

**E.2.c. (1) – Minutes of the December 16, 2015 Commission Meeting**

**MINUTES OF A REGULAR COMMISSION MEETING OF THE CANAVERAL PORT AUTHORITY HELD IN THE COMMISSIONERS' MEETING ROOM OF THE CANAVERAL PORT AUTHORITY OFFICE, 445 CHALLENGER ROAD, PORT CANAVERAL, FLORIDA, DECEMBER 16, 2015.**

The meeting was called to order by Chairman Jerry Allender at 9:00 a.m. Commissioner Hank Evans led the Pledge of Allegiance.

Those present were Commissioners John H. Evans, Wayne Justice, Bruce Deardoff, Tom Weinberg and Chairman Jerry Allender; Chief Executive Officer John Walsh, CFO Rodger Rees, Senior Director Finance Pat Poston, Senior Director of Facilities, Construction and Engineering Terry Hicks, Attorney Harold Bistline and Special Assistant Melanie Bradford. The Ambassadors and Ambassadors Emeritus present were asked to stand and be recognized.

**APPROVAL OF AGENDA: Motion was made and seconded to approve the agenda. Motion passed 5/0.**

**PERSONAL APPEARANCES AND PRESENTATIONS:**

1. Port Canaveral Camera, Fox35, Allyson Meyers, regarding Consent Agenda Item #3. **Motion was made by Commissioner Evans and seconded by Commissioner Weinberg to allow Fox 35 to place a camera on Exploration Tower. Motion passed 5/0.**
2. Cape Canaveral Air Force Station Rail Discussion, Jim Dubea, regarding Consent Agenda Item #4. Rick Ferrin with TranSystems spoke regarding this issue. **Motion was made by Commissioner Weinberg and seconded by Commissioner Justice to approve an increase to purchase order P14455 to TranSystems Corporation for additional professional services associated with further study and evaluation of rail feasibility on Cape Canaveral Air Force Station. Motion passed 5/0.**
3. Bulk Terminal – Cocoa and Norfolk Southern Titusville Rail Discussion, Scott Shepard and Jim Dubea. Scott Shepard gave a property/project summary on the Norfolk Southern Railroad and the Cocoa Bulk Facilities. Jim Dubea commented that all of the properties tie into rail connectivity for the Port within the Port district. Should we never be able to get rail out of the Port these would be drayage sites. A discussion took place.
4. Joint Roadway Access Program, Scott Shepard, regarding Consent Item #23. We are asking for the authorization to do a joint task force with the City of Cape Canaveral for the Roadway Access Program to identify alternative roadway access points and to improve traffic flow. Todd Morley with the city spoke briefly regarding the City's resolution to support the Road Conceptual Network. **Motion was made by Commissioner Evans to approve Consent Item #23 and seconded by Commissioner Weinberg. Motion passed 5/0.**
5. Service awards were presented by John Walsh to Robbie Pooley for 25 years service, Brian Carroll for 20 years service, Tara Leith for 15 years of service, Dennis Taylor for 10 years of service, Gail Galt for 5 years of service, Billy Dolson for 5 years of service and David Gernot for 5 years of service.

**COMMISSIONER DISCUSSION ITEM:** An update on Water's Edge bait and tackle was given by Commissioner Justice. We are working to move forward with consistency and responsiveness with respect to our tenants. We've met with the parties and hammered out a reasonable solution which meets the spirit of the goal to have a functional bait shop. This should be an item on next month's agenda.

