Wayne R. Coment
City Attorney

Approved as conforming to
municipal policy:

James R. O'Connor
City Manager

Approved as to technical
requirements:

Ericson W. Menger
Airport Director

Approved as to technical
requirements:

Cynthia D. Lawson
Finance Director

4-C)

COMMERCIAL/OFFICE LEASE AGREEMENT
VERO BEACH REGIONAL AIRPORT TERMINAL BUILDING

This Commercial/Office Lease Agreement ("Lease Agreement") is entered into as of the ___ day of _____, 2016 ("Effective Date") by and between the CITY OF VERO BEACH, a Florida municipal corporation, whose mailing address is P.O. Box 1389, Vero Beach, Florida 32961-1389 ("LANDLORD"); and FLIGHTLINE GROUP, INC., a Florida profit corporation ("TENANT"), whose mailing address is Tallahassee Regional Airport, 3256 Capital Circle S.W., Tallahassee, Florida 32310-8723.

In consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, LANDLORD and TENANT agree as follows:

1. **LEASED PREMISES.** LANDLORD hereby demises and leases to TENANT, and TENANT hereby hires, rents, and leases from LANDLORD, real property located at the Vero Beach Regional Airport Terminal Building ("Terminal Building"), Vero Beach, Indian River County, Florida ("Leased Premises"). The Leased Premises, described as Unit 204, consists of 1200 square feet of building space, together with use of common areas, in common with other tenants, their customers or clients, and members of the general public, as more particularly described in Attachment A to this Lease Agreement. TENANT'S staff and customers are authorized to utilize the parking area lying west of the Terminal Building and/or south of and across the street from the Leased Premises with others utilizing the Terminal Building facilities on a first come, first served basis. TENANT may submit a written request to reserve one or more automobile parking spaces at an annual price of \$600.00 per space, up to an allocation of spaces proportional to the size of the Leased Premises compared to the total amount of available lease space and Airport Administrative Offices. The location of any such reserved automobile parking space shall be at the sole discretion of LANDLORD.

2. **TERM.**

(a) The initial term of this Lease Agreement shall be three (3) years, commencing on February 1, 2017, and terminating on January 31, 2020 ("Initial Term").

(b) TENANT shall have one option to renew this Lease Agreement for a term of three (3) years at the conclusion of the Initial Term pursuant to the Renewal Rental Rate Adjustment Procedure in Paragraph 3 (c) below; provided, however, that TENANT is not in default hereunder,

and provided that TENANT shall first give written notice to LANDLORD of TENANT'S intention to exercise this option no less than sixty (60) days prior to termination of the initial term. All other terms and conditions herein shall apply during the renewal term unless otherwise provided herein.

3. **RENT; TAXES; RENT ADJUSTMENT; SECURITY DEPOSIT.**

(a) **Rent.** Subject to the adjustment, escalation, and other provisions of this Lease Agreement, TENANT shall pay to LANDLORD, in lawful money of the United States, a total rent during the Initial Term of this Lease Agreement of \$68,400.00. The monthly rent shall be \$1,900.00. Pursuant to Paragraph 3(b) and Paragraph 8 of this Lease Agreement, TENANT also shall pay all legally imposed taxes, fees, or assessments billed for that month. This rental rate is based on 1200 square feet of building space at \$19.00 per square foot per year, including reasonable usage of common area spaces. Rent shall be due on the first day of each month. Failure to pay the monthly rent in full by the tenth (10th) day of each month shall result in the assessment of a late charge of five percent (5%) of the amount then owing, or \$50.00, whichever is greater.

(b) **Taxes.** Pursuant to Paragraph 8 of this Lease Agreement, TENANT also shall pay all legally-imposed federal, state and local taxes, fees, and assessments accruing during the term of this Lease Agreement.

(c) **Renewal Rental Rate Adjustment Procedure.** Upon receipt of a notice from TENANT of an intent to exercise TENANT'S option to renew the Lease Agreement for an additional term, a "**Renewal Rental Rate Adjustment Procedure,**" as hereinafter described, shall be initiated at least sixty (60) days, but not more than one-hundred twenty (120) days, prior to the expiration of the Initial Term. LANDLORD shall initiate the "Renewal Rental Rate Adjustment Procedure" by notifying TENANT, in writing, of the current market rental rates in effect on the date TENANT'S notice is received or the rates intended to be in effect at the date the first monthly rent payment becomes due for the extension, whichever is greater. TENANT shall have thirty (30) days from the date of receipt of the notice of renewal rental rate, as adjusted, to accept the adjusted rental rate proposed by LANDLORD, in writing, or to reject the adjusted rental rate and provide notice to LANDLORD that TENANT shall be vacating the Leased Premises on or before the last day of the current lease term. TENANT may also, at TENANT'S sole discretion, propose terms for a new lease upon the same or different space at the Terminal Building.

(d) **Security Deposit.** Prior to the Lease Agreement commencement date, TENANT shall provide security for the performance of this Lease Agreement, in a form acceptable to LANDLORD, in the amount of \$5,778.00. Said amount shall immediately be forfeited by TENANT

to LANDLORD in the event of a default under the terms of this Lease Agreement that is not immediately cured under the terms herein, and shall be applied as a credit to any sums due to LANDLORD upon default. If LANDLORD applies any part of the security deposit to cure any default of TENANT, TENANT shall on demand deposit with LANDLORD the amount so applied so that LANDLORD shall have the full security deposit on hand at all times during the term of this Lease Agreement. TENANT'S failure to pay LANDLORD a sufficient amount to restore the security deposit to the required amount within five (5) days after receipt of a written demand for it shall constitute a default of the Lease Agreement. It is expressly understood and agreed by the parties that the security deposit shall not be considered an advance payment of rental or a measure of LANDLORD'S damages in case of default by TENANT. Said deposit shall be returned to TENANT upon the successful conclusion of the performance by TENANT of the terms of this Lease Agreement.

4. **ASSIGNMENT.** TENANT shall not, either directly or indirectly by any means, assign, sublease, hypothecate or transfer the Lease Agreement or any interest therein, or any portion of the Leased Premises, including any improvements thereon, without the express written consent of LANDLORD. LANDLORD shall not unreasonably withhold consent. However, any proposed assignee, sublessee, or transferee shall meet all lease requirements for such assignment, subleases, or transfer. In no event shall LANDLORD'S granting of consent to one or more assignments, subleases, hypothecations, or transfers constitute a waiver of LANDLORD'S right to refuse consent as to subsequent assignments, subleases, hypothecations, or transfers. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law, without the express written consent of LANDLORD. TENANT agrees that use of the Leased Premises or any portion thereof by any subtenants, suboperators, or submanagement shall not diminish in any way rents due LANDLORD from TENANT. If this Lease Agreement is assigned, or if the Leased Premises or any part thereof is sublet or occupied by anybody other than TENANT, with or without LANDLORD'S consent, LANDLORD may collect rent directly from such assignee, sub-lessee or occupant, and apply the net amount collected to the rent herein reserved. However, no such collection of rent shall be deemed a waiver of this covenant, or shall be deemed the acceptance of such assignee, sub-TENANT or occupant as, or in place of, TENANT, or a release of TENANT for obligations on the part of TENANT herein contained. If there is a stock transfer which results in a change of more than fifty (50) percent of the ownership of TENANT, then: (a) TENANT shall provide written notice to LANDLORD within thirty (30)

days after such transfer and (b) LANDLORD may terminate the Lease Agreement by providing ninety (90) days' advance written notice to TENANT if: (i) the change of control is reasonably likely to impede TENANT's ability to perform its obligations under this Lease Agreement and (ii) LANDLORD's written termination notice is provided to TENANT within thirty (30) days after TENANT notified LANDLORD about the transfer. Any assignment or sublease shall be subject to the terms of the Lease Agreement with TENANT and all attachments and amendments. Any assignment or sublease without the express written consent of LANDLORD shall be void ab initio, and TENANT'S lease shall remain in full force and effect.

5. **ALTERATIONS.** TENANT may be allowed to make alterations, changes, additions, or improvements to the interior of the Leased Premises necessary to accommodate the needs of TENANT'S business. TENANT shall not make any alterations, changes, additions, or improvements to the Leased Premises without the prior express written consent of LANDLORD. All work shall be performed in a good and workmanlike manner and shall be made in accordance with plans and specifications approved by LANDLORD, and with all applicable laws, rules and regulations, including, without limitation, the Americans With Disabilities Act. In the event that any federal or state governmental authority directs any modification or alteration to the Leased Premises solely as the result of TENANT'S occupancy, TENANT shall pay for the cost of the modification or alteration. If, because of any act or omission of TENANT, its successors or assigns, any mechanic's, materialman's, laborer's, or any other lien or other order for payment of money shall be recorded against the Leased Premises, or any part thereof, or otherwise asserted against LANDLORD, then TENANT shall, at TENANT'S own cost and expense, cause the same to be satisfied, cancelled, and discharged of record, and further shall indemnify and hold harmless LANDLORD from and against any and all costs, expenses, claims, losses or damages, including reasonable attorney's fees, through trial and appeal, resulting therefrom or by reason thereof.

6. **ASSIGNMENT OF RENTS.** As additional security under the Lease Agreement, TENANT assigns, transfers, and sets over unto LANDLORD all of the rents for the Leased Premises accruing to TENANT pursuant to any assignment or sublease whether approved by LANDLORD or not; this assignment shall become operative upon any default by TENANT under the terms of the Lease Agreement and shall remain in full force and effect so long as any default continues to exist in the making of any of the payments or performance of any of the covenants of the Lease Agreement, and LANDLORD shall have the right to collect same directly from the person(s) or entity in possession.

7. **NO ABATEMENT OF RENTS.** Except as otherwise stated elsewhere in this Lease Agreement, the requirements of this Paragraph shall apply. No diminution or abatement of rent or offset shall be claimed or allowed. If TENANT has a disagreement or claim arising from the Lease Agreement or the Leased Premises, TENANT shall make such disagreement or claim known to LANDLORD in writing, but TENANT shall continue to pay to LANDLORD or pay to the court registry all rents, fees and applicable federal, state, and local taxes, fees, and assessments as they become due. Failure by TENANT to pay all monies as they become due may be deemed a default under the terms of the Lease Agreement at LANDLORD'S sole option.

8. **TAXES.**

(a) LANDLORD and TENANT acknowledge that the rental payments established in the Lease Agreement are rental payments for the right to occupy the real property and are subject to the commercial rental tax imposed under section 212.031, Florida Statutes. Such tax payment, together with any locally imposed commercial rental surtax, shall be paid by TENANT, with each payment of rent. Any payments by TENANT to LANDLORD, over and above the rental payments, which are in the nature of a concession or franchise payment for the privilege of doing business on airport property and not for the right to occupy and possess the real estate, when paid to LANDLORD for such privilege, shall be deemed payments as defined in section 212.02(10)(j), Florida Statutes.

(b) Local Ad Valorem Taxes: Section 196.199(2)(b), Florida Statutes, imposes regular local property taxes on government leaseholds not performing governmental, municipal, or public purposes or activities. These taxes are imposed on TENANT'S leasehold interest. LANDLORD'S leased fee remains exempt, including all buildings and other leasehold improvements, unless owned by TENANT. If the leasehold, through the use of the TENANT, is serving a governmental, municipal, or public purpose, as defined in section 196.012(6), Florida Statutes, the leasehold is not subject to tax. (§196.199(2)(a), Fla. Stats.) Regardless, non-ad valorem fees may be imposed by local governmental units which are levied against and payable by TENANT whether TENANT is subject to regular ad valorem taxes, or not. LANDLORD is not subject to such non-ad valorem fees, under this leasehold, and such fees must be paid by TENANT. LANDLORD cannot and does not become liable for either regular ad valorem taxes or non-ad valorem fees imposed on the TENANT. Nonpayment will result in the TENANT being subject to direct action under section 197.432(10), Florida Statutes.

(c) Other Taxes: TENANT shall be liable for, and shall pay, any other taxes legally imposed on it by any governmental unit. TENANT recognizes that nonpayment of any such tax

cannot and does not constitute a lien against LANDLORD'S interest in the leased premises and will constitute a personal obligation of TENANT to the governmental unit imposing such tax.

