

# Annual Report

## 2019



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*June 1, 2020*

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## MEMORANDUM

**TO:** City Manager and City Council  
**FROM:** Ericson W. Menger, Airport Director  
**DATE:** June 1, 2020  
**SUBJECT: ANNUAL REPORT FOR 2019**

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At the request of the Airport Commission, airport staff prepares an annual report with a summary of the year's activities at the Vero Beach Regional Airport (VRB). Prior reports may be found on the City's website on the Airport page.

### **FINANCIAL:**

The City's [Comprehensive Annual Financial Report](#), which includes Airport financial data, is available at the [City's Website](#) under the Finance Department tab entitled "Budget and Financial Reports."

### **ADMINISTRATIVE:**

During the past year Airport Administration staff has been involved with multiple and varied tasks or projects, including but not limited to the following:

- Handled payroll and leave and earning statements, filing, invoicing, grant reimbursements, contracts, advertising (website, Facebook, print and radio outreach), payments to other City departments for services, purchase of office equipment and supplies, software updates, coordination with Legal and Financial City staff on many issues, and managed airport maintenance projects.
- Prepared multiple lease agreements or amendments, most significantly the Lease Agreements for Girard Equipment LLC, Corporate Air, Inc., and JP Aviation Investments, LLC, for their expanded commercial manufacturing and aeronautical operations. Coordinated with existing tenants such as Langfitt (AT&T site), Ferrell Gas, Walking Tree Brewery, Dragonfly Boatworks, Oculina Bank (now iTHINK Financial) and others on site plans, business changes and growth management.
- Reviewed, commented and coordinated on construction plans, engineering design plans, contracts, and proposals for various Airport projects, including Taxiway C Rehabilitation, Taxiway E Extension and Renovation of North Apron, T-Hangar Rehabilitation, and Airport Security Improvements.
- Worked closely with Florida Department of Transportation (FDOT)/Federal Aviation Administration (FAA) to ensure that grant funded Projects are executed in accordance with established assurances and future funds are used to maximize Airport development.
- Managed Grant Funding and collaborated with agencies for multiple active and future FDOT/FAA projects in accordance with approved and projected capital improvement plan.
- Negotiated and processed acceptance of temporary use permits for various companies for use of space in the Terminal Building, when available (Suite 201 –conference room).
- Negotiated and processed acceptance of license agreements for various companies for use of real property for overflow parking for events on or adjacent to airport property.
- Conducted market analyses as needed to ensure Fair Market Value of Airport property in accordance with FAA regulations.
- Conducted meetings with prospective tenants to include site visits, lease application review, etc.
- Continuation of efforts to resolve code enforcement issues in Citrus Park Village Mobile Home Park, (CPV) theft situations, complaints, and compliance by completing applications for tenants and subtenants, etc.
- Continued efforts to keep commercial tenants in compliance with their existing lease and local code requirements.

- Executed numerous new subtenant lease approvals in an effort to resolve lease compliance violations regarding unapproved use, modifications without proper building permits, etc.
- Negotiated and executed several assignments, addendums, amendments to existing leases.
- Continued negotiations with potential developers/tenants for leases on vacant parcels.
- Administered CPV and Commercial applications and comprehensive tenant background checks.
- Executed numerous new CPV leases and/or subtenant applications; initiated evictions of CPV Tenants or other actions as needed due to code violations or unpaid rent.
- Negotiated and processed several new T-Hangar leases and terminated others (at their request).
- Coordinated and reviewed appraisals and Phase I Environmental Studies for prospective leases.
- Performed property management, non-aeronautical and aeronautical lease-hold inspections, and resolution of issues found in the course of the inspections.
- Communicated with Indian River County Water Control District, Florida Department of Environmental Protection, IRC Sheriff's Office, Chambers of Commerce, Florida Airports Council, and many other airports, organizations, and agencies in the performance of administrative duties.

### **CAPITAL PROJECTS:**

During 2019, we developed plans, received bids, and requested approval from City Council for Capital Improvement Program (CIP) projects which have been completed or are now underway. These are larger projects requiring receipt of federal/state grants, which are critical to project funding. A current listing of City Council approved projects may be found in the CAFR (see above).

