

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JANUARY 10, 2017**

PRESENT: Frank S. Ioppolo, Jr., Chairman
Tim M. Slattery, Vice Chairman
Jennifer T. Dane, Secretary/Treasurer
Henry Bowlin
Tom Green
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons -arrived at 8:58 a.m.
Stephen P. Smith
Mayor Jeffrey C. Triplett, City Liaison – arrived at 8:32 a.m.
Brett Renton, Airport Counsel

ABSENT: Commissioner Brenda Carey, County Liaison

STAFF PRESENT: Diane H. Crews, President & CEO
George D. Speake, Executive Vice-President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Lori Hunt, Administrative Assistant
Jacquelyn Lauterbach, Leasing Manager
Al Nygren, Property Manager

OTHERS PRESENT: Rick Baldocchi, AVCON
Krysty Carr, AFA Flying Services
David Cattell, NAI Realvest
Richard Crotty, Crotty Group
John Cunningham, Zyscovich Architects
Jack Dilello, Constant Aviation
Joe Doubleday, Starport
Dave Logan, Airports Worldwide
Steve Maiden, Constant Aviation
Genean McKinnon
Robert Miller, SOIA Hospitality
Thomas Miller
Jeremy Owens, CPH Engineers, Inc.
Tim Shea, AVCON
Kevin J. Spolski, Spolski Construction
Kent Stauffer, Constant Aviation

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION OF GUESTS

The meeting was called to order at 8:30 a.m., followed by the Pledge of Allegiance, and introduction of guests.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON DECEMBER 6, 2016

Motion by Board Director Smith, seconded by Board Director Dane, to accept the minutes of the regular meeting held on Tuesday, December 6, 2016. Vote taken, none opposed. Motion passed.

4. LIASON REPORTS

A. Seminole County

None

B. City of Sanford

Mayor Triplett wished the Board a Happy New Year.

5. COMMENTS FROM THE PUBLIC

None

6. PRESIDENT'S REPORT

President Crews stated President's Report was distributed prior to the meeting. President Crews updated the Board on the following items:

Outbound baggage project began yesterday. Hill Laboratories new construction project estimated to be completed next week. President Crews encouraged the Board to tour the facility. With regards to the FPL pole replacement project, President Crews gave kudos to SAA project manager and FPL for temporarily halting work on Airport Boulevard for two weeks during the holiday season. Commissioner Brenda Carey was re-appointed as county liaison; Commissioner Bob Dallari will continue to serve as alternate. Sanford City Commission approved the Airport's restrictive covenant last night in a unanimous decision, and President Crews thanked Mayor Triplett. President Crews updated the Board on her meeting with Laura Kelly, Executive Director of the Central Florida Expressway Authority, regarding the possibility of E-pass being installed as part

of the terminal expansion as a pilot project; and a new app available called PayTollo, a convenient cost saving feature for people renting cars.

Don Poore, CFO, presented the Financials to the Board, and referenced the standard communication letter from auditors distributed to the Board members.

President Crews distributed the aerals. President Crews informed the Board the annual FAA Part 139 inspection begins Wednesday for three days, and the FAA's Title IV review in December was favorable, with minor items to accomplish and additional reporting.

7. COUNSEL'SREPORT

Mr. Renton wished the Board a Happy New Year. Mr. Renton informed the Board the restrictive covenant was approved last night by unanimous decision of the Sanford City Commission; final letter from FDEP will conclude the matter. Mr. Renton updated the Board on the McDonnell matter.

Pursuant to Florida Statutes, Mr. Renton requested of the Board a shade session related to the McDonnell matter; the Board scheduled an Executive Session/Board Meeting on Monday January 23, 2017 at 12:00 p.m. noon.

8. AIRPORTS WORLD WIDE REPORT

Airports Worldwide Director of Operations Dave Logan updated the Board on the following:

Performance record breaking month of December with 240,000+ passengers, bulk over Christmas/New Year peak period. Down from budget 3% due in part to discontinuation of National passenger service. Allegiant announced new service in press release today to Louisville twice a week. Via Air showing good signs and performance, two flights per week with load factors of 60%, respectable for startup. San Juan was a home run for Allegiant in December. Holiday parking operations were successful, with 500 more cars than last year. The Allegiant East Coast Training Center facility is progressing. The Lake Golden hotel project is in the midst of a second feasibility study per the AWW Board. Chairman loppolo requested a copy of the first feasibility study. Rental Car contracts discussion to be held with President Crews and Larry Gouldthorpe.