9. **INDEMNIFICATION AND HOLD HARMLESS.** For and in consideration of the sum of one dollar (\$1.00) and other good and valuable consideration paid by TENANT to LANDLORD, the receipt and sufficiency of which is hereby acknowledged, TENANT hereby agrees to indemnify and hold harmless LANDLORD, its elected officials, officers, employees, agents, their successors and assigns from and against any and all liabilities, damages, losses and costs, including, but not limited to, all costs and attorney's fees, through trial and appeal, that may be claimed or accrued by reason of the use, occupancy, or improvement of the Leased Premises by TENANT's Representatives (defined below), or caused by the act or neglect of TENANT's Representatives; provided, however, TENANT shall not have any obligation under the foregoing sentence if such liability, damage, loss, and costs is caused by the negligence, or willful misconduct of LANDLORD or any person other than TENANT's Representatives. For purposes of this Paragraph, the term "TENANT's Representatives" shall mean TENANT's officers, agents, employees, guests, and invitees while such officers, agents, employees, guests, and invitees are on the Leased Premises.

10. **INSURANCE.**

(a) **Commercial General Liability Insurance.** TENANT shall procure, maintain and pay for commercial general liability insurance providing all risks coverage which protects LANDLORD, LANDLORD'S elected officials, employees, officers, and agents, and TENANT, from claims arising from bodily injury, property damage, operations, premises and fire legal liability. Such insurance coverage shall have a combined single limit of not less than \$1,000,000.00 per occurrence/\$2,000,000.00 aggregate. Coverage shall be provided in a form no more restrictive than the latest edition of the commercial general liability policy filed by the Insurance Services Office. TENANT'S insurance shall be primary and any other insurance maintained by the City shall be in excess of and shall not contribute with TENANT'S insurance.

(b) All insurance required by this Paragraph shall be with a company licensed to do business in the State of Florida, and be otherwise satisfactory to LANDLORD.

(c) TENANT agrees that LANDLORD shall have the right to periodically review the adequacy of the required insurance and amend the insurance requirements of this Paragraph. Factors which may be considered include, but are not limited to, changes in generally-accepted insurance industry standards and practices, changes in TENANT'S use of the premises, measurable changes in local and national economic indicators and changes in City policies and procedures.

(d) The insurance policies referred to above shall name LANDLORD as an additional insured and shall include provisions for at least thirty (30) days advance notice to LANDLORD by the insurer prior to any policy change, amendment, termination or expiration of coverage. TENANT shall direct its insurance agent to provide LANDLORD with a policy, a certificate of insurance and an endorsement in a form acceptable to City for the insurance required stating that the coverages as provided herein are in force prior to the commencement date of this Lease Agreement, and for each term of coverage thereafter. An additional insured endorsement must be attached and contain language no less restrictive than ISO Form CG 20 10 07 04 13 or ISO Form CG 20 33 07 04 13.

(e) The insurance policies shall name the LANDLORD as an additional insured for liability insurance and as loss payee for property insurance and shall include provision for at least thirty (30) days advance notice to LANDLORD by the insurer prior to any policy change, amendment, termination or expiration of coverage. TENANT shall cause the insurer to provide proof of the required insurance, and required endorsement, to the LANDLORD before TENANT takes possession of the Leased Premises and shall cause the insurer to continue to supply such proof to the LANDLORD for each term of coverage. TENANT'S insurance shall be primary and any other insurance maintained by the City shall be in excess of and shall not contribute with TENANT'S insurance.

(f) In the event that TENANT should fail for any reason to procure or maintain the above-referenced general commercial liability insurance coverage for the benefit of LANDLORD at the minimum amounts required herein, or at the written request of TENANT, LANDLORD, at LANDLORD'S sole discretion, may declare TENANT in default.

(g) TENANT is strongly encouraged to procure, pay for, and maintain, a renter's policy of insurance covering TENANT for potential losses to its personal property, effects, and business income.

11. USE OF LEASED PREMISES; RESTRICTIONS ON USE.

(a) TENANT shall use and occupy the Leased Premises for office use only. LANDLORD represents that the Leased Premises are suitable for office use and may lawfully be used for the stated purpose.

(b) TENANT expressly agrees for TENANT and TENANT'S successors and assigns, to prevent any use of the Leased Premises which would interfere with or adversely affect the operations or maintenance of the Terminal Building, or otherwise constitute a public hazard.

12. **CONSTRUCTION OF IMPROVEMENTS.**

TENANT is prohibited from constructing any improvements or making structural changes to the Leased Premises without the express written consent of LANDLORD. Any improvements, if allowed, shall be made by an established general contractor properly licensed, insured, and authorized to work in the City of Vero Beach, and shall obtain all necessary permits pursuant to the City of Vero Beach Land Development Regulations and the Florida Building Code.

13. **RESPONSIBILITY FOR AND MAINTENANCE OF LEASED PREMISES.**

(a) TENANT and LANDLORD both agree that the Leased Premises is leased in as-is condition and unfurnished.

(b) LANDLORD shall maintain the Terminal Building, and all structural attributes, including roofs, common areas, and all equipment located within the building, including, but not limited to, the air conditioning, machinery, plumbing, wiring, pipes, electrical fixtures, and all other equipment. LANDLORD shall maintain the grounds, landscaping and common parking areas on and adjacent to the Leased Premises. LANDLORD shall provide electricity and water to TENANT without charge, provided, however, that total electricity and water consumption shall be monitored and considered by LANDLORD when evaluation future rental rate adjustments pursuant to Section 3 (c) of this Lease Agreement.

(c) TENANT shall be responsible for all maintenance to the interior of the Leased Premises, reasonable wear and tear excepted.

14. **DEFAULT.**

(a) **Default by TENANT in Payment of Rent.** Should TENANT fail to pay to LANDLORD any installment of rent when due, TENANT shall be deemed in default of the Lease Agreement and TENANT shall either cure such default or surrender possession of the Leased Premises to LANDLORD within three (3) days after written notice of the default is served on TENANT.

(b) **Defaults by TENANT Other than Rent.** Should TENANT fail to perform or comply with any of its obligations, covenants, conditions, agreements, or assurances, other than payment of rent, TENANT shall be deemed in default of the Lease Agreement and TENANT shall either cure such default or surrender possession of the Leased Premises to LANDLORD within fifteen (15) days after written notice of the default is served on TENANT.

(c) **Abandonment by TENANT.** Should TENANT abandon the Leased Premises, whether such abandonment is actually known to LANDLORD or presumed, TENANT shall be

deemed in default of the Lease Agreement. Absent actual knowledge by LANDLORD of abandonment of the Leased Premises by TENANT, abandonment shall be presumed when: (a) TENANT has been absent from the Leased Premises for a period of thirty (30) consecutive days; and (b) TENANT has not notified LANDLORD in writing of the absence being intended; and (c) the rent is not current; and (d) ten (10) days have elapsed since service of a written notice on TENANT of the default and LANDLORD'S intent to retake possession.

(d) **Default by LANDLORD.** Should LANDLORD fail to perform or comply with any of its obligations, covenants, conditions, agreement, or assurances, LANDLORD shall either cure such default within fifteen (15) days after written notice of the default is served on LANDLORD, or TENANT may terminate the Lease Agreement. If TENANT chooses to terminate the Lease Agreement under this provision, TENANT shall pay to LANDLORD all rent, fees, taxes and other amounts due through the date of termination.

(e) **LANDLORD'S Right of Possession on TENANT'S Default.** LANDLORD may retake possession of the Leased Premises without judicial action upon surrender or abandonment of the Leased Premises by TENANT. Should TENANT fail to cure a default under the Lease Agreement or in the alternative to surrender or abandon possession of the Leased Premises within the time provided, LANDLORD shall have the right to recover possession of the Leased Premises as provided by law in an action for possession. LANDLORD'S retaking of possession of the Leased Premises, whether by TENANT'S surrender or abandonment of the Leased Premises, or by judicial action, shall not be deemed a waiver of any of LANDLORD'S other claims, rights or remedies. If LANDLORD retakes possession of the Leased Premises, then: (i) the Lease Agreement shall be terminated, (ii) LANDLORD may, at its option, declare the entire amount of the rent accelerated so it shall be immediately due and payable, and (iii) the parties shall remain liable to each other for all liabilities arising prior to the date on which LANDLORD retook possession.

(f) **LANDLORD'S Remedies In Addition To Repossession.** Should TENANT fail to cure a default under the Lease Agreement pursuant to Paragraph 14(a), (b), or (c) above, in addition to recovery of possession of the Leased Premises as provided herein, LANDLORD shall have the right, at its sole option, to exercise one of the following remedies:

(1) Terminate the Lease Agreement and recover from TENANT all rents, fees, taxes and other amounts due through the date of termination together with any and all loss, expense, or damage which LANDLORD may suffer by reason of such termination, whether for the costs of reletting or through an inability to relet the Leased Premises, or through a

decrease in rent, or any other reason, including, but not limited to, attorney's fees and costs, through trial and appeal.

(2) Terminate the Lease Agreement, declare the entire amount of the rent accelerated and to be due and payable immediately for the remainder of the full term of the Lease Agreement or the renewal term, in which event TENANT agrees to pay such sum at once, together with all arrearages, costs and expenses, including, but not limited to, attorney's fees and costs, through trial and appeal.

(3) Terminate the Lease Agreement, relet the premises for any term at such rent and on such terms as LANDLORD may choose during the remainder of TENANT'S term for the account of TENANT and recover from TENANT at the end of the term or at the time each payment of rent comes due under the Lease Agreement, whichever LANDLORD may choose, the difference between all the rent, costs and fees specified in the Lease Agreement and all the rent, costs and fees actually received from the reletting, together with any and all loss, expense, or damage which LANDLORD may suffer for the costs of reletting the Leased Premises or any other reason, together with all arrearages, costs and expenses, including, but not limited to, attorney fees and costs, through trial and appeal.

(g) **No Waiver By Extension.** Any extension of time to cure a default that may be granted to TENANT by LANDLORD after the aforementioned written notice is served shall not be deemed a waiver of LANDLORD'S right to retake possession without additional notice.

(h) **Notices.** The method for serving notices shall be as otherwise provided herein, or, if TENANT is absent from the Leased Premises or the address designated by TENANT for service of notices, by leaving a copy thereof at such place or by posting on the Leased Premises.

(i) **LANDLORD As Agent of TENANT.** Should TENANT fail to cure a default under the Lease Agreement pursuant to Paragraphs 14(a), (b) or (c) above, LANDLORD may, as agent of TENANT, do whatever TENANT is obligated to do, other than payment of rents, by the provisions of the Lease Agreement, and may enter the Leased Premises in order to accomplish this purpose. TENANT hereby grants LANDLORD irrevocable authority and permission to enter the premises for this purpose and agrees to reimburse LANDLORD immediately upon written demand for any expense which LANDLORD may incur in affecting compliance with the Lease Agreement on behalf of TENANT.

(j) In the event of any breach or threatened breach by TENANT of any of the terms, covenants, agreements, provisions or conditions in the Lease Agreement, LANDLORD shall have

the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies not provided for in the Lease Agreement.

(k) Upon the termination of the Lease Agreement and the term created, or upon the termination of TENANT'S right of possession, whether by lapse of time or at the option of LANDLORD, TENANT will at once surrender possession of the Leased Premises to LANDLORD and remove all of its personal property (non-fixtures) from it. If possession is not immediately surrendered, LANDLORD may obtain possession of the Leased Premises as provided by law (Section 83.05, Florida Statutes, or as that provision may be amended).