In addition, staff has been working with FDOT and the Florida Airports Council since 2017 to change the language in Florida Statute Chapter 332.007 that requires state aviation grants be funded at only 50% if VRB is formally designated a commercial service airport (by FAA). In early 2020, FDOT determined that the policy could be administratively delayed three years (until 2023) as long as there is no change to the adopted FDOT Work Program (which had already been planned at 80% FDOT funding). With that new information in hand, staff continues to working with local legislators to permanently change the law to allow small commercial service airports like VRB to continue scheduled airline service without the potential grant penalty to our CIP.

### **AIRPORT OPERATIONS:**

Vero Beach Regional Airport operations (i.e., take-offs and landings) were about 250,000 in CY 2019. This ranks VRB as one of the busiest airports in the State of Florida by number of operations. Flight training made up a large part of those operations, with both FlightSafety and Paris Air seeing larger than average numbers of student classes. At the same time, the Airport handled about 14,000 scheduled commercial airline passengers in calendar year 2019.

The Airport Operations team handles all the duties that must be accomplished on a daily basis to keep the Airport safe and in top condition while meeting all federal and state regulations and ensuring that the airfield is available 24 hours a day, all year long, as a federally-obligated airport. Operations staff must always be available for emergency situations related to both aviation and non-aviation calls.

The Operations team is currently made up of the Assistant Director, Operations Manager, Security Specialist and 4 Airport Operations Specialists. The 4 Airport Operations Specialists manage and operate our fleet of heavy equipment (front-end loader, batwing mowers, tractors, and dump truck) along with several pieces of lighter equipment (utility vehicles, smaller mowers, weed eaters, etc.) to maintain the airfield and landside operations. The 3 Operations Administration team members oversee FAA and TSA compliance, as well as Capital Improvement Projects.

In CY 2019, the Operations Administrative team completed or assisted with many significant safety and security related projects, including:

- Coordinated with and assisted contractors in support of the Taxiway E Extension/North Apron Rehabilitation Project.

- Coordinated and assisted engineers in design of the Center Apron Rehabilitation Project and General Aviation Apron Rehabilitation Project.
- Provided support for TSA-required security procedures during air carrier operations.

### **FAA CERTIFICATION/SAFETY COMPLIANCE**

- Amended Airport Certification Manual to reflect changes in airfield information.
- Submitted above amendments to FAA for approval and distributed copies of approved amendments to all manual holders.
- Completed annual FAA Airport Certification and Safety Inspection with few minor discrepancies.
- Coordinated and facilitated the annual review of the Airport Emergency Plan with stakeholders.
- Conducted Quarterly Fueling Agent FBO Fire Safety inspection on Fueling Agent facilities and equipment; coordinate for repairs as necessary, conduct follow-up inspection.
- Coordinated with Fueling Agent FBOs to ensure compliance with FAA-Required Fueling Supervisor and Employee training and documentation.
- Airfield Condition Reporting, Notice to Airmen (NOTAM) issuance and tracking, dissemination of airfield condition information to ATCT and Airport aviation tenants and users.
- Updated Wildlife Hazard Management Plan as required.
- Maintained records of wildlife management activities.