9. CHAIRMAN'S REPORT

Chairman loppolo stated he and President Crews have discussed the Marketing & Public Relations RFP which will be sent to the Board prior to the next Board meeting after review by counsel.

10. CONSENT AGENDA

- A. Consider approval of Addendum C to Lease No. 2014-02 with AIRCRAFT SERVICE INTERNATIONAL GROUP for Building No. 317 located at 1690 Hangar Road, Sanford (Warehouse).
- B. Consider approval of Addendum B to Lease No. 2015-01 with JUSTIN BLINN for Building No. 529, located at 2990 Cameron Ave., Sanford (Residential).
- C. Consider approval of Addendum D to Lease No. 2013-01 with VERTICAL AVIATION TECHNOLOGIES, INC. for Building No. 424 located at 1600 Hangar Road, Sanford (Hangar).
- D. Consider approval of Addendum A to Lease No. 2015-24 with THE BRANTLY CORPORATION for Building No. 132 located at 2805 Carrier Ave., Sanford (Office).
- E. Sanford Aviation Noise Abatement Committee (SANAC) Airline Representative Appointment Confirmation.
- F. Consider approval of Addendum K to Lease No. 2003-03 with GENESIS MFG AND INC. for Building No. 37 located at 3018 Navigator Ave., Sanford (Warehouse).
- G. Consider ratification of Lease No. 2016-34 with GLF CONSTRUCTION CORP. for Building No. 650 located at 28th St. and Carrier Ave. Sanford (Land).

Motion by Board Director Smith, seconded by Board Director Robertson to approve Consent Agenda items A through G. Vote taken, none opposed. Motion passed.

11. DISCUSSION AGENDA

- A. Consider Assignment of Lease Nos. 2000-06 and 2000-08 between the Sanford Airport Authority and Cambata Aviation International LLC.

President Crews stated the Agenda Memo sent to the Board was delayed because she was meeting with the proposed purchaser of Starport to obtain additional information. She noted that the ability to assign the leases is contained within both ground leases. Attorneys have reviewed, prepared a draft assignment which is in the hands of the proposed buyer as well as Starport so their counsel can review it. The potential buyer is Constant Aviation and the President of that company, Steve Maiden, is present.

The assignment is not contingent upon anything other than abiding by the terms and conditions of the leases. A history of the two leases was presented in the agenda memo. One lease contains built-in increases every five years, the other one is in place until termination, and 14 years remain on both ground leases. Cambata Aviation LLC is the lessor that operates Starport FPO. An internal decision was made to divest themselves of this aspect of their portfolio. Financial information of perspective buyer has been reviewed and found

satisfactory; Constant Aviation is looking at other locations outside Florida. They are working with Orlando EDC on potential economic incentives because they will be relocating part of their operation here if they go thru with the purchase. Financial paperwork has been reviewed by Don Poore CFO, and Board Directors Green and Slattery.

Chairman Ioppolo invited Steve Maiden and his team to introduce themselves to the Board.

Steve Maiden, President & CEO of Constant Aviation, addressed the Board, stated he met with President Crews and is extremely impressed with the Airport and staff, excited about the opportunity. They operate three MRO's: main hub at Cleveland Hopkins, Las Vegas at McCarran and Birmingham International BHM. Mr. Maiden gave a brief history of the company and its growth.

Motion by Board Director Smith, seconded by Board Director Bowlin to approve Discussion Agenda item A to approve the assignment of Lease Nos. 2000-06 and 2000-08 with Cambata Aviation International LLC; and authorize President Crews to sign the Consents to Assignment, contingent and upon the sale of Starport FBO to the proposed buyer. Vote taken, none opposed. Motion passed.