(l) Should TENANT, at any time during the term of this Lease Agreement, suffer or permit an involuntary or voluntary petition in bankruptcy to be filed against it, or institute a proceeding under Chapters 7, 11, or 13 of the United States Bankruptcy Code, as they may be amended, TENANT, and/or TENANT'S successor in interest, including but not limited to the trustee assuming or assigned the Lease Agreement, shall provide adequate protection and adequate assurances of future performance of the Lease Agreement as are required by the Bankruptcy Code, which will include but not be limited to the following:

(1) All monetary and non-monetary defaults existing prior to the institution of the filing of the bankruptcy petition shall be cured within forty-five (45) days of service of written demand made upon TENANT by LANDLORD which will include all costs and attorney's fees expended by LANDLORD to the date of the curing of the default; and

(2) An additional one (1) month of advance rental will be required as additional security of future performance which must be paid to LANDLORD within forty-five (45) days of the filing of the petition in bankruptcy; and

(3) All obligations of TENANT must be performed in accordance with the terms of the Lease Agreement.

If at any time during the pendency of the bankruptcy proceeding, TENANT or its successor in interest fails to perform any of the monetary or non-monetary obligations required under the terms of the Lease Agreement, or fails to cure any pre-filing default, or fails to make the additional security deposit required under the adequate protection and adequate assurances of future performance clause above, TENANT and/or its successor in interest stipulates and agrees to allow LANDLORD total relief from the automatic stay under 11 U.S.C. 362 to enforce its rights under the

Lease Agreement and under state law including, but not limited to, issuance and enforcement of a judgment for possession and writ of possession.

(m) **General Provisions Relating to Default.** Pursuit by LANDLORD of any of the foregoing remedies shall not preclude the pursuit of any of the other remedies herein provided or any other remedies provided by law. No act or thing done by LANDLORD or its agents during the term hereby granted shall be deemed an acceptance of a surrender of said Leased Premises, and no agreement to accept a surrender of said Leased Premises shall be valid unless the same be made in writing and subscribed by LANDLORD. The mention in the Lease Agreement of any particular remedy shall not preclude LANDLORD from any other remedy LANDLORD might have, either in law or in equity, nor shall the waiver of or redress for any violation of any covenant or condition in the Lease Agreement or any of the rules and regulations set forth herein, or hereafter adopted by LANDLORD, prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The acceptance by LANDLORD of any rent with knowledge of the breach of any covenant in the Lease Agreement, other than a breach by non-payment, shall not be deemed a waiver of such breach. Termination of the Lease Agreement by lapse of time or otherwise, prior to the ending thereof as agreed to by the parties, shall not affect LANDLORD'S right to collect rent for the period prior to the termination thereof.

15. **SURRENDER AT END OF TERM.** At the expiration or termination of the initial term or any renewal term of the Lease Agreement or earlier termination hereof, TENANT shall peaceably and quietly leave, surrender and deliver to LANDLORD the Leased Premises, together with any buildings, improvements, and fixtures, excluding any personal property of TENANT not affixed to the Leased Premises, broom clean, and in thorough repair, good order, and safe condition, reasonable wear and tear excepted. TENANT shall remove all of TENANT'S unaffixed personal property from the Leased Premises upon termination. If TENANT fails to remove TENANT'S unaffixed personal property within fifteen (15) days after the date of expiration or earlier termination, such property shall be deemed to have been abandoned without notice to TENANT. LANDLORD may appropriate, sell, store, destroy, or otherwise dispose of any such abandoned property without notice to TENANT and without obligation to account therefor. Further, TENANT shall pay to LANDLORD the cost LANDLORD incurs in removing, selling, storing, destroying, and disposing of such abandoned property in excess of any value recovered for such abandoned property.

16. HOLDOVER TENANCY. If TENANT remains in possession of the Leased Premises after the Lease Agreement expires or terminates for any reason:

(a) TENANT will be deemed to be occupying the Leased Premises as a TENANT from month-to-month at the sufferance of LANDLORD. TENANT will be subject to all of the provisions of the Lease Agreement, except that, at LANDLORD'S discretion, the base rent will be at a monthly rate equal to twice the amount of a single monthly installment of fixed rent for the Leased Premises calculated at the then current rate in effect at the time of expiration or termination of the Lease Agreement; and

(b) TENANT shall reimburse LANDLORD for any additional damages which LANDLORD suffers by reason of TENANT'S continued occupancy; and

(c) TENANT shall indemnify LANDLORD from and against all claims made by any succeeding TENANT insofar as such delay is occasioned by TENANT'S failure to surrender the Leased Premises. For purposes of this Paragraph, "**Base Rent**" shall be that portion of the rent based on a square footage rate.

17. ACCORD AND SATISFACTION/WAIVER.

(a) If TENANT pays to LANDLORD an amount that is less than the full amount stipulated to be paid under the terms of the Lease Agreement, that payment shall be considered to be made only on account and applied to the stipulated amount due. No endorsement or statement on any check or letter shall be deemed an accord and satisfaction. LANDLORD may accept any check or payment without prejudice to LANDLORD'S right to recover the balance due or to pursue any other available remedy.

(b) Any default in the payment of the fixed or additional rent or other charges, or any failure of LANDLORD to enforce the provisions of the Lease Agreement upon any default by TENANT, shall not be construed as creating a custom of deferring payment or as modifying in any way the terms of the Lease Agreement, or as a waiver of LANDLORD'S right to terminate the Lease Agreement as herein provided, or otherwise to enforce the provisions thereof for any subsequent default.

18. ENVIRONMENTAL PROVISIONS.

(a) LANDLORD agrees that TENANT shall have no liability for any pre-existing environmental contamination of the Leased Premises, provided that pre-existing environmental contamination was a pre-occupancy event as defined in Paragraph (h) of this Paragraph. LANDLORD shall be solely responsible for all costs and expenses including, but not limited to,

remediation, fines, and attorneys' fees through trial and appeal, that arise in any manner out of environmental contamination not caused by TENANT, TENANT's agents, employees, contractors, or invitees while TENANT's agents, employees, contractors, or invitees are on the Leased Premises.

(b) TENANT shall be solely responsible for and indemnify LANDLORD for all costs and expenses including, but not limited to, remediation, fines, attorney's fees through trial and appeal, that arise in any manner out of environmental contamination caused during the lease term by TENANT, TENANT'S agents, employees, contractors, or invitees while TENANT's agents, employees, contractors, and invitees are on the Leased Premises.

(c) Except as properly permitted under federal, state and local laws, rules, and regulations, TENANT shall not conduct, permit, nor authorize, any other person or entity to engage in the generation, storage, treatment, or disposal of any hazardous materials (as defined under federal, state, and local environmental laws), on or in any location that might adversely affect or contaminate the Leased Premises. This Paragraph (c) shall not apply to properly permitted storage, if any, allowed under the terms of the Lease Agreement.

(d) TENANT shall store, utilize, and dispose of all industrial, domestic, hazardous, and solid wastes permitted under the terms of the Lease Agreement in accordance with applicable federal, state, and local laws, rules, and regulations.

(e) TENANT shall immediately provide LANDLORD verbal notice of any spill or release of hazardous materials at or from the Leased Premises. TENANT shall promptly confirm the verbal notice to LANDLORD in writing providing the details of such spill or release and the remediation taken by TENANT.

(f) If TENANT is responsible for environmental contamination under Paragraph 18(b), then TENANT hereby agrees, at its expense, to immediately (1) remove hazardous materials from the Leased Premises; (2) comply with any and all orders or directives of any federal, state, or local agency or department relative thereof; and (3) return the Leased Premises to its pre-existing condition without any diminution in the value thereof.

(g) If LANDLORD is responsible for environmental contamination under Paragraph 18(a), then LANDLORD hereby agrees, at its expense, to immediately (1) remove hazardous materials from the Leased Premises; (2) comply with any and all orders or directives of any federal, state, or local agency or department relative thereof; and (3) return the Leased Premises to its pre-existing condition without any diminution in the value thereof.

(h) As used herein, "pre-occupancy event" shall mean any condition, occurrence, or event, including, but not limited to, a spill, the storage, disposal, or use of a hazardous material or waste as defined by federal, state or local law, ordinance, rule or regulation, occurring prior to the commencement date of the Lease Agreement and not caused by TENANT, whether originating on or off of the Leased Premises, whether known or unknown at the time of the commencement date of the Lease Agreement, and whether or not any contamination is determined to be ongoing or continuous.

(i) Each party's responsibilities, obligations, and liabilities pursuant to this Paragraph 18 of the Lease Agreement shall survive the expiration or early termination of the Lease Agreement or any renewal term.

(j) Nothing in the Lease Agreement shall be deemed to be a waiver of LANDLORD'S right to take action against responsible parties for remediation of, or payment for, environmental contamination on the Leased Premises, nor be deemed to be an assumption by LANDLORD of the responsibility for such remediation or payment, except as may be imposed on LANDLORD as a matter of law.

(k) Nothing in the Lease Agreement shall be deemed to be a waiver of TENANT'S right to take action against responsible parties for remediation of, or payment for, environmental contamination on the Leased Premises, nor be deemed to be an assumption by TENANT of the responsibility for such remediation or payment, except as may be imposed on TENANT as a matter of law.

19. PAYMENT AND PERFORMANCE BONDS.

(a) TENANT shall cause TENANT'S contractor to obtain and provide a payment and performance bond, in the form approved by LANDLORD, for construction of any improvements on or to the Leased Premises for which the cost of completion will exceed \$10,000.00. Such bond shall be payable in an amount equal to One Hundred Twenty-Five Percent (125%) of the estimated cost to complete the improvements and shall be underwritten by a surety acceptable to LANDLORD and authorized to do business in the State of Florida. TENANT'S contractor may substitute for a bond, a payment and performance irrevocable letter of credit, in the form approved by LANDLORD, from a bank authorized to do business in the State of Florida, and with an office located in Indian River County, Florida where such letter of credit may be drawn upon. All such bonds and letters of credit shall inure to the benefit of LANDLORD and TENANT and all other persons, companies and corporations entitled to make a claim for payment against the bond or letter

of credit pursuant to the applicable provisions of Florida law. Such bond or letter of credit shall remain in effect through completion of the improvements and all guarantee and warranty periods. No improvements on or to the Leased Premises shall commence before the required bond or letter of credit is received and approved by LANDLORD.

(b) TENANT shall cause TENANT'S contractor to provide a contractor's final affidavit upon completion of the improvements, certifying to LANDLORD and TENANT that full payment was made to all subcontractors, materialmen, leasing companies, and any other person, company, or corporation providing goods, materials or services for the improvements.

20. NOTICES.

(a) Any notice required or permitted to be given hereunder shall be in writing and deemed to have been duly given: (i) upon delivery (personally, by courier service, or other messenger) to the address of the appropriate party; or (ii) upon receipt as evidenced by the appropriate form of the United States Postal Service after mailing by United States registered or certified mail, return receipt requested, postage prepaid to such address; or (iii) upon mailing if such registered or certified mail is refused by the recipient or returned unclaimed to the sender.

(b) LANDLORD designates the Airport Director as its official representative with the full power to represent LANDLORD in all dealings with TENANT in connection with the Leased Premises and in administration of the Lease Agreement. LANDLORD may designate different or additional representatives from time to time by written notice to TENANT as provided herein. All notices shall be given to LANDLORD at the address set forth below or at such other address as specified by written notice delivered to TENANT as provided herein.

Original: City of Vero Beach
Airport Director's Office
P.O. Box 1389
Vero Beach, FL 32961-1389

Copy: Wayne R. Coment, Esq.
City Attorney
P. O. Box 1389
1053 20th Place
Vero Beach, FL 32961-1389

All notices shall be given to TENANT at the following address:

TENANT: Flightline Group, Inc.
Attn: President
3256 Capital Circle, S.W.
Tallahassee, FL 32310

or such other address as specified by written notice by TENANT, delivered to LANDLORD as provided herein.

21. **REAL ESTATE COMMISSION.** LANDLORD and TENANT each covenant and warrant to the other that they have not authorized any person, firm, or corporation as a real estate agent or broker to deal on behalf of such party with respect to the Lease. TENANT agrees to indemnify and hold harmless LANDLORD from any claim for remuneration, commissions or broker's fees arising out of this transaction and Lease.