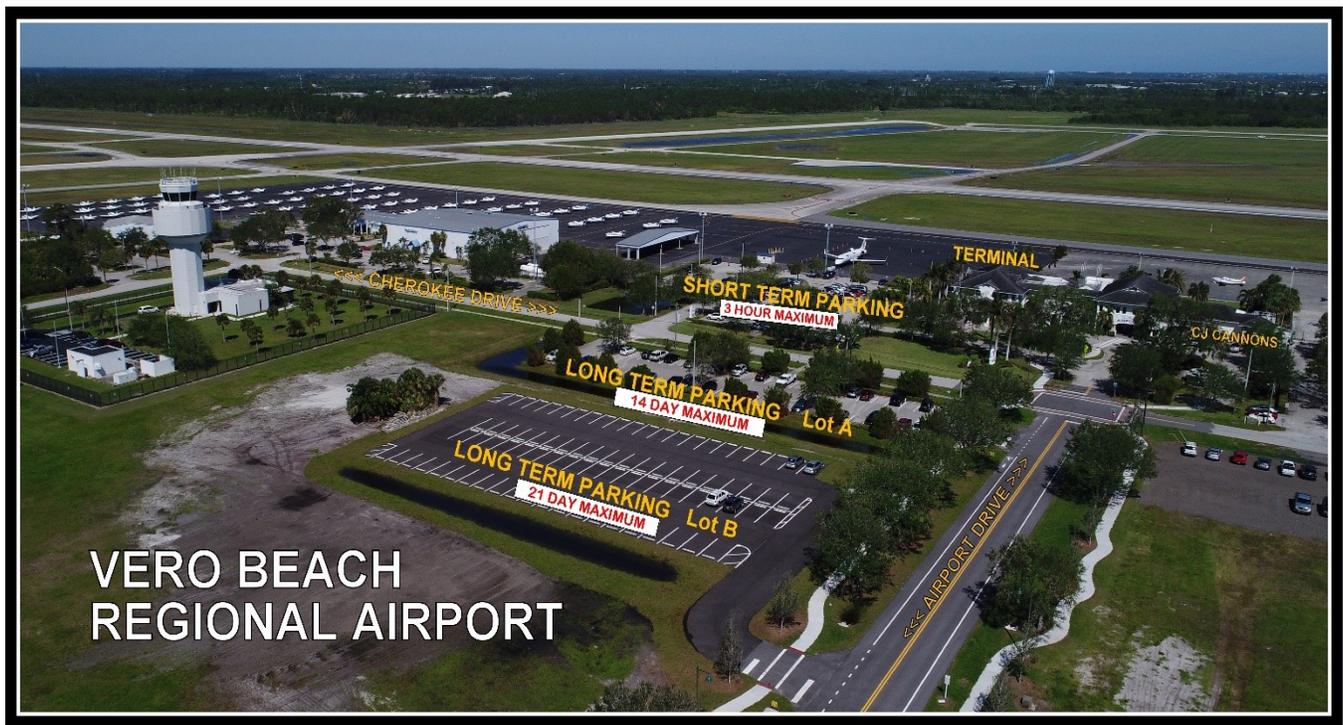
### **TSA AIRPORT SECURITY COMPLIANCE**

- Secured TSA approval for implementation of second Alternate Means of Compliance (AMOC) plan to allow air carrier use of larger aircraft on a temporary basis.

- Conducted site and tenant coordination meetings with consultant (AECOM) to finalize security upgrade plans into draft bid specifications.
- Coordinated/provided oversight on TSA security operational procedures during air carrier operations.
- Developed and submitted for approval, a majority of the sections of the TSA Complete Airport Security Program. Coordinated with TSA compliance personnel for amendments necessitated by ongoing TSA Security Directives.
- Began issuing TSA-approved identification/access media.
- Conducted mandatory training of Airport staff and tenant personnel in accordance with TSA requirements.
- Conducted annual Incident Management Procedures review exercise for all stakeholders as required by the TSA-approved Airport Security Program.

## TRAINING

- Conducted initial and recurrent Ground Vehicle Operations/Runway Safety training sessions for tenant and Airport employees.
- Conducted FAA-required Part 139 initial and recurrent training for Airport Operations personnel.
- Conducted Fuel Handling/Fire Safety training for Fueling Agent FBO employees.
- Maintained documentation of all FAA and Airport-required personnel training.
- Conducted airfield Familiarization/Operations training to IRC Emergency Services personnel, including Aircraft Rescue and Fire Fighting (ARFF) crews.
- Conducted Airport Familiarization tours for new-hire Air Traffic Controllers.
- Coordinated Live Burn training exercise with IRC Emergency Services/ARFF crews, using FAA-Approved mobile trainer.
- Conducted recurrent and initial security procedures training for Airport Staff
- Conducted review of TSA-required Incident Management Procedures.
- Coordinated for Wildlife Hazard Management training for Airport Operations personnel.



## **OTHER ACTIVITIES**

- Coordinated airfield construction and maintenance projects; disseminate construction activity information and restrictions to ATCT and Airport aviation tenants and users.
- Prepared and presented aviation safety programs at monthly FAA Aviation Safety Seminars.
- Assisted and provided technical support during advance planning for 2020 Vero Beach Air Show.
- Conducted Airport Visual Navigational Aids Preventative Maintenance Program (FAA). Maintained and updated Based Aircraft information on FAA contractor website.

