



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

MEMORANDUM

TO: Members of the Aviation Authority
FROM: Dolly Daniell, Senior Director of Administration and Technology
DATE: June 15, 2016

ITEM DESCRIPTION

Recommendation to Dispose of Surplus Property

BACKGROUND

The Greater Orlando Aviation Authority is permitted to dispose of property that is no longer necessary, useful or profitable.

ISSUES

The Airport Facilities Bond Resolution and Aviation Authority Policies and Procedures Sections 450.05 and 450.11, permit the Aviation Authority to dispose, for fair and reasonable value at any time, any property constituting part of the Airport System which the Aviation Authority and City of Orlando determine, by Resolution, not necessary, useful or profitable.

The Aviation Authority Staff recommends disposal of property items as summarized below, in accordance with Aviation Authority policies.

- Computers, monitors and related equipment
- Electronic equipment
- Assorted chairs, desks, cabinets, bookcases and tables
- Miscellaneous equipment

ALTERNATIVES

The Aviation Authority could hold the property for future disposal.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to: (1) find the property listed in this memorandum no longer necessary, useful, or profitable in the operation of the Airport System; (2) request Orlando City Council concurrence and resolution of this finding; and (3) authorize staff to dispose of this property in accordance with the Aviation Authority's Policies and Procedures.

**ASSETS NEEDING BOARD APPROVAL
For June 2016 Meeting**

ASSET # GOAA GENERAL

37340 Computer, HP Compaq 530 SFF S/N USW35106XX
37405 Computer, HP Compaq D530 SFF S/N USW35106YL
50035 Scale, Pennsylvania, Model S400 S/N 91-202050
50293 Camera W/Lens, Panasonic S/N 7YB25108
50579 Desk, Dbl. Ped., 30X60, Oak

Computer, Dell OptiPlex 755 S/N 65NC6J1
Computer, Dell OptiPlex 755 S/N 96NC6J1
Computer, Dell OptiPlex 755 S/N 9B66MM1
Computer, Dell Optiplex 755 S/N 9MY0KH1
Computer, Dell OptiPlex 755 S/N CMY0KH1
Computer, Dell OptiPlex 755 SFF S/N 66NC6J1
Computer, Dell OptiPlex 760 SFF S/N FG4TQJ1
Computer, Dell OptiPlex 760 SFF S/N GG4TQJ1
Computer, Dell OptiPlex 780 SFF S/N 9B66MM1
Computer, Dell Optiplex GX50 S/N 6WQK111
Computer, Dell Optiplex GX50 S/N 8VQK111
Computer, Dell Optiplex GX50 S/N 9WQK111
Computer, Dell Optiplex SX280 S/N 5Q9H71
Computer, Dell S/N 26NC6J1
Computer, Dell S/N 4LY0KH1
Computer, Dell S/N 5LY0KH1
Computer, Dell S/N 6LY0KH1
Computer, Dell S/N 76NC6J1
Computer, Dell S/N 7MY0KH1
Computer, Dell S/N 95NC6J1
Computer, Dell S/N H5NC6J1
Computer, Dell S/N HLY0KH1
Computer, Dell S/N JLY0KH1
Computer, HP Compaq 7600 SFF S/N 2UA606KDDW
Computer, HP Compaq 7600 SFF S/N 2UA606KDFD
Computer, HP Compaq 7600 SFF S/N 2UA606KDFP
Computer, HP Compaq 7600 SFF S/N 2UA6110K67
Computer, HP Compaq 7600 SFF S/N 2UA6370482
Computer, HP Compaq 7700 SFF S/N MXL72503GH
Computer, HP Compaq 7700 SFF S/N MXL72503H3
Computer, HP Compaq 7700 SFF S/N MXL72503HW
Computer, HP Compaq 7700 SFF S/N MXL7350XD8
Computer, HP Compaq 7700 SFF S/N MXL737017P
Computer, HP Compaq 7700 SFF S/N MXL7370182
Computer, HP Compaq 7700 SFF S/N MXL73701BL
Computer, HP Compaq 8000 Elite S/N 2UA03005SN
Computer, HP Compaq 8000 Elite S/N 2UA0510P8X