B. Hotel Update and Presentation by SOIA

Chairman Ioppolo invited Robert Miller with SOIA to update the Board on the hotel project. Mr. Miller stated application made to Hilton for Hampton Inn and Suites, December 5, 2016 notification received from Hilton to approve franchise, franchise agreement received and 15 day no contact period began. Additional provisions to be discussed January 12, 2017 via conference call to finalize franchise agreement. Official document will be obtained to receive funding, updated feasibility study, and finance group can order appraisal for as-built. Mr. Miller informed the Board they have been in discussion with architect, engineer, City of Sanford permitting. Delay according to their contractor has caused 4% increase in construction, yet still anticipate completion date spring 2018. President Crews distributed Proposed Third Amendment for Revision of Critical Dates to the Board.

Motion by Board Director Smith, seconded by Board Director Simmons to approve Discussion Agenda item B to approve an amendment to be executed by President Crews and the tenant subject to the specific terms being approved by counsel and airport manager under these terms. Vote taken, none opposed. Motion passed.

C. Recommendation Consideration and Award Request for Qualifications (RFQ) Commercial Real Estate and Land Development Services.

Chairman Ioppolo stated recommendation and report coming from Board Director Miller Chairman of EDAC. Chairman Miller turned the discussion over to

President Crews. President Crews stated at EDAC presentations were made to the committee by the four responders to the RFP Commercial Real Estate and Land Development Services. Those were Zyscovich, BRPH, NAI Realvest and Foundry. Following the presentations and discussion, the Committee moved to approve Zyscovich as the number one entity to recommend to the Board for approval to enter into negotiations for contract of these services. The second place was NAI Realvest, third BRPH and fourth was Foundry. The information was conveyed to each of the companies, they are all aware this is the consideration of the Board today. They are also aware that pursuant to the language in the RFP if we are not able to negotiate successfully with number one we'd move on to number two and so on. Representatives are present from Zyscovich. The Board is to approve or not the recommendation from the EDAC Committee. Chairman Ioppolo informed the Board their task as a Board is to approve the recommendation from the EDAC and authorize President Crews to enter into negotiations to reach a final contract with Zyscovich.

Rich Crotty, Zyscovich, stated John Cunningham, Managing Principal Orlando office of Zyscovich, is present and they look forward to entering in to negotiations with President Crews.

Motion by Board Director Miller seconded by Board Director Dane to approve Discussion Agenda item C to accept the EDAC recommendation and commence negotiations with Zyscovich. Vote taken, none opposed. Motion passed.

D. Recommendation Consideration and Award Request for Proposal (RFP)
Property Leasing and Management Services.

President Crews stated the RFP for Property Management respondent was NAI Realvest who presented at EDAC. The EDAC Committee discussed at length what they heard and how that fit in to their vision as to what the airport needs and desires with the properties we have, and properties that will come forward in the future. The consensus of the Committee after that discussion was a need for additional information about our own operation as it stands today. The specific reports that have been requested will be delivered to the Committee by the end of January, at which time EDAC will meet again to discuss. In the meantime President Crews stated she will be meeting with NAI Realvest to discuss their potential role and how they might work with our needs. The Committee was very pleased with NAI Realvest's response to the RFP; the recommendation was for the Board to consider allowing more time for additional information to be brought forth.

Chairman Ioppolo clarified there is no action to be taken by the Board at this time other than the report after it goes to the Committee, the Board is waiting for additional information from staff so that can continue.

12. COMMENTS FROM THE PUBLIC

13. OTHER BUSINESS

Request from Board Director Dane to schedule the next EDAC meeting.
Next EDAC meeting scheduled February 7, 2017 immediately following the SAA Board Meeting.

Future 2017 Board Meeting Calendar discussed. July 11, 2017 and September 12, 2017 as alternate dates were discussed due to the holidays. Board Director Green inquired the dates for FAC Conference. July 23-26 at Lowes South Beach.

Motion by Board Director Smith, seconded by Board Director Bowlin to approve the alternate meeting dates for July and September. Vote taken, none opposed. Motion passed.

Executive Vice President Speake informed the Board the new Battalion vehicle was parked outside if anyone wanted to see it.

14. REMINDER OF NEXT BOARD MEETING (February 7, 2017)

15. ADJOURNMENT

There being no further business, the meeting adjourned at 9:47 a.m.

Respectfully submitted,



Diane H. Crews, A.A.E.
President & CEO
/lh