

GREATER ORLANDO AVIATION AUTHORITY
REVISED AGENDA

DATE: JULY 21, 2021

DAY: WEDNESDAY

TIME: 2:00 P.M.

PLACE: CARL T. LANGFORD BOARD ROOM, ORLANDO INTERNATIONAL AIRPORT, ONE JEFF FUQUA BOULEVARD

The Aviation Authority is subject to federal mask mandates. Federal law requires wearing a mask at all times in and on the airport property. Failure to comply may result in removal and denial of re-entry. Refusing to wear a mask in or on the airport property is a violation of federal law; individuals may be subject to penalties under federal law.

Currently, seating inside the Board Room is limited to 25 and lobby seating is limited to 10 seats. Attendance is on a first-come, first-served basis. No standing in the lobby will be permitted.

Individuals who wish to speak at the Board meeting on an item being considered on the agenda will be asked to fill out a speaker request card. GOAA live streams the meeting over Orange TV and its own You Tube channel (OrlandoAirports) so that the public can monitor the proceedings. The meeting can also be streamed through the GOAA website, www.OrlandoAirports.net.

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. CONSIDERATION OF AVIATION AUTHORITY MINUTES FOR JUNE 16, 2021

VI. RECOGNIZING YEARS OF SERVICE

VII. CONSENT AGENDA

(These items are considered routine and will be acted upon by the Aviation Authority in one motion. If discussion is requested on an item, it will be considered separately. Items under this section are less than \$325,000 dollars)

- A. Recommendation to Accept Committee Minutes
- B. Recommendation to Dispose of Surplus Property
- C. Recommendation of the Construction Committee to Approve Amendment No. 5 to Addendum No. 21 to the Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement with Turner-Kiewit Joint Venture, for Project Bid Package (BP) No. S00176, South Terminal C, Phase 1, Site Logistics Relocation (Guaranteed Maximum Price (GMP) No. 18-S) at the Orlando International Airport
- D. Recommendation of the Construction Committee to Approve Amendment No. 4 to Addendum No. 19 to the Construction Management at Risk (CM@R) Entity Services for the South Terminal C, Phase 1, Agreement with Hensel Phelps Construction, for Project Bid Package (BP) No. S00179, South Terminal C, Phase 1, Airside Concourse (Guaranteed Maximum Price (GMP) No. 6-S.6) at the Orlando International Airport
- E. Recommendation to Approve a Modification to the Premises for the South Terminal Complex Retail Package 2 Concession Awarded to The Marshall Group, LLC
- F. Recommendation of the Ground Transportation Committee to Amend the Ground Transportation Rules and Regulations
- G. Recommendation to Extend the Valet and Remote Check-In Services Concession Agreement with Baggage Airline Guest Services, Inc. (BAGS) at Orlando International Airport for a Period of Six (6) Months
- H. Recommendation of the Concessions/Procurement Committee to Approve Amendment No. 2, Second Renewal Option for Purchasing Contract 14-17, Smoke/Fire and Overhead Door Maintenance and Repair with Arbon Equipment Corporation (Arbon)
- I. Recommendation of Appointments to the Aviation Noise Abatement Committee (ANAC)
- J. Recommendation to Confirm Appointment to the Construction Committee (Organizational Policy 120.02)

NOTE: Any person who desires to appeal any decision made at these meetings will need record of the proceedings and for that purpose may need to ensure that a verbatim record of the proceedings is made which includes the testimony and evidence upon which the appeal is to be based.

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VII. CONSENT AGENDA (con't)

- K. Recommendation of the Retirement Benefits Committee to Approve Revisions to Organizational Policies, Section 120.081, Investment Policy for the Defined Benefit Retirement Plan; Section 120.082, Investment Policy for the Defined Contribution Retirement Plan; Section 120.083, Investment Policy for the Other Post-Employment Benefits Trust; and Section 120.084, Investment Policy for the Deferred Compensation Retirement Plan
- L. Recommendation of the Chief Executive Officer to Nominate a Director of General Aviation, Orlando Executive Airport
- M. Recommendation of the Chief Executive Officer to Nominate Candidate for the Position of Interim Director of Risk Management
- N. Recommendation to Confirm Appointments to the Concessions/Procurement Committee (Organizational Policy 120.01)
- O. Recommendation for Establishment of Ad Hoc Committee to Evaluate and Shortlist Executive Search Consultants

VIII. PROCUREMENTS

(Notification for release of documents for different services at the Aviation Authority in excess of \$500,000)

- A. Request for Proposal for North Terminal Complex (NTC) Airside 2 Snack Bar Concession
- B. Request for Proposal for North Terminal Complex (NTC) Airside 2 Retail Concession

IX. CHIEF EXECUTIVE OFFICER'S REPORT

X. NEW BUSINESS

(Pursuant to Florida Statute 332.0075, contracts in excess of \$325,000 are listed under this section as separate line items)