## **MISCELLANEOUS NOTES:**

- Elite Airways completed its fourth full year of service (2019) and continues to be strongly supported by the public.
- The Airport was notified in 2019 that it was eligible for \$1M in FAA entitlement funding, an annual increase of \$850,000 from the \$150,000 it received every year as a general aviation airport.
- As a commercial service airport, the Airport was notified in 2020 that it was eligible to receive \$1.04M in COVID-19 pandemic (CARES Act) funding.
- The Airport was notified in early 2020 that it would not lose its 80/20 FDOT funding eligibility until at least July 1, 2023.

In 2020-21, the Airport will continue to manage new challenges and opportunities with an optimistic approach to the future.

## **DIRECTOR SUMMARY:**

The Airport has continued a transitory stage between general aviation and commercial service. Although Elite Airways had inconsistent operations in 2019, they have indicated a desire to continue to serve the area, flying to Newark, New Jersey and Portland, Maine. The City terminated Elite's License Agreement due to non-payment of fees due the Airport, but has more recently moved forward with a City Resolution for airline operations imposing fair and reasonable Rates and Charges upon all air carriers. As of May 8, 2020, Elite Airways had resumed service to VRB and was current on all fees due the Airport.

General aviation and commercial non-aviation businesses had a very busy year in 2019. However, changes in the world economy in the first half of 2020 due to the impact from the Coronavirus may impact revenues to the airport. The Airport continues to work in partnership with airport businesses to improve opportunities to expand to new markets and further stabilize our self-sufficiency. Federal stimulus funding in response to the virus' impact on the economy has materialized in the form of an FAA grant for \$1,042,438 to Vero Beach Regional Airport. This funding is encumbered for use by the Airport for any purpose that airport revenue would normally be used, as long as approved by FAA under guidance provided by that agency. In addition, due to the airport being designated a commercial airport by FAA, VRB is entitled to \$1,000,000 per year in FAA funding for use on capital projects approved in the Airport Layout Plan and City CIP. Finally, under current administrative efforts made by FDOT, the City has until July 1, 2023, to find a legislator to sponsor a bill, and then have that bill signed into law by the governor, that would permanently change Florida Statue Chapter 332.007 such that emerging commercial service airports like VRB would no longer be negatively impacted by the current reduction in State grants from 80/20 to 50/50.

Developing the North Ramp/Center Airfield area is one way to increase revenue to the Airport and retain self-sufficiency by leasing property and increasing fuel flowage. We also need to review our non-aeronautical leasing documents to encourage long-term leasing and new development in the core Airport Commercial Village area. Finally, we need to better market the available vacant land at the Airport.

We recently completed design/permitting and advertised for a contractor to do the work for a project called "Reconstruct Center Apron." We have received 100% federal funding for the renovation of the general aviation ramp leased by Sun Aviation ("Rehabilitate GA Apron") and will begin design for a project called "Rehabilitate Runway 12R/30L" in late 2020. Finally, an 80/20 FDOT grant to rehabilitate the general aviation apron leased

by FlightSafety is proposed. If accepted by the City, it is expected that the 20% match would be coordinated with, and be paid by, the tenant.

A re-development effort is also being planned for the older lease sites in the Airport Commercial Village. The completion of the Star Suites Hotel (owned by Riverside Theater) in 2018 was a welcome addition to the airport area, as was the introduction of Major League Baseball's Jackie Robinson Training Center as our new neighbors along Aviation Boulevard. Currently, 43<sup>rd</sup> Avenue is being widened from SR 60 to 26<sup>th</sup> Street (Aviation Boulevard) and the intersection improvements at 26<sup>th</sup> Street is under design. All of this bodes well for the continued growth of the Airport.

In 2020, we are moving ahead with a change to leadership. I will retire this month (June 26, 2020) and turn over the reigns to assistant director Todd Scher, as Interim Director, who has been an incredible second-in-command for many years. A workable succession plan has been proposed to the City Manager since the entire team at the Airport is already well-trained and most are very experienced. With an economic impact of over \$1.3 billion/year, this wonderful airport will continue to serve its community for many years to come.

It has been my pleasure to serve this community for 29 years. I wish to thank my skilled Airport team members, FAA, FDOT, TSA and USCBP leaders, the City Council and Airport Commission, and the many dedicated City and County employees who were critical to the Airport's success over the years and into the future. It is without hesitation that I can say that leading the Vero Beach Airport team has been the highlight of my aviation career and the professional joy of my life.

EWM/Airport staff

cc: City Leadership