**ACCOUNTING AND FINANCE:** CFO Rodger Rees gave an update on the first month's financials. Total operating revenues were \$5.9M. Expenses are up over last year by 2.2% and under budget by 17%. Ambassador paid on another line but their LLC is still \$213,000. They are making preparations to pay. Accounting is in communications with Continental Florida Materials and Vitol. **Secretary/Treasurer Tom Weinberg motion and Commissioner Justice seconded approving the Statistical Report, Aging Report, List of Bills, List of Disposals, Attorney Fees, and Commissioner Expenses. Motion was seconded by Commissioner Justice. Motion passed 5/0.**

**Break was taken for twenty minutes. 10:48 am – 11:08am.**

**CHIEF EXECUTIVE OFFICER'S REPORT:**

2015 Highlights: Terminal Partner with GT USA – Start of Lease, Completion of GT USA Container Terminal Phase 1, and Overhaul of two STS Cranes. New Auto Terminal Partner, Facility Lease & Completion of Phase 1 Auto Terminal. Cove Development Agreement with Sooner Development Cove Guidelines, Covenants, Design of Phase 1.

2015 Facilities for Cruise Expansion: Opening of CT1 & completion of berth, plaza, kiosk and area parking facilities. NCL Spirit starts at CT1. CT 5 starts renovation, expansion, pier expansion, new gangways, parking garage and leads to Carnival ship expansions. CT10 design and CM process moves forward strong with announcement of NCL Epic in '16.

Existing Cargo Tenants: Morton Salt completed design and had their ground breaking on the now expanded facility. Hanson Materials began barge distribution and grew in 2015 with strong continued growth projected in slag. Seaport Canaveral and TransMontaigne both grew in 2015 with strong current and future business.

CPA Steps Outside the Lines: Titusville Logistics building is coming up out of the ground with a world class warehouse and rail fed distribution facility leasing for 2016 occupancy. Purchased 270 acres of raw land in Cocoa. Development plan and marketing for a Logistics & Business Park. Two agreements in early stages. Soil relocation approved and begins in January. Rail EIS process began with critical infrastructure connection. Paused now to further evaluate an Air Force option as outlined earlier today.

Other Initiatives Also Underway: Concepts of Logistic Facilities on GOAA land in joint venture with OIA. Also talks to service and work with Orlando-Melbourne more. Discussion with NS and other Cocoa Bulk Facilities for US1 area Rail Facility will be priorities in 2016. Environmental studies underway and Operating Agreements with Barge Operator.

**Leasing of Facilities Steps Up:** Enterprise, National and Alamo on Port Canaveral. GT USA signed a lease for 5,000 sf at Maritime Center and 40,000 sf at 9001 Marlin St. Subway opened on George King Blvd. at the former bank site. Parker Brothers opened at 703 Mullet Rd. Crew Connection opened at CT6 garage and is now looking to expand there and on the south side. Purchased back 9 facilities with a total of about 20 acres ground lease and 200,000 sf of buildings to create a new, higher performing lease base.

**Port Staff Continues to Shine:** Turnover remains below 3% with outstanding retention and 98% retention of all senior staff. Our business development teams in Cruise and Cargo brought in outstanding deals. New positions of General Counsel, Director of Real Estate, and other key staff continue to set high standards. We can proudly say this is a professional, well qualified and caring group of people who work hard for this port. In 2015, and looking into 2016, the Port staff continues to run this government agency like a private business and serve our clients and the community well.

**Channel Widening & Deepening:** Major project nears completion and will wrap up in 2016. 500' completed, outer channel to 46' and inner to 44'. Now 85% complete. Approvals to deepen the West Turning Basin at Berths 5-6 due by April-May 2016. 21<sup>st</sup> Century feasibility progresses well with 50' – 53' – 55' approach. David Miller and his team along with Gary Ledford will do an update in January on progress.

**Key Infrastructure Designs:** NCB 3 & 4 replacement with new deep combi-wall berths progresses in design. NCB 8 multiuse and RoRo dual berth enhancement. Future back up can be auto garage. Positioning of tug berths at permanent homes needs to move ahead in 2016. New tractor tugs and capacity arrive. This is one of the first steps as master planning starts.

**Master Planning is Critical:** We began with Cruise Terminal locations for growth. It lead to CT5 and CT10 renovations and expansions, and points to a new CT3. In 2016, it is now critical to proceed with research and prudent planning to create a comprehensive land plan, strategic plan, and business plan. If you fail to plan, how do you know your direction?