22. **ENTRY OF LANDLORD.** LANDLORD may enter the Leased Premises during all reasonable hours and at LANDLORD'S expense, for any legal purpose, including, but not limited to:

(a) To inspect or protect the Leased Premises;

(b) To perform the required maintenance of the Leased Premises described herein;

(c) To determine whether TENANT is complying with the terms of the Lease Agreement, applicable laws, orders, or regulations of any lawful authority having jurisdiction over the Leased Premises or any business conducted therein; or

(d) To exhibit the Leased Premises to any prospective TENANT when TENANT is in default of the Lease Agreement or has notified LANDLORD of intention to terminate the Lease Agreement or during the last six (6) months of the term of the Lease.

(e) No authorized entry by LANDLORD shall constitute an eviction of TENANT or deprivation of TENANT'S rights under the Lease; nor shall such entry alter LANDLORD'S obligations hereunder or create any right in LANDLORD adverse to TENANT'S interest hereunder. LANDLORD'S entry under this Paragraph shall not to the extent possible unduly interfere with TENANT'S business operations.

23. **CONSTRUCTION.**

(a) The Lease Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(b) The Lease Agreement shall be subordinate and subject to the provisions of any existing or future contract between LANDLORD and the State of Florida or LANDLORD and the United States, relative to the development, operation, or maintenance of the Terminal Building, the execution of which has been or may be required as a condition precedent to the expenditure of state or federal funds for the development, operation, or maintenance of the Vero Beach Regional Airport.

(c) If any part of the Lease Agreement is found invalid or unenforceable by any court or any branch of the federal government having jurisdiction over the operation of the Vero Beach Regional Airport, including, but not limited to, Federal Aviation Administration (FAA), such

invalidity or unenforceability shall not affect the other parts of the Lease Agreement if the rights and obligations of the parties contained therein are not materially prejudiced and if the intentions of the parties can continue to be effectuated. To that end, the separate provisions of the Lease Agreement are declared severable.

(d) If any branch of the state or federal government having jurisdiction over the operation of the Vero Beach Regional 1 Airport, including, but not limited to, the Florida Department of Transportation or the Federal Aviation Administration (FAA), deems any lease provision to be in non-compliance, the parties agree to delete, insert, or modify to the extent necessary any such provision to bring the Lease Agreement into compliance.

(e) If changes to the Lease Agreement pursuant to (b), (c), or (d) of this Paragraph have a materially adverse affect upon TENANT'S use of the Leased Premises for the purposes allowed herein, TENANT may terminate this Lease Agreement with sixty (60) days written notice to LANDLORD.

24. MEDIATION; LITIGATION. In the event of any disagreement or conflict arising out of or in any way connected with the Lease Agreement or use of the Leased Premises, and such disagreement or conflict cannot be resolved by the signatories hereto, the signatories may submit such disagreement to non-binding mediation prior to commencing any litigation or other dispute resolution procedure. The costs associated with any such mediation shall be equally shared. Each party shall be responsible for the payment of its own attorney's fees in connection therewith. LANDLORD and TENANT expressly agree that in the event suit or any other legal action arising out of or in any way connected with the Lease Agreement or use of the Leased Premises is initiated:

(a) Venue shall be in Indian River County, Florida.

(b) Trial by jury is hereby waived, on any matter whatsoever, including, without limitation, any claim for injury or damage.

(c) The prevailing party shall be awarded their costs and all reasonable attorneys' fees incurred through trial and appeal.

(d) In any eviction action initiated by LANDLORD, Section 83.232, Florida Statutes, or as that provision may be amended, shall apply.

(e) In any action or proceeding commenced by LANDLORD to recover possession of the Leased Premises, the parties stipulate that any counterclaim brought by TENANT shall be severed and tried separately from the action for eviction pursuant to Florida Rule of Civil Procedure 1.270(b) and other applicable law. The eviction action shall proceed pursuant to the summary

procedure set forth in Chapter 51, Florida Statutes, or as that provision may be amended. Nothing in this Paragraph 24(e) shall constitute a waiver of TENANT's defenses to any action or proceeding commenced by LANDLORD to recover possession of the Leased Premises.

25. MISCELLANEOUS PROVISIONS.

(a) Notwithstanding anything herein contained that may be or appear to be to the contrary, it is expressly understood and agreed that the rights granted to TENANT under the Lease Agreement are non-exclusive and LANDLORD herein reserves the right to grant similar privileges to another tenant(s) on other parts of the Airport. This provision shall in no way diminish TENANT'S right to exclusive use of the Leased Premises for the approved use as stated in Paragraph 11 (a) of this Lease Agreement.

(b) TENANT assures LANDLORD that it will undertake an affirmative action program as required by 14 Code of Federal Regulations Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in or receiving the services or benefits of any program or activity covered by subpart. TENANT assures LANDLORD that it will require that its covered suborganizations provide assurances to LANDLORD that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 Code of Federal Regulations, Part 152, Subpart E, to the same effect.

(c) TENANT expressly agrees for TENANT and TENANT'S successors and assigns, that no person, on the grounds of race, color, national origin or sex, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; that TENANT and TENANT'S successors and assigns shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title IV of the Civil Rights Act of 1964, and as such regulations may be amended; that in the event of breach of any of the above nondiscrimination covenants, LANDLORD shall have the right to terminate the Lease Agreement and to retake possession pursuant to law. The

provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, and Part 21 are followed and completed, including exercise or expiration of appeal rights.

(d) If TENANT is a corporation, partnership, or limited liability company, TENANT'S status shall continuously be in good standing, active, and current with the state of its incorporation or registration and the State of Florida, and TENANT shall keep its status active and current throughout the term of the Lease Agreement and renewal. Failure of TENANT to keep its status active and current shall constitute a default.

(e) LANDLORD reserves the right to develop, improve, repair, and alter the Airport and all roadways, parking areas, common areas, and associated facilities as it may deem appropriate. Such improvements, repairs, and alterations shall not prevent ingress or egress to the Leased Premises by TENANT or TENANT'S staff and clients.

(f) Any construction, reconstruction, remodeling, installation of improvements, or other work done to the Leased Premises by TENANT shall be performed in compliance with the requirements of the Americans with Disabilities Act ("ADA"), at TENANT'S expense. In the event that a regulatory agency, private party, organization, or any other person or entity makes a claim under the ADA against either (or both) parties, the party whose breach (or alleged breach) of responsibility under this Lease Agreement gave rise to the claim shall, in good faith and at that party's sole cost, promptly take whatever actions are necessary to bring the Leased Premises into compliance with ADA requirements. That party shall defend, save, and hold harmless the other party from any and all expenses incurred in responding to such a claim, including without limitation the fees of attorneys and other advisors, court costs, and costs incurred for bringing the Leased Premises into compliance.

(g) The captions and paragraphs or letters appearing in this Lease Agreement are inserted only as a matter of convenience and in no way affect, define, limit, construe, or describe the scope or intent of the sections or articles of this Lease Agreement.

(h) This Lease Agreement and all related attachments, agreements between LANDLORD, the Federal Aviation Administration and the Florida Department of Transportation, resolutions, and ordinances approved by the City of Vero Beach, set forth all the promises, agreements, conditions, and understandings between LANDLORD and TENANT relative to the Leased Premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this

Lease Agreement will be binding on LANDLORD or TENANT unless in writing and signed by them and made a part of this Lease Agreement by direct reference.

(i) The terms of this Lease Agreement shall be binding on the respective successors, representatives, and assigns of the parties.

(j) This Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all which together will constitute one and the same instrument.

(k) In the event of a natural disaster, including but not limited to a hurricane, tornado, fire, earthquake or flood, and not a result of TENANT'S deliberate action or negligence, that renders the Leased Premises uninhabitable beyond sixty (60) days, the rent shall abate to the degree that TENANT'S use of the Leased Premises is impaired. If the Leased Premises remains uninhabitable after 180 days following the natural disaster, TENANT or LANDLORD may, at their option, and with written notice, terminate the Lease Agreement.

(l) Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

(m) The parties hereto acknowledge that they were given the opportunity to have their legal counsel review this Lease Agreement and Attachment "A," and that the Lease Agreement and Attachment "A" shall be construed neither against, nor in favor of, any party hereto, but rather in accordance with the fair meaning thereof.

IN WITNESS WHEREOF, we the LANDLORD and TENANT have hereunto affixed our hands and seals.

[SIGNATURE PAGES FOLLOW]

TENANT – FLIGHTLINE GROUP, INC.
(This section to be completed by TENANT only)

WITNESS:

TENANT: FLIGHTLINE GROUP, INC.

Sign: _____
Print: _____

Paul M. Langston
Chairman

Sign: _____
Print: _____

[SEAL]

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by **Paul M. Langston**, as Chairman, on behalf of FLIGHTLINE GROUP, INC. He is personally known to me or produced _____ as identification.

NOTARY PUBLIC
Commission No.:
My Commission Expires:

[NOTARY SEAL]

LANDLORD – CITY OF VERO BEACH

(This section to be completed by LANDLORD only)

ATTEST:

LANDLORD: CITY OF VERO BEACH

Tammy K. Vock
City Clerk

By: _____
Jay Kramer
Mayor

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Jay Kramer, as Mayor, and attested by Tammy K. Vock, as City Clerk of the City of Vero Beach, Florida. They are both known to me.

NOTARY PUBLIC
Commission No.:
My Commission Expires:

[NOTARY SEAL]

CITY MANAGEMENT

(This section to be completed by City Management Staff only)

Approved as to form
and legal sufficiency:

Wayne R. Coment
City Attorney

Approved as to technical
requirements:

Ericson W. Menger
Airport Director

Approved as conforming to
municipal policy:

James R. O'Connor
City Manager

Approved as to technical
requirements:

Cynthia D. Lawson
Finance Director



Florida Municipal Power Agency

AGENDA PACKAGE MEMORANDUM

TO: Board of Directors
FROM: Sharon Smeenk, Mark McCain and Michele Jackson
DATE: June 14, 2016
ITEM: 8c – Update on Retail Customer Survey on Solar Energy

Strategic Relevance

FMPA’s Relevant Strategic Goals

1. Aa: Propose at least one new, power supply or transmission project.

Introduction

- FMPA’s Board of Directors approved the use of the Agency’s Development Fund for the investigation of a joint-action solar photovoltaic (PV) project.
- The first development activity is to survey retail electric customers to gauge their support for a solar PV project. The survey results are intended to help FMPA’s members decide whether or not to participate in the project.
- The purpose of this memorandum is to provide FMPA’s Board of Directors with an update on staff’s discussions with two market research firms and a municipal electric utility that have conducted similar surveys on solar. In addition, the staff seeks feedback related to survey costs.

Background

FMPA staff held two conference calls with interested members to elicit input regarding the survey objectives and methodology. An overview of the feedback received during these calls was presented May 19, 2016, during the Board of Directors’ meeting and is summarized below:

General feedback:

- Keep the survey simple.
- Survey results should be statistically valid for sound decision making.
- The survey should be conducted by a third-party, rather than by each utility.
- A standard set of survey questions is preferred, but an option for some customization could be desirable/necessary.

The survey should help participating members determine:

- Are enough customers interested in solar?
- Who is most likely to be interested in solar?
- How much more, if any, are customers willing to pay for solar?
- Whether it is important for solar be located/visible in the community

Additional information to be obtained from the survey:

- Demographic information about the respondents.
- Information to assist in marketing a potential community solar project, such as identifying motivators and barriers to customer participation.

With this guidance from members, staff took the following steps:

1. Researched what other municipal electric utilities have done about surveying retail customers for possible interest in solar PV.
2. Spoke with two market research firms that have conducted surveys for municipal electric utilities to gauge customer interest in solar PV.
3. Based on the information gathered from municipal utilities and research firms, evaluated the requirements for procuring market research services.

The results from these investigations are discussed below.

Research Advice

FMPA reached out to members of the American Public Power Association (APPA) via three different APPA Listservers. FMPA asked other APPA members from the Energy Services, Joint Action Agency and Communications Listservers about their experiences conducting surveys of their customers regarding solar energy and their experience with research firms.

We received nine responses to our request for information. Several APPA members shared lessons learned from their survey projects, and several offered names of research firms that they had worked with to conduct the surveys. Based on the responses, FMPA staff reached out to two of the recommended research firms to obtain initial input on our proposed survey approach and objectives.