- A. Recommendation of the Construction Committee to Approve Amendment No. 3 to Addendum No. 24 to the Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement with Turner-Kiewit Joint Venture, for Project Bid Package (BP) No. S00148, South Terminal C, Phase 1, Landside Terminal Finishes (Guaranteed Maximum Price (GMP) No. 7-S.2) at the Orlando International Airport
- B. Recommendation of the Construction Committee to Approve Amendment No. 13 to Addendum No. 16 to the Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement with Hensel Phelps Construction, for Project Bid Package (BP) No. S00168, South Terminal C, Phase 1, Airside Terminal Interiors, Finishes and Specialties (Guaranteed Maximum Price (GMP) No. 6-S.4) at the Orlando International Airport
- C. Recommendation of the Construction Committee to Approve Amendment No. 3 to Addendum No. 23 to the Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement with Turner-Kiewit Joint Venture, for Project Bid Package (BP) No. S00178, South Terminal C, Phase 1, Airfield Civil (Guaranteed Maximum Price (GMP) No. 19-S) at the Orlando International Airport
- D. Recommendation of the Construction Committee to Approve an Addendum to the Continuing Program and Project Management Services (Owner's Authorized Representative (OAR) Prime Entity) Agreement with Geotech Consultants International, Inc. dba GCI, Inc. for Construction Phase OAR Services for Bid Package (BP) No. S00191, South Terminal C, Phase 1 (STC) – Buildout of Tenant Space Program Soft Costs, at the Orlando International Airport
- E. Recommendation to Utilize Federal Funding to Defease Multiple Series of Outstanding Bonds and Approve the Authorizing Resolution for the Defeasance of Certain Series of Outstanding Bonds
- F. Recommendation to Award Purchasing Invitation for Bids (IFB) 93182-21, Janitorial Supplies to Multiple Suppliers
- G. Recommendation of the Concessions/Procurement Committee to Approve Amendment No. 1, Contract Adjustment for Purchasing Contract 01-21, Elevators, Escalators and Moving Sidewalks Maintenance and Repair Services with Schindler Elevator Corporation (Schindler)
- H. Recommendation of the Concessions/Procurement Committee to Approve Amendment No. 1, First Renewal Option for Purchasing Contract 12-18, Interior Plant Maintenance at North and South Terminals, and Airsides with Rentokil North America, Inc. (Rentokil)
- I. Recommendation of the Concessions/Procurement Committee to Award Invitation for Bid (IFB) 09-21, Satellite Buildings Janitorial Maintenance, Local Developing Business (LDB) to Sterling Building Services, Inc.
- J. Recommendation to Approve the Concessions/Procurement Committee Ranking of Proposals and Award of STC Quick Service Food and Beverage Concession Agreement, at Orlando International Airport, to Orlando F&B Partners LLC

XI. INFORMATION SECTION

(No action is required on the item(s). Board members should feel free to ask questions on the item(s).)

- A. Notification of Committee Recommendations to the Chief Executive Officer for Approval for July 21, 2021, Aviation Authority Board Meeting
- B. Notification of Release of RFP/RFB/RFQ'S (under \$500,00)
- C. Notification of Construction Committee's Approval of Change Orders to the Design/Build Contracts for the South Terminal C (STC) - Buildout of Airline and Tenant Spaces
- D. Notification of the Professional Services Committee's Approval of the Lists of Pre-Qualified Subcontractors/Suppliers for Major Trade Packages for the South Terminal C, Phase 1, Program, at the Orlando International Airport
- E. Construction Progress Report

For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. The lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available on the Aviation Authority's offices web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.



Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392

REVISED MEMORANDUM

TO: Members of the Aviation Authority

FROM: Phillip N. Brown, Chief Executive Officer

DATE: July 21, 2021

ITEM DESCRIPTION

Recommendation to Utilize Federal Funding to Defeasate Multiple Series of Outstanding Bonds and Approve the Authorizing Resolution for the Defeasance of Certain Series of Outstanding Bonds.

BACKGROUND

In recognition of the severe implications of the COVID-19 pandemic to the aviation industry, Congress enacted legislation to provide economic relief to both airlines and airports called the Coronavirus Aid, Relief and Economic Security Act (CARES). Under this program, the Aviation Authority was awarded approximately \$170.7 million, which can be used at either Orlando International Airport (MCO) or Orlando Executive Airport (ORL). Currently, the Aviation Authority intends to allocate \$167 million to MCO and the remainder to ORL, which can be used to reimburse operating expenses, debt service, and capital expenditures pursuant to guidance from the Federal Aviation Administration (FAA). Subsequently, the Aviation Authority received an award of approximately \$41.6 million from the second Federal funding relief bill for airports, the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA) which included \$5.3 funding for concession related relief. Most recently, the Aviation Authority received notification of **allocation and has submitted the grant application for funds from** the American Rescue Plan Act of 2021 (ARPA) of approximately \$171.3 million for MCO, which included approximately \$21 million funding for concession related relief. Below is a summary of the allocation of funding for MCO, net of concession related relief and funds allocated to ORL (hereafter referred as Program Funds):

Program	Funds Awarded
CARES	\$166,771,779
CRRSA	36,372,038
ARPA	<u>150,267,392</u>
Total Program Funds	\$353,411,209

The Aviation Authority may utilize these Program Funds at their discretion to reimburse operating expenses, pay debt service, defease outstanding bonds and/or reimburse capital expenditures.