Computer, HP Compaq 8000 Elite S/N 2UA1331VMX
Computer, HP Compaq D530 SFF S/N USV42600SB
Computer, HP Compaq DC7100 SFF S/N MXL53202R1
Computer, HP Compaq DC7600 SFF S/N 2UA606KDDX
Computer, HP Compaq DC7600 SFF S/N 2UA606KDF1
Computer, HP Compaq DC7600 SFF S/N 2UA6221H0D
Computer, HP Compaq DC7600 SFF S/N MXL6210BZ1
Computer, HP Compaq DC7700 SFF S/N MXL72503GK
Computer, HP Compaq DC7700 SFF S/N MXL72503GT
Computer, HP Compaq DC7700 SFF S/N MXL7350XCM
Computer, HP Compaq DC7700 SFF S/N MXL7350XD2
Computer, HP Compaq DC7700 SFF S/N MXL7350XDH
Computer, HP Compaq DC7700 SFF S/N MXL7350XDV
Computer, HP Compaq DC7700 SFF S/N MXL7350XDZ
Computer, HP Compaq DC7700 SFF S/N MXL73701BQ
Computer, HP Compaq DC7700 SFF S/N MXL73701C3
Computer, HP S/N 2UA1340LQ4
Desk, L-Shape, Beige
Equalizer, Altec Lansing Model 1750A (9)
File Cabinet, Lateral, 4-Drawer (3)
File Cabinet, Legal, 4-Drawer (2)
Laptop, Dell Latitude Cpi D266XT S/N ZRZCX
LED Board, Daktronics S/N 2637
Monitor, Altec Lansing Model 1597B (6)
Monitor, Envision S/N 90868CA011886
Monitor, NEC 4010 S/N 66A03421YA
Monitor, NEC S/N 05019146NA
Monitor, NEC S/N 0Y101335NA
Monitor, Viewsonic S/N PPK052501936
Pressure Washer, Hotsy, Model #964, 4.5 GPM/270 GPH, 3000 PSI, 16 HP Gas Engine S/N H22281 0392
Printer, Datamax Mark II
Server, Dice SYSPLAS/1U S/N 5048826
Server, Dice SYSPLAS/1U S/N 5048828
Server, Dice SYSPLAS/1U S/N 5048829
Server, Dice SYSPLAS/1U S/N 8049079
Server, Dice SYSPLAS/1U S/N 8049080
Signs, LED (19)

Construction Material

Hoops, #3, 3' 6" Long, 1.31 Lbs Each (1,428)
Rebar, #11 Straight, 150 Lbs Each (4)
Rebar, #6 Straight, 33' Long, 49.55 Lbs Each (624)
Rebar, #6 Straight, 37' Long, 55.57 Lbs Each (79)
Rebar, #8 Straight, 45' Long, 120.04 Lbs Each (97)
Rings, #4, 4' 7" Long, 3.05 Lbs Each (2,072)

ASSET # ITEMS SCRAPPED

71454	Generator, Caterpillar, Kato Revolving Field AC Model 800-483361111 Type 18986 Catalog 4P6-1700 800KW 277/480V 1800 RPM 1204A 3 Phase 60Hz S/N 61P1251/83489-1
71455	Generator, Caterpillar, Kato Revolving Field AC Model 800-483361111 Type 18986 Catalog 4P6-1700 800KW 277/480V 1800 RPM 1204A 3 Phase 60Hz S/N 61P1254/83489-2
71456	Generator, Caterpillar, Kato Revolving Field AC Model 800-483361111 Type 18986 Catalog 4P6-1700 800KW 277/480V 1800 RPM 1204A 3 Phase 60Hz S/N 61P1252/83489-3
71457	Generator, Caterpillar, Kato Revolving Field AC Model 800-483361111 Type 18986 Catalog 4P6-1700 800KW 277/480V 1800 RPM 1204A 3 Phase 60Hz S/N 61P1253/83489-4



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MEMORANDUM

TO: Members of the Aviation Authority
FROM: Phillip N. Brown, Executive Director
DATE: June 15, 2016

ITEM DESCRIPTION

Recommendation to Amend Preferential Use Lease Agreement with SORT, LLC for the Remote Screening Facility (RSF) at MCO

BACKGROUND

SORT entered into a Preferential Use Lease Agreement with the Aviation Authority for the RSF at MCO, effective October 1, 2010. The initial lease term ran through September 30, 2015, and contained one, 5 year option period. SORT properly exercised the option period and the current term runs through September 30, 2020.

ISSUES

Continued growth in the number of annual passengers at MCO is placing an ever-increasing demand on the passenger baggage screening system at the terminal. The RSF is providing, and will continue to provide, important capacity enhancement for passenger baggage processing. The added capacity will be integral to the success of our customer service in the North Terminal at least through the opening of the South Terminal Complex.

The existing terms of the Preferential Use Lease Agreement allows for SORT to charge a fee for processing passenger baggage that is not part of their resort transportation and remote check-in system. Through negotiations, SORT and staff have reached an agreement to amend the Preferential Use Lease that will require SORT to accept all excess main terminal passenger baggage to be processed at the RSF at no additional processing cost to the Aviation Authority or any third party. In exchange, the annual SORT lease payment will be reduced to \$480,000 and the Aviation Authority will take over the maintenance of the facility at an approximate annual cost of \$300,000. In the event SORT or an affiliate is required to transport non-resort transportation baggage and non-remote check-in baggage to and from the RSF and the terminal, SORT or its affiliate may charge a daily transportation fee, not to exceed \$2,500.

As indicated above, the current term of the Preferential Use Lease Agreement runs through September 30, 2020. Staff and Sort have negotiated an additional 5-year option period that if exercised would extend the term through September 30, 2025. The annual lease payment for the additional option period will be adjusted as already provided in the Lease.