**Off Site with Drive Business through CPA.** Turning Brevard into a logistics zone one step at a time: Titusville Logistics Center continues with good conversations with a number of tenants. Progress is good. Buy-Lease decision is now end of January. Cocoa Logistics Park has two buyers doing serious due diligence with financial offers on the table. One moved to Agreement stage. A 3<sup>rd</sup> user seeks 100,000-120,000 sf of Class A Office space as a rental. OIA, Cocoa Industrial area, Palm Bay and other Titusville and Volusia developments can all lead to users and cargo flows.

**Other Discussions Underway:** Jetty Park talks with Brevard County. Road connections with City of Cape Canaveral. D & L discussion on Cove Lease. Trails Program use of Port facilities and land. Several new bulk customer discussions. Scrap tenant has ceased but is trying to rejuvenate. Brevard Zoo locations and discussions on aquarium. Victory Casino extension with relocation provisions. Parking and flow study with Cove. Congratulations to Orlando International Airport and the GOAA Board on their successful MagLev or light gauge rail deal with Tony Morris and his team. They have vision to understand the future.

Happy Holidays and a Safe, Prosperous and Blessed New Year to each and all. May the true meaning of this season bring Peace, Love and Joy of Heart to our world.

**PUBLIC COMMENT:**

Bob Baugher spoke regarding Consent Agenda Item #9 Traffic Study. Would like BEA Architects consulted on the traffic study.

**CONSENT AGENDA: Agenda Items #3, # 4 and #23 were approved during the Personal Appearances and Presentations. Agenda Items 1, 2, 5, 6, 8, 11, 12, 13, 14, 16, 19, 20, 21, 22, 25, 26, 27, 28 and 29 were passed by motion, seconded and approved 5/0. Items 7, 9, 10, 15, 17, 24 and 30 were pulled for discussion.**

7. Consideration of approving Policy 2015-001-FLT-3 Staff Vehicle Usage. This policy has been reviewed by Port counsel. (Carroll/Jendroch/Hicks)

Commissioner Evans suggested that we might be vehicle heavy and that we should do a motor pool to reduce the amount of vehicles. Plans are in the process to reduce numbers of vehicles.

**Motion made by Commissioner Evans to pass, seconded by Commissioner Deardoff.**

**Motion passed 5/0.**

9. Consideration of approving a Purchase Order to BEA Architects, Inc. under their continuing services contract to provide the Northside CT Traffic Study (CT6, CT8 and CT10 Roadways) in an amount not to exceed \$98,900.00. (Perley/Hicks)

Commissioner Weinberg asked for an overview of this study with BEA with timeline goals.

Beginning in January with an outline and each month report out with those steps. The goal is to have a finalized plan with Bruno's and BA's endorsement. **Commissioner Weinberg motioned to approve this item and Commissioner Deardoff seconded. Motion passed 5/0.**

10. Consideration of approving a purchase order to Ivey's Construction as the highest ranked proposer in response to the PUR-RFP-15-14 / CN-15-031 Vehicle Staging Area #7 and Marine Terminal Phase II Construction Manager at Risk Project solicitation to construct a 10-acre paved multi-use cargo Terminal at North Cargo Berth 5 (NCB5) and adjacent to the new 20-acre marine terminal in an amount not to exceed \$6,448,264. (Crowe/Hicks)

CEO Walsh explained this item. **Motion was made by Commissioner Evans to approve this item and Commissioner Justice seconded. Motion passed 5/0.**

15. Consideration of approving a purchase order to BRPH under their continuing services contract for programming, conceptual design and one rendering of a proposed office building project at the SR-524 Orlando-Port Canaveral Logistics Center in an amount not to exceed \$94,000. (Crowe/Hicks)

Chairman Allender asked when was the last time BRPH had actually done any architectural work for us. CEO Walsh answered that they did structural, electrical and mechanically engineering work at CT 6. Chairman Weinberg stated that we are becoming a commercial developer and is this what we want to do? **Commissioner Weinberg motioned that we not approve Item #15 with the understanding that if someone else in the private sector wants to build on that**

