



VERO BEACH
REGIONAL AIRPORT

Eric Menger
Airport Director

January 9, 2020





Vero Beach Regional

March 2020

Elite Airways Use Agreement

- Term: December 1, 2019 – November 30, 2022.
- Agreement's provisions are substantially the same as the previous agreements approved by City Council except that they increase fees and allow either party to terminate with 60 days' notice.
- New Fees:
 - Effective December 1, 2019: **\$18,000**/year for ticket counter space in lobby.
 - Effective December 1, 2019: Back fees are due (\$7,105.47).
 - Effective July 1, 2020: **\$20,625**/year due for license fees.
- Elite Airways Office Space Lease: **\$8,118**/year (369 square feet @ \$676.50/month or \$22/square foot) + normal security deposit, taxes, etc.
- Total new fees/rent to Elite (after all fees/rent are in effect) = $\$20,625 + \$18,000 + \$8,118 = \mathbf{\$46,743/year}$.

Benefits of Airline Service



Benefits of Airline Service

- Economic Impact: \$8.4M/year (\$33.6M since Elite Airways started service).
- Interest and excitement about the Airport.
- Potential for increased synergy with MLB, Cleveland Clinic, hotels, etc., along with increased tourism.
- Once we reached 10,000 enplanements, our federal grant entitlements increased from \$150,000/year to \$1,000,000/year.
- Increased concessions (gross receipts and fuel flowage fees) from supporting airport tenants:
 - Cannon's Restaurant (\$10,000/year), Avis Rent-A-Car (\$36,000/year), Sun Aviation (\$28,000/year).

Costs of Airline Service



Costs of Airline Service

- Operating Costs (Aircraft Rescue & Fire Fighting (ARFF), Staff Training, Inspections, Staff Overtime, TSA Compliance, VBPD).
- Ground Support Equipment (Passenger Loading Ramp, Baggage Carts, Golf Cart).
- Airline Recruiting Costs (Conferences and Consultant Fees - \$40,000/year).
- Capital Improvement Program (CIP) - impact of reduction in FDOT funding - \$2.8M/5 years.

•ESTIMATED ANNUAL COSTS TO SUPPORT AIRLINE SERVICE

CATEGORY	ELEMENT	ANNUAL COST (\$)	MANDATORY FOR AIRLINE SERVICE	LIKELY TO CONTINUE IF NO AIRLINE SERVICE
ARFF	ARFF Fire Protection	\$ 158,000	v	v
	ARFF Vehicle/Maintenance	1,600	v	v
AIRPORT DRIVER TRAINING	Conducting Driver Training	400	v	v
	Maintain Records, Training Material	250	v	v
FUELING AGENT SAFETY INSPECTIONS/TRAINING	Conduct FBO Inspections, Inspection Training	200	v	v
	Coordinate FBO Training, Maintain Records	200	v	v
PART TIME PERSONNEL	Performing TSA-Related Duties	10,824	v	
OPS STAFF AIRLINE DUTIES	Designated Ramp Observer Duty	3,510	v	
OPS STAFF OVERTIME	Performing Airport Safety Inspections Required for Airline Operations on Weekends/Holidays	18,200	v	
TSA COMPLIANCE	Staff Time/Compliance/Program/Training	20,000	v	
	Badging/Inspections/Recordkeeping	10,000	v	
	VBPD Support	97,000	v	v
JANITORIAL	Weekly Cleaning: TSA Sterile Areas	517	v	
DIFFERENCE				\$ 69,051
CDL TRAINING/PRO	Baggage carts, Boarding	6,000	v	
** 4-year historical average. Actual Ops and Part Time Staff costs depend on airline scheduling and performance, weekends, holidays.				
TOTAL ANNUAL COST			\$ 326,701	\$ 257,650



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Priority Projects: FY 2020-2024