Highlights from the conversations with research firms included the following:

- A telephone survey is recommended to assure statistical accuracy. A phone survey allows the market research firm to obtain a truly random sample of the utility's customers assuring that the responses are representative of the customer base. A voluntary survey, like an email or online survey that allows respondents to "self-select" does not provide a truly random sample that could be said to be statistically accurate and representative of the survey population. Internet and email surveys tend to draw responses from people at the extremes of an issue and not the people in the middle.
- To provide market research for each utility that would help them decide whether or not to participate in the solar PV project, it is recommended to do individual utility surveys. The shortcoming of doing one statewide survey is that given the diversity of communities and the small sample size that would result from each community, the margin of error rate would be high relative to each community, undermining confidence in the survey results upon which a business decision is expected to be made.

- A standard set of survey questions can be developed for use in each community survey, which could create economies in the survey development process and enable comparisons of survey results among utilities, which might be of interest. There could be an option for some survey customization, if necessary.
- The cost of the survey is a function of the number of surveys conducted and the length of the survey. One researcher provided the following general advice:
 - For communities with more than 4,000 customer accounts, the standard number of surveys required to obtain a $\pm 5\%$ margin of error is 400 completed surveys. Completing 600 surveys would improve the margin of error to $\pm 4\%$. For communities with less than 4,000 customers, the number of completed surveys can be reduced to 275 or 300.
 - For phone surveys, every 100 words in the script equates to approximately one minute on the phone. A short survey is 4-5 minutes. A medium survey is 6-8 minutes. The maximum recommended survey length is 9-12 minutes. Beyond 12 minutes, it gets increasingly difficult to complete surveys.
 - Pricing for all-inclusive survey services (including developing survey objectives, creating survey questions, conducting the surveys, compiling the survey results and interpreting the survey results in a report) could range from \$3,000-\$5,000 (per FMPA member city) for a short survey up to \$10,000-\$12,000 (per member) for the longest recommended survey.
 - If several FMPA cities participate in the survey, and if they all agree to use the same survey provider, the market research firm could be more aggressive with pricing, depending on the size of the group.
 - Commercial customers are more difficult to survey than residential customers. Knowing how many completed commercial customer surveys would be required, if any, is a factor when estimating cost.

Municipal Advice

One APPA member that responded to our APPA Listserver request was Austin Energy (AE) in Texas. AE has a department called Data Analytics & Business Intelligence. They perform some research in-house and contract with a consumer research firm for other studies. The AE representative offered to discuss the details of FMPA's project and answer any question. Highlights from our conversation with AE included the following:

- AE has email addresses for more than 60% of its customers, so they sometimes perform email surveys in-house. They treat email surveys just like telephone surveys, pulling random samples to ensure a statistically valid sample. They do not use "open links" for surveys because that allows anyone with the link to complete the survey, so it is not statistically valid. AE contracts with a research firm for telephone surveys and focus groups.

- AE typically targets 400 completed surveys for its sample size.
- AE is satisfied with surveys that have a $\pm 5\%$ margin of error. They feel this is valid, and the extra expense to reduce the error rate is not worthwhile.
- AE tries to keep its surveys at 12 minutes or less. The AE representative felt that a 4-5 minute survey might be too short for a survey like this. The representative said a short survey can be valuable for baseline information, but it leaves unanswered questions. If the city then decides to commission another survey, it would be difficult to correlate the results of the two surveys because they will have different respondents.
- AE confirmed that surveying commercial customers is more difficult than residential customers. In a solar survey AE is doing at this time, they are not surveying commercial customers. Many commercial customers are bottom-line oriented, so any added cost for solar PV is not attractive.
- When asking customers about how much more they might be willing to pay for renewable energy, AE finds it is better to provide the options in dollars rather than percentages. AE's typical survey script states, "The average customer bill is \$X. Would you be willing to pay \$X more?" AE finds it is helpful to put the bill in context and then talk about dollars.
- AE confirmed that one byproduct of surveying can be an educational element. AE, like other utilities, hears from its customers that the wind and sun are free, so customers do not understand why renewable energy should cost more. Early in AE's survey, they have included a question about a customer's likelihood of participating in a solar project. After providing information about why renewables cost more and asking questions about how much more a customer is willing to pay, AE has included another questions about a customer's likelihood of participating in a solar project. These bookend questions are referred to as "uninformed" opinion and "informed" opinion.
- In surveys, AE often asks the respondent about their participation in existing conservation or renewable programs. AE said this gives them an indication what the customer might actually do, not just what the customer aspires to do.

Development Fund

The Board of Directors has authorized the use of the Agency's Development Fund to pay costs associated with the survey process prior to commencing further development activities for the joint-action solar PV project.

In the request for approval to use Development Funds, staff had estimated that a survey would cost approximately \$20,000. However, given the new information provided by survey experts, which is that the survey process for a diverse group of communities should consist of multiple individual member phone surveys instead of a large web-based group survey, staff now estimates, depending on which members participate, the survey effort could cost on average \$9,000 to \$10,000

per FMPA member city. Therefore, staff are seeking additional guidance from the Board of Directors on two questions:

1. Will the Board authorize the use of the Agency’s Development Funds for individual member phone surveys at this higher level of expenditure?
2. Should the Development Funds be used for surveys for all FMPA members who are interested in conducting such a survey, including those that have not yet expressed an interest in the FMPA joint-action solar PV project? Or should the Development Funds only be used to cover costs for conducting surveys for those members who have expressed an interest in FMPA joint-action solar PV project?

Staff recognize that members that are not interested in participating in the potential FMPA joint-action solar PV project might find value in utilizing the selected survey firm to conduct surveys for their utility, as well as participating with other FMPA members in the design of common survey elements, and learning from other Florida municipal utilities’ survey results. Also, staff recognize that the interest expressed by certain FMPA members in a potential joint-action solar PV project is a non-binding interest, and that the survey results may be the determining factor in whether a member participates in the potential project.

Next Steps

At a potential average cost of \$9,000 to \$10,000 per FMPA member city, and assuming at least five members are interested in conducting a survey, FMPA’s procurement policy would require issuance of a Request for Proposals (RFP) for these services. Thus, staff recommend that we issue an RFP to select a research firm. We anticipate that the selected firm will:

- Assist in developing survey objectives.
- Identify survey population(s).
- Assist in developing survey questions.
- Conduct the survey.
- Compile survey data and prepare a report.
- Provide insight and interpretation of survey results.

As a next step, FMPA staff would like to identify those member utilities that want to survey their customers as part of the RFP. Also, FMPA staff are seeking representatives from interested member utilities to serve on a Task Force to provide input to assist in finalizing the RFP, evaluating the proposals received, and working with the survey firm to develop and conduct the survey(s).

Recommended Action

For information only. No action is requested, but feedback on use of the Development Funds is requested.

AIRPORT FUND

AIRPORT

OPERATING BUDGET

**Budget
2016-2017**

**Budget
2015-2016**

Operating Revenue	\$ 2,657,515	\$ 2,518,339
Operating Expenses:		
Airport operations (4000)	2,207,006	1,988,243
Total Operating Expenses	2,207,006	1,988,243
Net Operating Income	450,509	530,096
Debt Service		
No outstanding debt on the Airport	-	-
Total Debt Service Transfers	-	-
Surplus Revenue	\$ 450,509	\$ 530,096
Surplus Revenue Distribution		
Transfer to Construction Fund	\$ 775,000	\$ 380,000
Balance Available for Capital Additions	(324,491)	150,096
Total Distribution of Surplus	\$ 450,509	\$ 530,096

AIRPORT FUND

REVENUE

Account Number	Account Name	2017 Budget vs 2016 Projected				2015-2016 Budget	2014-2015 Actual
		2016-2017 Budget	2015-2016 Projected	Change \$	Change %		
441.0000.311.010000	AD VALOREM TAXES	16,000	14,500	1,500	10.3%	14,500	14,767
441.0000.344.010100	AIRPORT RENTALS	1,493,000	1,495,000	-2,000	-0.1%	1,495,000	1,446,153
441.0000.344.010200	CITRUS PARK VILLAGE RENTALS	170,000	155,000	15,000	9.7%	155,000	151,441
441.0000.344.010300	FUEL FLOWAGE FEES	154,000	110,000	44,000	40.0%	110,000	104,570
441.0000.344.010500	RESOLUTION RENTALS	558,376	532,400	25,976	4.9%	532,400	521,813
441.0000.344.010700	GROSS RECEIPTS	225,000	180,000	45,000	25.0%	180,000	271,760
441.0000.361.010200	INTEREST ON INVESTMENTS	15,000	7,000	8,000	114.3%	7,000	10,857
441.0000.369.040100	LANDFILL	5,500	3,800	1,700	44.7%	3,800	4,077
441.0000.369.090100	MISCELLANEOUS REVENUES	10,000	10,000	0	0.0%	10,000	15,601
441.0000.382.000650	CONTR FROM HLTH INS FND	10,639	10,639	0	0.0%	10,639	10,639
441.0000.389.000200	CASH CARRY OVER	324,491	-150,096	474,587	-316.2%	-150,096	0
Total		2,982,006	2,368,243	613,763	25.9%	2,368,243	2,551,678

AIRPORT FUND

BUDGET BY DEPARTMENT

Department	2016-2017 Budget	2015-2016 Projected	2017 Budget vs 2016 Projected		2015-2016 Budget	2014-2015 Actual
			Change \$	Change %		
Airport	2,982,006	2,368,243	613,763	25.9%	2,368,243	2,046,057
Airport Fund	2,982,006	2,368,243	613,763	25.9%	2,368,243	2,046,057

AIRPORT FUND

Expenditures by Object

Account Number / Account Name	2016-2017 Budget	2015-2016 Projected	2017 Budget vs 2016 Projected		2015-2016 Budget	2014-2015 Actual
			Change \$	Change %		
112001 - OPERATING SALARIES	579,618	488,620	90,998	18.6%	488,620	416,158
113002 - PART TIME SALARIES	32,000	25,000	7,000	28.0%	25,000	0
114001 - OVERTIME SALARIES	15,000	15,000	0	0.0%	15,000	8,828
121001 - SOCIAL SECURITY TAXES	47,936	38,909	9,027	23.2%	38,909	30,929
122001 - PENSION FUND CONTRIBUTION	158,367	151,287	7,080	4.7%	151,287	100,083
123001 - GROUP LIFE INSURANCE	1,500	1,323	177	13.4%	1,323	1,283
123002 - HOSPITALIZATION INSURANCE	108,207	94,840	13,367	14.1%	94,840	69,808
123004 - RETIREMENT PREM ASSIST	8,957	10,338	-1,381	-13.4%	10,338	9,111
123005 - WORKERS COMPENSATION	3,000	3,000	0	0.0%	3,000	2,725
125001 - STATE UNEMPLOYMENT COMP	0	0	0	n/a	0	11
126001 - COMPENSATED ABSENCES VAC	0	0	0	n/a	0	14,676
126002 - COMPENSATED ABSENCES SICK	0	0	0	n/a	0	29,258
331001 - PROFESSIONAL SERVICES	40,000	25,015	14,985	59.9%	25,015	16,824
331002 - OUTSIDE LEGAL SERVICES	5,000	5,000	0	0.0%	5,000	599
332001 - AUDIT	4,000	3,882	118	3.0%	3,882	3,956
334002 - CLEANING & LAUNDRY	1,300	1,300	0	0.0%	1,300	810
334003 - JANITORIAL SERVICES	8,000	8,000	0	0.0%	8,000	7,977
334005 - FIRE PROTECTION	138,320	138,320	0	0.0%	138,320	138,317
334007 - OTHER CONTRACTUAL SERVICES	12,000	3,000	9,000	300.0%	3,000	14,119
334010 - AIRPORT SECURITY	90,000	90,000	0	0.0%	90,000	91,670
334017 - ENVIRONMENTAL	5,000	5,000	0	0.0%	5,000	0
340001 - MILEAGE ALLOWANCE	1,500	1,500	0	0.0%	1,500	1,463
341001 - TELEPHONE	6,000	5,000	1,000	20.0%	5,000	6,255
342001 - POSTAGE	1,700	1,700	0	0.0%	1,700	1,198
343001 - UTILITIES	110,000	120,000	-10,000	-8.3%	120,000	96,625
344001 - MACH & EQUIP RENT	1,000	1,000	0	0.0%	1,000	0
344004 - ENVIRONMENTAL CLEANUP	150,000	200,000	-50,000	-25.0%	200,000	141,862
345001 - GENERAL INSURANCE	88,513	78,328	10,185	13.0%	78,328	80,628
346001 - EQUIPMENT MAINTENANCE	3,000	2,500	500	20.0%	2,500	3,048
346002 - VEHICLE MAINTENANCE	34,783	32,860	1,923	5.9%	32,860	38,422
346003 - BUILDING MAINTENANCE	27,500	25,000	2,500	10.0%	25,000	22,988
346004 - AIR CONDITIONING MAINT	2,000	2,000	0	0.0%	2,000	435
346052 - AIRFIELD MAINT	50,000	35,000	15,000	42.9%	35,000	49,238
346058 - GROUNDS MAINT	48,395	47,300	1,095	2.3%	47,300	44,889
346061 - AIRSIDE DRAINAGE MAINT	15,000	15,000	0	0.0%	15,000	8,207
346200 - SOFTWARE MAINTENANCE	1,000	1,000	0	0.0%	1,000	516
349001 - ADVERTISING	20,000	15,000	5,000	33.3%	15,000	13,538
349003 - SCHOOLS & MEETINGS	5,000	5,000	0	0.0%	5,000	6,865
349008 - COUNTY AD VALOREM TAXES	25,000	25,000	0	0.0%	25,000	19,114
349016 - GF ADMIN CHARGE	186,810	147,623	39,187	26.5%	147,623	123,095