**property, it is all for sale and we stay in the sale business rather than the development business. Commissioner Deardoff seconded. Motion passed to reject item #15 5/0.**

17. Consideration of approving an increase to Purchase Order #P16510 for the completion of the design phase of Cruise Terminal 10 Terminal Renovations prepared by BEA, Inc. in an amount not to exceed \$1,295,479.00. (Perley/Hicks)

After discussion, **Chairman Allender moved to approve Consent Item #17. It was seconded and passed 5/0.**

24. Consideration of authorizing staff to piggyback off of St. Johns County contract RFP 07-53 for the purchase of a new Pierce Quantum Custom Pumper fire truck which will be funded 50/50 by the Port and the City of Cape Canaveral and the Port cost of \$274,052 is included in the approved fiscal year 16 capital budget; and further authorize staff to donate the 1991 Pierce Lance fire truck being replaced by the new Custom Pumper to the City of Monticello for use by the Monticello Volunteer Fire Department. (Sargeant/Reynolds)

Fire Chief Dave Sargeant explained the partnership with the City of Cape Canaveral.

**Commissioner Justice motioned to approve Consent Item #24 and Commissioner Weinberg seconded. Motion passed 5/0.**

30. Consideration of approving a purchase order to Bermello Ajamil & Partners (B&A) Incorporated not to exceed \$200,000 to initiate Phase 1 of Master Planning process to include the initial data collection and strategy development sessions with cargo and real estate staff. (Dubea) Commissioner Justice confirmed that today's meeting has underscored the need to move forward with this. **Commissioner Justice moved to approve this item with Commissioner Evans seconding it. Motion passed 5/0.**

**STAFF DISCUSSION ITEMS:** Terry Hicks gave highlights of the engineering projects and budget update. All projects at this time are on or under budget. CT 5 is a challenge. The projects are well underway. CT 10 is on budget. CT 8 renovations are getting ready to kick off. The only problem project is the Channel Widening project and we will continue negotiations on that.

**PUBLIC COMMENTS:**

Bob Baugher spoke regarding tolls. The rules need enforcement and that the planning moves forward.

Roger Molitor spoke regarding the 524/195 project. He asked to be treated fairly in the land speculating business.

Duane DeFreese spoke regarding the IRL Council/Indian River Lagoon National Estuary Program.

**COMMISSIONER REPORTS:**

Commissioner Deardoff: I've enjoyed this year and am very happy with everything we have accomplished. I've appreciated Chairman Allender's leadership. Merry Christmas and a great New Year to all.

Commissioner Evans: I agree.

Commissioner Weinberg: I wanted to bring up the issue of Jetty Park which is not on the agenda. The value is the public. I think we should keep it as a public piece of land. I think any future negotiation should be assigned to our attorney, Harold Bistline. Mac McLouth commented that the piece of land should be kept as park land. It has been a good year and thank you to everybody. We are in a good position for 2016.

Commissioner Justice: I appreciate the opportunity to be here and great working with the staff and the Commissioners. Happy Holidays to everybody out there. Thank you.

Chairman Allender: It is been my honor and my privilege to act as Chairman this year. Thank the staff for everything that they do because the staff is what makes this Port what it is today. I want to wish everyone a very, very Merry Christmas and a happy and prosperous New Year. I look forward to working with all of you next year. John we thank you for everything that you have done, while there have been times that we have had some misunderstandings, you have put together a great staff and as Commissioner Weinberg pointed out the less that 3% turnover is fantastic. A few years ago it was in excess of 25% a year. We appreciate everything that you have done and we appreciate the public and the support that they give us in trying to do the best job we can for Port Canaveral, the community and Brevard County in general.

**ADJOURNMENT:** The meeting was adjourned at 12:55 p.m. until the next regularly scheduled meeting on January 20, 2016 at 9:00 am.

**CANAVERAL PORT AUTHORITY**

ATTEST

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Jerry W. Allender, Chairman

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Thomas W. Weinberg, Secretary/Treasurer