The Authorizing Resolution authorizes the payment or defeasance of certain Bonds, authorizes the Chairman to identify the series of Bonds to be paid or defeased, and authorizes Aviation Authority officers to execute Escrow Deposit Agreements with both senior lien and subordinated Bond trustees to effectuate the payment and defeasance of the identified Bonds, among other matters. The **Resolution and the** Escrow Deposit Agreements are available in the office of the Board Secretary for review by the Members of the Board.

ISSUES

Management has evaluated various strategic options to utilize a portion of the Program Funds to defease multiple series of outstanding General Airport Revenue Bonds (GARB). The utilization of a significant portion of these Program Funds to defease outstanding bonds would benefit the Aviation Authority, airlines, and airport users for the following reasons:

- Generates substantial debt service savings of approximately \$32 million;
- Improves debt service coverage and debt per enplanement metrics;

- Decreases rates and charges in the near term which creates a favorable competitive position for the airport; and
- Places the Aviation Authority in a favorable position to access the capital markets in the future.

Various analyses have been performed to determine which series of GARB bonds are eligible to be defeased as well as determining how to best utilize the funding to provide the most beneficial debt service savings to the Aviation Authority. Principal amounts maturing October 1, 2022, through and including October 1, 2030, were specifically identified to provide near term financial relief. Additionally, the Series 2010A GARB will be defeased completely and therefore the defeasance includes principal amounts maturing October 1, 2031, and 2032.

Of the bonds under consideration for defeasance, the Series 2010A, 2011B and 2015A have a portion of debt service that is PFC-supported debt. **However, no PFC-supported debt will be defeased as the Aviation Authority does not intend to file an amendment to its PFC approval in connection with this transaction, as would be required by 14 CFR § 158.37.** PFC-supported debt will remain outstanding and continue to be paid by Passenger Facility Charges.

The following series of GARB bonds are recommended for defeasance:

Series	Proposed Principal Redemption
2010A	\$ 15,160,000
2011B	54,575,000
2013A	26,265,000
2015A	16,250,000
2016A	16,215,000
2017A Subordinated	<u>95,960,000</u>
Total	\$224,425,000

The bonds recommended for defeasance have various optional redemption dates; some are currently callable, and others have call options ranging from October 1, 2023, to October 1, 2027. Program Funds would be deposited into escrow accounts and State and Local Government Series (SLGS) securities, or other allowable investment securities pursuant to the governing bond documents, earning guaranteed rates would be purchased. The maturity date of the SLGS securities will coincide with each series of bond's optional redemption date for the purpose of a legal defeasance. Escrow deposit requirements based on current rates, are approximately \$220.8 million. **Included in** this defeasance, \$1,720,425 of scheduled interest due in 2022 and 2023 **will be** paid with Program Funds. This is the total interest amount due prior to the call date of the 2013A Bonds.

As the use of these Program Funds would require the funds to be recognized as Revenues under the Bond Resolution, the Aviation Authority is required to amend the FY21 Budget by the amount equal to the escrow deposit requirement currently estimated to be \$220.8 million.

This proposed transaction is subject to receipt of the anticipated ARPA grant as described above. The Aviation Authority plans to utilize Discretionary Funds on an interim basis to defease the bonds while awaiting receipt of Program Funds. Upon receipt of Program Funds, the Discretionary Fund will be reimbursed.

ALTERNATIVES

The Aviation Authority Board could choose to utilize the Program Funds in another manner and continue to fund the debt service of these bonds through rates and charges.

FISCAL IMPACT

Below is a summary of estimated net debt service savings based on current SLGS rates for the escrow deposits:

Reduction of debt service	\$253.5 million
Approximate escrow deposit requirement	\$220.8 million
Approximate net debt service savings	\$32.7 million

Discretionary Funds will be utilized on an interim basis to defease the bonds until Program Funds are received. The costs related to the execution of the defeasance is estimated not to exceed \$100,000 to be funded from Operating and Maintenance Funds.

RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to accept the recommendation to (1) authorize the proposed use of federal funding to defease certain series of bonds as presented in this memorandum, subject to receipt of **the commitment of** Program Funds; (2) adopt the Authorizing Resolution providing for the payment or defeasance of certain series of bonds; (3) authorize amendments to the FY21 Revenue and Debt Service Budget to reflect an amount equal to the estimated escrow deposit requirement currently estimated to be \$220.8 million but, in any event, not exceed \$223 million; (4) approve the use of Discretionary Funds on an interim basis to defease the bonds until Program Funds are received; (5) approve the costs related to the execution of the defeasance not to exceed \$100,000 to be funded from Operation and Maintenance Fund; (6) request Orlando City Council concurrence of these actions if deemed necessary by legal counsel; and (7) authorize the Chairman, Vice Chairman or other Authorized Officer of the Aviation Authority and the Secretary or Assistant Secretary of the Aviation Authority to approve, modify, execute and deliver the final form of all documents required in connection with the defeasance of such bonds, subject to satisfactory review by legal counsel, and to take other such actions as may be necessary or helpful for the defeasance.