		Total Cost	Cost to Airport (80/20)	Cost to Airport (50/50)
1A	Rehabilitate GA Apron (design) FAA FY19	\$450,000	\$22,500	\$22,500
1	Rehabilitate RWY 12R-30L (design) FAA	\$1,400,000	\$70,000	\$70,000
2	Rehabilitate GA Apron (construction) FAA	\$3,300,000	\$165,000	\$165,000
3	Rehabilitate Southwest Apron	\$3,500,000	\$700,000	\$1,750,000
4	Construct Natural Gas Pipeline	\$400,000	\$0 (P3)	\$0 (P3)
5	Rehabilitate RWY 12R-30L (construction) FAA	\$7,300,000	\$1,460,000	\$1,460,000
6	Construct GA Apron	\$1,700,000	\$340,000	\$850,000
7	Airport Security Fence FAA	\$1,500,000	\$75,000	\$75,000
8	Rehabilitate TWY B	\$3,000,000	\$600,000	\$1,500,000
9	Airport Master Plan Update FAA	\$650,000	\$32,500	\$32,500
10	Redevelop Commercial Park (Phase 1)	\$500,000	\$100,000	\$250,000
11	Airport Wayfinding Signage	\$500,000	\$100,000	\$250,000
12	Construct TWY G (Design)	\$800,000	\$160,000	\$400,000
13	Purchase ARFF Vehicle FAA	\$850,000	\$42,500	\$42,500
14	Construct TWY G (Construction)	\$4,000,000	\$800,000	\$2,000,000
15	Construct/Relocate T-Hangars (Design)	\$500,000	\$100,000	\$250,000
16	Redevelop Commercial Park (Phase 2)	\$500,000	\$100,000	\$250,000
17	Realign Midfield Access Road	\$3,000,000	\$600,000	\$1,500,000

Total 5 Year Investment: **\$33,850,000** **\$5,467,500** **\$10,867,500**

2020 **2021** **2022** **2023** **2024**



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REVISED CIP FOR DISCUSSION

Priority Projects: FY 2020-2024

			Total Project Cost (\$)	Airport and P3 Matching Funds (\$)		
				With FDOT Grants 80/20	With FDOT Grants 50/50	
FY 2020	1	Rehabilitate GA Apron (design) FAA 90%	\$ 200,000	10,000	10,000	
	2	Rehabilitate RWY 12R-30L (design) FAA 90%	1,400,000	70,000	70,000	
	3	Rehabilitate GA Apron (construction) FAA 90%	3,100,000	155,000	155,000	
	4	Rehabilitate Southwest Apron (P3)	3,500,000	700,000	1,750,000	P3
	5	Construct Natural Gas Pipeline	400,000	200,000	200,000	P3
FY 2021	6	Rehabilitate RWY 12R-30L (construction) FAA 90%	5,900,000	295,000	295,000	
	7	Construct GA Apron (P3)	1,700,000	340,000	850,000	P3
	8	Airport Master Plan Update FAA 90%	650,000	32,500	32,500	
FY 2022	9	Rehabilitate TWY B (Design)	750,000	150,000	375,000	
	10	Redevelop Commercial Park (Phase 1)	500,000	100,000	250,000	
	11	Airport Wayfinding Signage	500,000	100,000	250,000	
FY 2023	12	Rehabilitate TWY B (Construction Phase 1)	917,000	183,400	458,500	
FY 2024	13	Rehabilitate TWY B (Construction Phase 2)	917,000	183,400	458,500	
	14	Purchase ARFF Vehicle FAA 90%	850,000	42,500	42,500	
	16	Redevelop Commercial Park (Phase 2)	500,000	100,000	250,000	

Five Year Totals \$ 21,784,000 \$ 2,661,800 \$ 5,447,000

Additional Five Year Funding Required:

Airport	\$	1,225,200
P3		1,560,000
Total	\$	2,785,200

Crossroads - Need Input

- Do we recommend to City Council that they approve the Elite Airways Airport Use Agreement?
- Do we want to stay the course and pursue airline service?
- If another airline wants to begin service, how do we handle?



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