AIRPORT FUND
Expenditures by Object

Account Number / Account Name	2016-2017 Budget	2015-2016 Projected	2017 Budget vs 2016 Projected		2015-2016 Budget	2014-2015 Actual
			Change \$	Change %		
349028 - LANDFILL FEES	11,000	10,000	1,000	10.0%	10,000	9,527
349033 - PROMOTION	75,000	50,000	25,000	50.0%	50,000	8,679
351001 - OFFICE SUPPLIES	2,500	2,500	0	0.0%	2,500	1,816
351003 - OFFICE FURN & EQUIP	2,000	1,000	1,000	100.0%	1,000	0
352001 - GAS AND OIL	15,000	17,098	-2,098	-12.3%	17,098	12,885
352002 - TIRES & TUBES	1,000	500	500	100.0%	500	0
352005 - CONSUMABLE TOOLS	1,000	1,000	0	0.0%	1,000	745
352006 - JANITORIAL SUPPLIES	1,500	1,500	0	0.0%	1,500	1,009
352007 - SIGN MATERIAL	2,000	1,500	500	33.3%	1,500	0
352008 - UNIFORMS & CLOTHING	1,600	1,000	600	60.0%	1,000	693
352010 - ELEC PARTS & SUPPLIES	1,000	1,000	0	0.0%	1,000	636
352011 - PLUMB PARTS & SUPPLIES	1,000	1,000	0	0.0%	1,000	279
352013 - CHEMICAL AND LAB SUPPLIES	7,000	7,000	0	0.0%	7,000	7,744
352014 - OTHER COMMODITIES	1,000	1,000	0	0.0%	1,000	152
354001 - SUBSCRIPTIONS/MEMBERSHIPS	5,000	5,000	0	0.0%	5,000	4,113
355002 - MISCELLANEOUS	1,000	1,000	0	0.0%	1,000	223
365002 - STORM DAMAGE	2,000	2,000	0	0.0%	2,000	0
6 _____ - CAPITAL Various, See Detail	41,000	15,500	25,500	164.5%	15,500	2,028
991017 - NON OP TRANS TO CONST FUND	775,000	380,000	395,000	103.9%	380,000	380,000
Total for Airport Fund Expenditures	2,982,006	2,368,243	613,763	25.9%	2,368,243	2,046,057

Airport

Mission

The mission of the Airport is to provide safe and efficient aviation facilities and associated services to both commercial and non-commercial users while operating in harmony with the community's quality of life goals.

Vision

A vibrant, forward-looking regional Airport serving the aviation industry and the public; an Airport that contributes to our local economy while honoring our historic and natural heritage.

Staffing Table

Employee Type	Budget 2016-2017	Budget 2015-2016	Change
Full Time Non Bargaining	3	2	1
Full Time Bargaining	9	8	1
Total	12	10	2
Part Time	2	0	2
Total	14	10	4

Major Goals

Optimize operational safety, efficiency and effectiveness at the Airport:

- Maintain an up-to-date Airport Layout Plan in compliance with FAA/FDOT regulations.
- Maintain safe aircraft operations and emergency response, and ensure coordination with FAA, Airport tenants and users of the airfield.
- Maximize FAA/FDOT funding for improvements to Taxiway C.
- Pursue FDOT funding for improvements to Taxiway E.
- Ensure quality training and operational oversight for Airport users.

Optimize the airport's income potential in order to maintain financial self-sufficiency:

- Develop strategies to strengthen existing Airport business and attract new business including airline service and Airport Terminal development.
- Offer competitive rates and charges to aeronautical and non-aeronautical business.
- Evaluate utility development and other infrastructure needs to support existing tenants and candidate parcels identified for development.

Meet the long range aviation needs of the community:

- Participate in local Aviation Safety, Planning, and Economic Development groups.
- Participate in regional and statewide Aviation Planning Committees.
- Participate in Florida Airports Council and national aviation groups.

Ensure that the Airport's short and long-term plans are environmentally compatible:

- Foster and maintain community pride in the Airport.
- Consider means to reduce energy use in a cost effective manner.
- Meet all FAA requirements for environmental stewardship.

Enhance the aesthetic value, safety, and quality of the Airport Commercial Village:

- Complete improvements to Airport Drive and 34th Avenue Bridge.
- Improve signage and help to enforce City Code at the Airport.
- Be an attractive destination Airport.

Provide the City of Vero Beach with planning options for the Airport:

- Coordinate the Sustainable Airport Master Plan with the City Comprehensive Plan.
- Monitor land use compatibility with property surrounding the Airport.

AIRPORT FUND

AIRPORT

2017 Budget vs 2016
Projected

Account Number	Account Name	2016-2017 Budget	2015-2016 Projected	Change \$	Change %	2015-2016 Budget	2014-2015 Actual
Personnel Costs							
441.4000.542.112001	OPERATING SALARIES	579,618	488,620	90,998	18.6%	488,620	416,158
441.4000.542.113002	PART TIME SALARIES	32,000	25,000	7,000	28.0%	25,000	0
441.4000.542.114001	OVERTIME SALARIES	15,000	15,000	0	0.0%	15,000	8,828
441.4000.542.121001	SOCIAL SECURITY TAXES	47,936	38,909	9,027	23.2%	38,909	30,929
441.4000.542.122001	PENSION FUND CONTRIBUTION	158,367	151,287	7,080	4.7%	151,287	100,083
441.4000.542.123001	GROUP LIFE INSURANCE	1,500	1,323	177	13.4%	1,323	1,283
441.4000.542.123002	HOSPITALIZATION INSURANCE	108,207	94,840	13,367	14.1%	94,840	69,808
441.4000.542.123004	RETIREMENT PREM ASSIST	8,957	10,338	-1,381	-13.4%	10,338	9,111
441.4000.542.123005	WORKERS COMPENSATION	3,000	3,000	0	0.0%	3,000	2,725
441.4000.542.125001	STATE UNEMPLOYMENT COMP	0	0	0	n/a	0	11
441.4000.542.126001	COMPENSATED ABSENCES VAC	0	0	0	n/a	0	14,676
441.4000.542.126002	COMPENSATED ABSENCES SICK	0	0	0	n/a	0	29,258
Total Personnel Costs		954,585	828,317	126,268	15.2%	828,317	682,870
Operating Expenses							
441.4000.542.331001	PROFESSIONAL SERVICES	40,000	25,015	14,985	59.9%	25,015	16,824
441.4000.542.331002	OUTSIDE LEGAL SERVICES	5,000	5,000	0	0.0%	5,000	599
441.4000.542.332001	AUDIT	4,000	3,882	118	3.0%	3,882	3,956
441.4000.542.334002	CLEANING & LAUNDRY	1,300	1,300	0	0.0%	1,300	810
441.4000.542.334003	JANITORIAL SERVICES	8,000	8,000	0	0.0%	8,000	7,977
441.4000.542.334005	FIRE PROTECTION	138,320	138,320	0	0.0%	138,320	138,317
441.4000.542.334007	OTHER CONTRACTUAL SERVICES	12,000	3,000	9,000	300.0%	3,000	14,119
441.4000.542.334010	AIRPORT SECURITY	90,000	90,000	0	0.0%	90,000	91,670
441.4000.542.334017	ENVIRONMENTAL	5,000	5,000	0	0.0%	5,000	0
441.4000.542.340001	MILEAGE ALLOWANCE	1,500	1,500	0	0.0%	1,500	1,463
441.4000.542.341001	TELEPHONE	6,000	5,000	1,000	20.0%	5,000	6,255
441.4000.542.342001	POSTAGE	1,700	1,700	0	0.0%	1,700	1,198
441.4000.542.343001	UTILITIES	110,000	120,000	-10,000	-8.3%	120,000	96,625
441.4000.542.344001	MACH & EQUIP RENT	1,000	1,000	0	0.0%	1,000	0
441.4000.542.344004	ENVIRONMENTAL CLEANUP	150,000	200,000	-50,000	-25.0%	200,000	141,862
441.4000.542.345001	GENERAL INSURANCE	88,513	78,328	10,185	13.0%	78,328	80,628
441.4000.542.346001	EQUIPMENT MAINTENANCE	3,000	2,500	500	20.0%	2,500	3,048
441.4000.542.346002	VEHICLE MAINTENANCE	34,783	32,860	1,923	5.9%	32,860	38,422
441.4000.542.346003	BUILDING MAINTENANCE	27,500	25,000	2,500	10.0%	25,000	22,988
441.4000.542.346004	AIR CONDITIONING MAINT	2,000	2,000	0	0.0%	2,000	435
441.4000.542.346052	AIRFIELD MAINT	50,000	35,000	15,000	42.9%	35,000	49,238