ALTERNATIVES

The Authority could not approve the Amendment, retain the higher rent and require SORT to pay the maintenance on the facility and SORT may charge a per bag fee for processing excess terminal baggage through the RSF.

CONSENT AGENDA ITEM - O -

FISCAL IMPACT

The annual rent payment to the Aviation Authority will be \$480,000 and the Aviation Authority will incur additional maintenance in the amount of \$300,000 annually.

RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board: (1) approve Amendment No. 1 to Preferential Use Lease Agreement with SORT, LLC; (2) request Orlando City Council approval as a lease with a term in excess of ten years including option periods; and, (3) authorize an Aviation Authority Officer or the Executive Director to execute the Amendment following satisfactory review by Legal Counsel.



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MEMORANDUM

TO: Members of the Aviation Authority
FROM: Phillip N. Brown, Executive Director
DATE: June 15, 2016

ITEM DESCRIPTION

Recommendation to Offer Extensions of Term to Concessions in the North Terminal Complex

BACKGROUND

In April 2016, the MCO passenger traffic exceeded 40 million annual passengers. Based on airline schedules and average load factors, traffic will surpass 41 million annual passengers by the end of calendar 2016 and likely surpass 42 million annual passengers by the close of 2017. Over the next five years from 2017 through 2022, Orlando International Airport (MCO) will be undergoing major construction in the North Terminal Complex (NTC) including a major ticket lobby modification, the replacement of the Automated People Movers (APMs) on Airsides 1 and 3 and the expansion of the Airside 4 Federal Inspection Station (FIS). In addition, construction of the South Terminal Complex (STC) is targeted to be completed during that period, requiring the relocation of a number of airlines and their passengers. The combination of growth, construction, and relocation will challenge our ability to maintain our priority of a high level of customer service.

ISSUES

During this same five-year period, approximately 25 or more concessions including food and beverage, news/sundries/gifts/specialty retail and specialty service privileges including duty free/duty paid will expire requiring temporary closures, construction and/or reconfiguration of the concession spaces. This will further exacerbate the challenge of maintaining our priority of high customer service as well as disrupt the flow of revenue to the Aviation Authority.

To help alleviate the potential adverse impact on passengers from the transitioning of concessions during the period of highest passenger concentration in the North Terminal Complex, staff proposes to offer extensions to food and beverage, news/sundries/gifts/specialty retail and specialty service privileges including duty free/duty paid that would otherwise expire between January 1, 2017 and December 31, 2022.

An extension would be offered to the identified concessions types with expirations during the applicable period under the following terms:

- Concessionaire must be current under all material terms of its existing concession agreement.

NEW BUSINESS ITEM - A -

- Concessionaire must notify the Authority of concessionaire's decision to accept the offer of an extension with sixty (60) days of receipt of the Authority's offer.

- Each concessionaire will be offered a choice of two extension options and may only select one and may not subsequently modify its selection:

1. Option One - A term extension of 3 years for a lump sum payment of an amount equal to 25% of the applicable concession's current Minimum Annual Concession Fee.

2. Option Two - A term extension of 5 years for a lump sum payment of an amount equal to 50% of the applicable concession's current Minimum Annual concession Fee.

Any concessionaire opting to extend will be subject to a review by the Executive Director for a required refurbishment, re-branding requirement or change in concept. Any concession that elects an extension beginning on or after January 1, 2019 will be subject to an additional review by the Executive Director for a refurbishment, re-branding or change in concept.

Concessions that are deemed to require refurbishment, re-branding or a change in concept by the Executive Director during this calendar year, should complete that process no later than July 1, 2017. The work will be staggered to minimize impact on customer service.

As part of the Authority's overall effort to maintain high morale among airport employees, staff has been considering an increase in the food and beverage discount to badged employees from 10% to 20%.

Any food and beverage concessions opting for an extended term will increase the discount to badged airport employees from 10% to 20%. In recognition of the cost impact to these concessionaires, the percentage of gross receipts payable to the Authority from employee sales will be reduced from 10% to 5%.

The FAA Office of Civil Rights has reviewed the proposal to offer extensions to the two concessions deemed long term and exclusive and has approved the potential extended terms.

ALTERNATIVES

The Board may deny the recommended optional extensions and direct staff to compete and reconstruct all concessions.

FINANCIAL IMPACT

In the event all concessions eligible to elect an extension do so, the revenue to the Authority from the extension payments will range between approximately \$6.5 million and \$13 million depending upon which extension option is selected.

In order to accommodate cash flow needs for Airport Concession Disadvantaged Business Enterprises (ACDBEs), any ACDBE concessionaire electing to extend will be allowed to pay the extension fee in three annual equal shares.

RECOMMENDED ACTION

It is respectfully recommended that the Board resolve to (1) authorize the Executive Director to offer optional extensions to the concessions that fall under the parameters listed in the memorandum and under the terms listed above; (2) request Orlando City Council approval of any concession agreements to be extended if such extension will increase the overall term to over 10 years; and (3) authorize the Executive Director or an Authority officer to sign the necessary amendment documents following satisfactory review by legal counsel.