AIRPORT FUND

AIRPORT

2017 Budget vs 2016
Projected

Account Number	Account Name	2016-2017 Budget	2015-2016 Projected	Change \$	Change %	2015-2016 Budget	2014-2015 Actual
441.4000.542.346058	GROUNDS MAINT	48,395	47,300	1,095	2.3%	47,300	44,889
441.4000.542.346061	AIRSIDE DRAINAGE MAINT	15,000	15,000	0	0.0%	15,000	8,207
441.4000.542.346200	SOFTWARE MAINTENANCE	1,000	1,000	0	0.0%	1,000	516
441.4000.542.349001	ADVERTISING	20,000	15,000	5,000	33.3%	15,000	13,538
441.4000.542.349003	SCHOOLS & MEETINGS	5,000	5,000	0	0.0%	5,000	6,865
441.4000.542.349008	COUNTY AD VALOREM TAXES	25,000	25,000	0	0.0%	25,000	19,114
441.4000.542.349016	GF ADMIN CHARGE	186,810	147,623	39,187	26.5%	147,623	123,095
441.4000.542.349028	LANDFILL FEES	11,000	10,000	1,000	10.0%	10,000	9,527
441.4000.542.349033	PROMOTION	75,000	50,000	25,000	50.0%	50,000	8,679
441.4000.542.351001	OFFICE SUPPLIES	2,500	2,500	0	0.0%	2,500	1,816
441.4000.542.351003	OFFICE FURN & EQUIP	2,000	1,000	1,000	100.0%	1,000	0
441.4000.542.352001	GAS AND OIL	15,000	17,098	-2,098	-12.3%	17,098	12,885
441.4000.542.352002	TIRES & TUBES	1,000	500	500	100.0%	500	0
441.4000.542.352005	CONSUMABLE TOOLS	1,000	1,000	0	0.0%	1,000	745
441.4000.542.352006	JANITORIAL SUPPLIES	1,500	1,500	0	0.0%	1,500	1,009
441.4000.542.352007	SIGN MATERIAL	2,000	1,500	500	33.3%	1,500	0
441.4000.542.352008	UNIFORMS & CLOTHING	1,600	1,000	600	60.0%	1,000	693
441.4000.542.352010	ELEC PARTS & SUPPLIES	1,000	1,000	0	0.0%	1,000	636
441.4000.542.352011	PLUMB PARTS & SUPPLIES	1,000	1,000	0	0.0%	1,000	279
441.4000.542.352013	CHEMICAL AND LAB SUPPLIES	7,000	7,000	0	0.0%	7,000	7,744
441.4000.542.352014	OTHER COMMODITIES	1,000	1,000	0	0.0%	1,000	152
441.4000.542.354001	SUBSCRIPTIONS/MEMBERSHIPS	5,000	5,000	0	0.0%	5,000	4,113
441.4000.542.355002	MISCELLANEOUS	1,000	1,000	0	0.0%	1,000	223
441.4000.542.365002	STORM DAMAGE	2,000	2,000	0	0.0%	2,000	0
Total Operating Expenses		1,211,421	1,144,426	66,995	5.9%	1,144,426	981,159
Capital Outlay							
441.4000.542.6_____	Various, See Detail	41,000	15,500	25,500	164.5%	15,500	2,028
Total Capital Outlay		41,000	15,500	25,500	164.5%	15,500	2,028
Debt Service and Transfers							
441.4000.542.991017	NON OP TRANS TO CONST FUND	775,000	380,000	395,000	103.9%	380,000	380,000
Total Debt Service and Transfers		775,000	380,000	395,000	103.9%	380,000	380,000
Total		2,982,006	2,368,243	613,763	25.9%	2,368,243	2,046,057

AIRPORT FUND

CAPITAL OUTLAY - DETAIL

Department	Account Number	Item Description	Funding Method	2016-2017 Budget
Airport				
	441.4000.542.6_____	AIR CONDITIONER		15,500
	441.4000.542.6_____	COMPUTERS		9,500
	441.4000.542.6_____	COPIER		5,000
	441.4000.542.6_____	GATOR UTILITY VEHICLE		11,000
Total Capital Outlay				41,000

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 441 - Airport
DEPARTMENT Airport

PROJECT NAME Air Conditioner
ACCOUNT # 441.4000.542.6_____

TYPE OF EXPENSE
New
Repair/Refurbish
Replace

TOTAL PROJECT COST \$ 15,500

GRANT FUNDING
Amount \$ -
Source/Agency N/A

PROJECT LOCATION
Airport Terminal Building

PROJECT DESCRIPTION
This project is to replace one of the oldest A/C units in the terminal building. The current unit is around 15 years old and was not replaced when the terminal renovations were complete in 2008. The unit currently runs a large portion of the main terminal.

JUSTIFICATION
A/C unit has lived it's useful life and need to be replaced with a more efficient unit.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 441 - Airport
DEPARTMENT Airport

PROJECT NAME Computers
ACCOUNT # 441.4000.542.6_____

TYPE OF EXPENSE

New	
Repair/Refurbish	
Replace	

TOTAL PROJECT COST \$ 9,500

GRANT FUNDING

Amount	\$	-
Source/Agency		N/A

PROJECT LOCATION
Airport Administrative Office

PROJECT DESCRIPTION
This project replaces the oldest two (2) desktop computers in the airport office and also replaces the main server.

JUSTIFICATION
Information Systems has informed us that two (2) computers and the one (1) server need to be replaced in the FY17 budget year.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 441 - Airport
DEPARTMENT Airport

PROJECT NAME Copier
ACCOUNT # 441.4000.542.6 _____

TYPE OF EXPENSE

New	
Repair/Refurbish	
Replace	

TOTAL PROJECT COST \$ 5,000

GRANT FUNDING

Amount \$ -
Source/Agency N/A

PROJECT LOCATION

Airport Administrative Office

PROJECT DESCRIPTION

Project replaces the existing 10-year old copier in the airport office which is starting to need a lot of maintenance.

JUSTIFICATION

The current copier is at its useful life and needs to be replaced.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 441 - Airport
DEPARTMENT Airport

PROJECT NAME Gator Utility Vehicle
ACCOUNT # 441.4000.542.6 _____

TYPE OF EXPENSE

New	
Repair/Refurbish	
Replace	

TOTAL PROJECT COST \$ 11,000

GRANT FUNDING
Amount \$ -
Source/Agency N/A

PROJECT LOCATION
Airport Operations Facility

PROJECT DESCRIPTION
This project is to replace the current 10 year old 4x4 Gator Utility Vehicle. The Operations Staff use the current Gator every day for maintenance activities on and off the airfield and the wear and tear makes it cheaper to replace than repair.

JUSTIFICATION
This vehicle has reached its useful life and needs to be replaced for the Airport Operations Staff can continue to maintain the Vero Beach Regional Airport.

Airport Construction Fund

Account Number	Account Name	2016-2017 Budget
REVENUES		
443.0000.331._____	REHABILITATE TAXIWAY C (AIP 40) CONSTRUCTION	4,114,000
443.0000.334.010700	REHABILITATE TAXIWAY C (430941)	713,871
443.0000.334._____	EXTEND/MARK/LIGHT TWY E-EAST OF RWY 4 (434602)	1,520,000
443.0000.334._____	REHABILITATE NORTH APRON (_____)	1,420,000
443.0000.334._____	AIRPORT SECURITY IMPROVEMENTS (AIR SERVICE)	500,000
443.0000.334._____	REHABILITATE T-HANGAR BUILDINGS (_____)	400,000
443.0000.383.000100	CAPITAL LEASE PROCEEDS (FLEET VEHICLE LEASE PURCHASE)	25,400
443.0000.389.002000	CASH CARRY OVER	(29,435)
443.0000.389.800000	LOCAL PARTNERSHIP (2 FBOs)	411,252
443.0000.389.001000	NON OPERATING XFR FROM AIRPORT FUND	775,000
Total Revenues		<u>\$ 9,850,087</u>
EXPENDITURES		
443.4000.542.615032	REHABILITATE TAXIWAY C	5,169,137
443.4000.542.616020	EXTEND/MARK/LIGHT TWY E-EAST OF RWY 4	1,900,000
443.4000.542.616021	REHABILITATE NORTH APRON	1,625,000
443.4000.542._____	AIRFIELD SECURITY IMPROVEMENTS (AIR SERVICE)	625,000
443.4000.542._____	REHABILITATE T-HANGAR BUILDINGS	500,000
443.4000.542._____	CAPITAL LEASE-PURCHASE (FLEET VEHICLES)	25,400
443.4000.542._____	FLEET VEHICLE LEASE-PURCHASE ANNUAL DEBT SERVICE	5,550
Total Expenditures		<u>\$ 9,850,087</u>

Note: Please see Five Year Capital Program book for project descriptions and five year funding

AIRPORT FUND

**CITY OF VERO BEACH
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM
FUND 443: Airport Construction Fund**

Account Number	Account Name	FY 15-16 ORIGINAL BUDGET	FY 15-16 BUDGET INCREASE (DECREASE)	AMENDED FY 15-16 BUDGET	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
FUND BALANCE FORWARD (OCTOBER 1)		658,601		Audited 395,661	2,089	31,523	160,423	389,403	180,883
REVENUES									
443.0000.331 FEDERAL GRANTS/CAPITAL									
443.0000.331.010100	WILDLIFE HAZARD MANAGEMENT PLAN (AIP 36)	-	12,825	12,825	-	-	-	-	-
443.0000.331.010200	AIRPORT MASTER PLAN (AIP 37)	184,892	-	184,892	-	-	-	-	-
443.0000.331.010400	REHABILITATE TAXIWAY C (AIP 39) DESIGN	244,141	-	244,141	-	-	-	-	-
443.0000.331._____	REHABILITATE TAXIWAY C (AIP 40) CONSTRUCTION	-	-	-	4,114,000	-	-	-	-
443.0000.331._____	REHABILITATE RWY 12R-30L (DESIGN) (AIP 41)	-	-	-	-	-	450,000	-	-
443.0000.331._____	REHABILITATE RWY 12R-30L (CONSTRUCTION) (AIP 42)	-	-	-	-	-	-	2,025,000	2,025,000
443.0000.334 STATE GRANTS/CAPITAL									
443.0000.334.010100	CONST/MRK/LIGHT WEST GA APRON PHASE III (422489)	1,992,028	-	1,992,028	-	-	-	-	-
443.0000.334.010200	WILDLIFE HAZARD MANAGEMENT PLAN (430487)	-	14,705	14,705	-	-	-	-	-
443.0000.334.010400	AIRPORT MASTER PLAN (423952)	84,112	-	84,112	-	-	-	-	-
443.0000.334.010500	REDEVELOP CORE COMMERCIAL PARK (429707)	272,826	-	272,826	-	-	-	-	-
443.0000.334.010700	REHABILITATE TAXIWAY C (430941)	99,750	(85,021)	14,729	713,871	-	-	-	-
443.0000.334._____	EXTEND/MARK/LIGHT TWY E-EAST OF RWY 4 (434602)	200,000	(120,000)	80,000	1,520,000	-	-	-	-
443.0000.334._____	REHABILITATE NORTH APRON (_____)	200,000	(120,000)	80,000	1,420,000	-	-	-	-
443.0000.334._____	AIRPORT SECURITY IMPROVEMENTS (AIR SERVICE)	-	-	-	500,000	-	-	-	-
443.0000.334._____	REHABILITATE T-HANGAR BUILDINGS (_____)	-	-	-	400,000	400,000	-	-	-
443.0000.334._____	REHABILITATE UTILITIES CPV MH PARK (433543)	-	-	-	-	150,000	-	-	-
443.0000.334._____	RECONSTRUCT CENTER APRON (431034)	-	-	-	-	-	-	800,000	800,000
443.0000.334._____	REHABILITATE RWY 12R-30L (DESIGN) (433544)	-	-	-	-	-	25,000	-	-
443.0000.334._____	REHABILITATE RWY 12R-30L (CONSTRUCTION) (434636)	-	-	-	-	-	-	112,500	112,500
443.0000.334._____	REHABILITATE TWY B (425751)	-	-	-	-	-	480,000	480,000	-
443.0000.334._____	REHABILITATE SOUTHWEST APRON (433545)	-	-	-	-	-	-	600,000	-
443.0000.383.000100	CAPITAL LEASE PROCEEDS (FLEET VEHICLE LEASE PURCHASE)	-	-	-	25,400	25,500	22,500	-	-
443.0000.389.800000	LOCAL PARTNERSHIP (2 FBOs)	285,840	125,412	411,252	411,252	-	-	-	-
443.0000.389.001000	NON OPERATING XFR FROM AIRPORT FUND	380,000	10,000	390,000	775,000	390,000	390,000	390,000	390,000
Total Revenues		3,943,589	(162,080)	3,781,510	9,879,522	965,500	1,367,500	4,407,500	3,327,500

**CITY OF VERO BEACH
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM
FUND 443: Airport Construction Fund**

Account Number	Account Name	FY 15-16 ORIGINAL BUDGET	FY 15-16 BUDGET INCREASE (DECREASE)	AMENDED FY 15-16 BUDGET	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
EXPENDITURES									
443.4000.542.612003	CONST/MRK/LIGHT WEST GA APRON PHASE III	2,490,031	-	2,490,031	-	-	-	-	-
443.4000.542.612004	WILDLIFE HAZARD MANAGEMENT PLAN	-	31,740	31,740	-	-	-	-	-
443.4000.542.613002	AIRPORT MASTER PLAN	297,735	-	297,735	-	-	-	-	-
443.4000.542.613003	REDEVELOP CORE COMMERCIAL PARK	545,652	-	545,652	-	-	-	-	-
443.4000.542.615032	REHABILITATE TAXIWAY C	439,141	(165,542)	273,599	5,169,137	-	-	-	-
443.4000.542.616020	EXTEND/MARK/LIGHT TWY E-EAST OF RWY 4	250,000	(150,000)	100,000	1,900,000	-	-	-	-
443.4000.542.616021	REHABILITATE NORTH APRON	250,000	(150,000)	100,000	1,625,000	-	-	-	-
443.4000.542.616021	TERMINAL RENOVATIONS & EQUIPMENT	-	336,325	336,325	-	-	-	-	-
443.4000.542._____	AIRFIELD SECURITY IMPROVEMENTS (AIR SERVICE)	-	-	-	625,000	-	-	-	-
443.4000.542._____	REHABILITATE T-HANGAR BUILDINGS	-	-	-	500,000	500,000	-	-	-
443.4000.542._____	CAPITAL LEASE-PURCHASE (FLEET VEHICLES)	-	-	-	25,400	25,500	22,500	-	-
443.4000.542._____	FLEET VEHICLE LEASE-PURCHASE ANNUAL DEBT SERVICE	-	-	-	5,550	11,100	16,020	16,020	16,020
443.4000.542._____	REHABILITATE UTILITIES CPV MH PARK	-	-	-	-	300,000	-	-	-
443.4000.542._____	RECONSTRUCT CENTER APRON	-	-	-	-	-	-	1,000,000	1,000,000
443.4000.542._____	REHABILITATE RWY 12R-30L (DESIGN)	-	-	-	-	-	500,000	-	-
443.4000.542._____	REHABILITATE RWY 12R-30L (CONSTRUCTION) (434636)	-	-	-	-	-	-	2,250,000	2,250,000
443.4000.542._____	REHABILITATE TWY B (425751)	-	-	-	-	-	600,000	600,000	-
443.4000.542._____	REHABILITATE SOUTHWEST APRON (433545)	-	-	-	-	-	-	750,000	-
Total Expenditures & Transfers		4,272,559	(97,477)	4,175,082	9,850,087	836,600	1,138,520	4,616,020	3,266,020
Excess (Deficiency) of Revenues over Expenditures		(328,970)	(64,603)	(393,572)	29,435	128,900	228,980	(208,520)	61,480
ENDING FUND BALANCE (SEP 30)		329,631	2,089	31,523	160,423	389,403	180,883	242,363	242,363

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE TAXIWAY C
ACCOUNT # 443.4000.542.615032

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 5,440,404

GRANT FUNDING

Amount	\$ 4,358,140	\$ 728,600
Source/Agency	FAA	FDOT
	(\$244,140 -	(14,729.43
	FY 16 &	FY 16 &
	4,114,000 -	713,870.57
	FY17)	FY 17)

PROJECT LOCATION

Airport - Taxiway C

PROJECT DESCRIPTION

Rehabilitate (re-pave and re-mark) Taxiway C which serves RWY 12R/30L (primary runway) at VRB. Design FY15-16 and Construction FY16-17.

JUSTIFICATION

Runway 12R/30L is the primary runway at VRB. TWY C is about 7300 feet long and 50 feet wide, serving the primary runway. TWY C was crack sealed and a small section was overlaid in 2010, but the entire taxiway needs to be rehabilitated by 2017, including run-up areas and connectors.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME EXTEND/MARK/LIGHT TWY E-EAST OF RWY4
ACCOUNT # 443.4000.542.616020

TYPE OF EXPENSE

New	X
Repair/Refurbish	
Replace	

TOTAL PROJECT COST \$ 2,000,000

GRANT FUNDING

Amount \$ 1,600,000
Source/Agency FDOT
(\$80,000 -
FY 16 &
\$1,520,000 -
FY17)

PROJECT LOCATION

Taxiway E- East of Runway 4

PROJECT DESCRIPTION

Project is proposed to extend existing Taxiway E east to the end of the main runway (Airport North end) for improved traffic flow and increased capacity.

JUSTIFICATION

This is a capacity project envisioned in the 2000-2020 Airport Master Plan to allow build-out of the interior section of the Airport. Extending Taxiway E to the east would allow two things: 1) aircraft traffic to access the Airport North hangar and FBO development area without crossing the main runway, and 2) development potential for interior airport land for aviation businesses and facilities. NOTE: This project was confirmed in the 2016 Airport Master Plan.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE NORTH APRON
ACCOUNT # 443.4000.542.616021

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 1,875,000

GRANT FUNDING

Amount \$ 1,500,000
Source/Agency FDOT
(\$80,000 -
FY 16 &
\$1,420,000 -
FY17)

PROJECT LOCATION

North Ramp Apron

PROJECT DESCRIPTION

This project proposes to overlay Airport North Ramp area which serves up to 10 hangars and associated aircraft. Also includes the remarking of RWY 12R-30L full length.

JUSTIFICATION

The ramp area has not been overlaid since approximately 1994. A seal coat was added to the pavement in approximately 2002, but the entire ramp now needs to be milled, crack-sealed, and overlaid with at least 1 inch of asphaltic concrete.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT
PROJECT NAME AIRPORT SECURITY IMPROVEMENTS (AIR SERVICE)
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	X
Repair/Refurbish	
Replace	

TOTAL PROJECT COST \$ 625,000

GRANT FUNDING

Amount \$ 500,000 FY17
 Source/Agency FDOT

PROJECT LOCATION

Various locations around the Airfield.

PROJECT DESCRIPTION

Project will include additional gates and fencing as required by TSA around the terminal and airfield tenant areas, including Piper Aircraft, along with upgrades to security equipment (Secure Identification Display Area systems, cameras, and 24 hour surveillance monitoring).

JUSTIFICATION

Now that Vero Beach Regional Airport offers Commercial Air Service, further improvements to the security of the airfield are needed to meet TSA Security Program requirements under 49 CFR 1542.103. Security Improvements will allow for anticipated expansion of services by the airline(s) (i.e., more flights, more destinations). Economic Impact for the first year of expanded service is estimated to be over \$14M (source: SIXEL EIS 2016).

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE T-HANGAR BUILDINGS
ACCOUNT # 443.4000.542._____

TYPE OF EXPENSE

New

Repair/Refurbish

Replace

X

TOTAL PROJECT COST \$ 1,000,000

GRANT FUNDING

Amount \$ 800,000 FY17 & FY18
Source/Agency FDOT

PROJECT LOCATION

T-Hangar Complex

PROJECT DESCRIPTION

This project is intended to improve or modify hangar doors, repair and/or replace roofing, improve lighting and markings in T-Hangar complex.

JUSTIFICATION

Evaluate condition of existing T-Hangar buildings. Repairs, replacement and /or modifications will be as facilitated as necessary.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME Airport Light Vehicle Lease-Purchase Acquisition / Debt Service
ACCOUNT # 443.4000.542._____ / 443.4000.542._____

TYPE OF EXPENSE

New	X
Repair/Refurbish	
Replace	X

TOTAL PROJECT COST \$ 73,400

GRANT FUNDING

Amount \$ -
Source/Agency

PROJECT LOCATION

Various

PROJECT DESCRIPTION

Replacement of current Airport fleet vehicles using capital lease-purchase per attached replacement schedule.

JUSTIFICATION

By using a lease-purchase program the City Garage predicts that over a 10 year period the City will save approximately \$800,000 City-wide over the current practice of keeping vehicles for 15 years. Savings will be achieved through reductions in maintenance, repairs, fuel usage and increased value when vehicles are sold.

Airport 5 Year Lease-Purchase Vehicle Replacement Schedule

Vehicle #	Department	Current Vehicle Type	Year	Make	Model	Replacement Year	Purchase Price	Annual Lease Debt Service	Cumulative Lease Debt Service
NONE IN 2015								\$0.00	\$0.00
NONE IN 2016								\$0.00	\$0.00
12-A37	Airport	3/4 Ton Pickup Reg 4x2	2004	FORD F250 SD	LT UTILITY 3/4T	2017	\$25,400	\$5,550	\$5,550
10-A40	Airport	Mid Size SUV 4x2	2006	FORD EXPLORER	SPORT UTILITY	2018	\$25,500	\$5,550	\$11,100
12-A46	Airport	1/2 Ton Pickup Reg 4x2	2008	FORD F150	LT PICKUP 1/2T	2019	\$22,500	\$4,920	\$16,020
NONE IN 2020								\$0.00	\$16,020
NONE IN 2021								\$0.00	\$16,020

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE UTILITIES CPV MH PARK
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 300,000

GRANT FUNDING

Amount \$ 150,000 FY18
Source/Agency FDOT

PROJECT LOCATION

Citrus Park Village

PROJECT DESCRIPTION

Repair/replace existing sewer and some electric utilities on site for 75-unit mobile home park development.

JUSTIFICATION

Original system needs to be replaced due to normal age and use.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME RECONSTRUCT CENTER APRON
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 2,000,000

GRANT FUNDING

Amount \$ 1,600,000 FY 20 & 21
Source/Agency FDOT

PROJECT LOCATION

Center Apron is in front of the Terminal Building

PROJECT DESCRIPTION

Reconstruct center general aviation aircraft parking apron east of terminal building and a small section just west of the terminal building.

JUSTIFICATION

This section of apron has reached the end of its useful life and needs total reconstruction. NOTE: Pavement was rated poor to fair in FDOT 2011 pavement evaluation and is currently being re-evaluated by FDOT.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE RUNWAY 12R-30L (DESIGN)
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 500,000

GRANT FUNDING

Amount	\$ 450,000	\$ 25,000	FY19
Source/Agency	FAA	FDOT	

PROJECT LOCATION

Runway 12R-30L

PROJECT DESCRIPTION

Mill and overlay main runway (12R-30L).

JUSTIFICATION

This project is anticipated due to age of runway in 2018. Runway was last overlaid in 2004. Under Part 139, Section 139.309, the safety area is required to be maintained. Design only is anticipated for 2017, to include runway safety areas and taxiway connectors.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE RUNWAY 12R-30L (CONSTRUCTION)
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 4,500,000

GRANT FUNDING

Amount	\$ 4,050,000	\$ 225,000	FY20 & FY21
Source/Agency	FAA	FDOT	

PROJECT LOCATION

Runway 12R-30L

PROJECT DESCRIPTION

Mill and overlay main runway (12R-30L).

JUSTIFICATION

Rehabilitate main runway 12R/30L (7,314' x 100') including new LED lighting, re-marking, upgrade navigational aids, and improvement to safety areas.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE TAXIWAY B
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 1,200,000

GRANT FUNDING

Amount \$ 960,000 FY19 & FY20
Source/Agency FDOT

PROJECT LOCATION

Taxiway B

PROJECT DESCRIPTION

Taxiway B serves 3 full-service Fixed Base Operators (FBOs) and 1 Specialized Aviation Service Operator (SASO). The taxiway is about 2,100 feet long and 35 feet wide and has 3 connectors. Milling of entire length with a two-inch overlay is proposed. Marking and lighting renovation will complete the project.

JUSTIFICATION

2011 FDOT PCI reports indicated that Taxiway B may need milling and overlay by 2018.

**CITY OF VERO BEACH
CAPITAL EXPENDITURE REQUEST
FISCAL YEAR 16-17**

FUND 443 - AIRPORT CONSTRUCTION
DEPARTMENT AIRPORT

PROJECT NAME REHABILITATE SOUTHWEST APRON
ACCOUNT # 443.4000.542. _____

TYPE OF EXPENSE

New	
Repair/Refurbish	X
Replace	

TOTAL PROJECT COST \$ 750,000

GRANT FUNDING

Amount \$ 600,000 FY20
Source/Agency FDOT

PROJECT LOCATION

Southwest Apron - Flight Safety Apron

PROJECT DESCRIPTION

This project proposes to rehabilitate about 550,000 sf of general aviation aircraft parking apron located at the Flight Safety Academy site. Includes milling and overlay, marking, and tie-downs as needed.

JUSTIFICATION

This area of apron has 2011 PCI readings ranging from 56-70.