

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
NOVEMBER 6, 2018
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Jennifer T. Dane, Vice Chairman
William R. Miller, Secretary/Treasurer
U. Henry Bowlin
Tom Green
Frank S. Ioppolo, Jr. (appeared via phone)
Clyde H. Robertson, Jr.
Stephen P. Smith
Commissioner Brenda Carey, County Liaison
Commissioner Art Woodruff, City Liaison
Kenneth W. Wright, Airport Counsel

ABSENT: Clayton D. Simmons

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Thomas Fuehrer, Chief SAPD
Lori Hunt, Executive Assistant
Jacqueline Lauterbach, Leasing Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager

OTHERS PRESENT: Elizabeth Brown, AWW
Spencer Carey
Krysty Carr, Greater Sanford Regional Chamber of Commerce
Steve Cornell, Kimley-Horn
Luke Frey, Walbridge
David Gierach, CPH
Jonathan Hand, Atkins
Todd Knuckey, Mead & Hunt
Geoff Lane, Constant Aviation
Brady Lessard, CPH
Bill McGrew, GAI
Genean McKinnon, EHI
Hilary Maull, Avcon

**Jeremy Owens, CPH
Paul Partyka, NAI Realvest
Keith Robinson, AWW
Rachel Saunders, NAI Realvest
Sandeep Singh, Avcon
Angela Singleton, Hilltop Securities
Felicia Slattery
Kevin Spolski, Spolski Construction
Craig Sucich, AVCON
Bob Turk, Economic Director City of Sanford**

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 OCTOBER 9, 2018

Motion by Board Director Robertson, seconded by Board Director Smith, to approve the Minutes of the Regular Meeting held on October 9, 2018 as amended, to reflect the meeting start time as 8:30 a.m. opposed to 8:00 a.m. Vote was taken, none opposed. Motion passed.

4. PRESENTATION TO HENRY BOWLIN

Chairman Slattery read Resolution 2018-06 in honor of Board Director Bowlin who is retiring from the Board. Chairman Slattery then presented a decorative propeller to Board Director Bowlin.

5. LIAISON REPORTS

A. Seminole County

Commissioner Carey updated the Board regarding: SR 46 project and the Seminole County Ethics Course being offered December 4, 2018. All Board Directors were invited to attend.

B. City of Sanford

Commissioner Woodruff updated the Board that it has been a year since he had raised issues about Airport noise and how it was affecting some of the residents. He stated since then he has been attending the SANAC meetings and said he is impressed with what SANAC is trying to do and appreciates the efforts that are being made. He believes the Airport is looking at ways to solve those problems as best they can be done.

He reported that Hernon Manufacturing has another distribution deal with China and will increase their business by 25%. Further, a proposed new distribution center will be choosing Sanford.

Chairman Slattery requested an update on what is going on around the Airport and noted that he had heard a rumor of a Publix. Commissioner Woodruff responded he heard a Publix would be located on Lake Mary Boulevard and SR 46. The proposed distribution center will be located on the Lake Mary Boulevard corridor. The City and County continue to do residential approvals on the Lake Mary Boulevard corridor. Commissioner Carey stated on Lake Mary Boulevard there are hundreds of homes being built; however, the intent is for it to be developed more commercial as it is zoned industrial and should be a commercial corridor linking up to the Airport. Commissioner Woodruff said the City has another residential community coming at Mellonville and Lake Mary Boulevard. Commissioner Carey requested President Crews make a presentation to the Midway Community to update them about the Airport.

Chairman Slattery inquired if these residents know they are moving next to a rapidly growing airport. Commissioner Carey responded they worked on this years ago under a Joint Planning Agreement which includes the City, County and Airport. Everything within a certain proximity to the Airport has an avigation easement and the agreement says that they must have an avigation easement as part of their closing documents, so that people are aware. Cameron Heights project will be the biggest project consisting of 280 acres located at SR 415 and Lake Mary Boulevard; along the north side of SR 46, by the river, is a commercial and residential project. There is a need of additional housing for jobs around the airport.

6. COMMITTEE REPORTS

A. EDAC – Update on Gator Dock and Marine

Board Director Green stated EDAC met last week regarding Gator Dock and Marine and discussed the terms of the renewal and build to suit. Achieved last week at the meeting: setting parameters for the draft proforma to be provided by staff November 15th, including pricing, interest rate, assumptions and loan value so the Board can make an educated decision that can be brought to the January Board meeting.

Chairman Slattery thanked Board Director Green and the entire EDAC Committee for the hours they've put in, driving so much for the Airport. It's a critical function of these next few years for us. Board Director Green responded he appreciates the Committee and really, it's mostly all the Board members that show up. Board Director Green requested the next time they convene as a Committee that the valuation of the land be discussed. Historically they have looked back at past information as an appraiser does and not what is going on today and those few cents add up. Chairman Slattery thanked Paul Partyka and Rachel Saunders for attending all the meetings and working so hard for the Airport.

B. METROPLAN

Board Director Smith updated the Board: Metroplan last month didn't have a meeting. The month before they met to discuss an emergency declaration for the intersection of Airport Boulevard and 17/92 redoing the traffic light system. The next Metroplan meeting is next week.

Commissioner Carey inquired of Chairman Slattery if the Airport is talking to the Expressway Authority about E-pass being an option for using the parking garage. President Crews responded that we have had discussions with them and we are also looking at Sun Pass as well. They have discussed the E-Pass pilot program and it was going to be a significant cost, which we shared with our terminal manager. We are still looking at that because we feel it is very important. The FDOT suggested we look at their Sun Pass program; it's all a matter of economics.

Board Director Miller suggested that Chairman Slattery and Board Director Green look at the possibility of EDAC Committee reviewing the Zyscovich Business Plan. A lot of money was spent on the plan and the potential results from it are unknown but could be massive. He felt perhaps a summary in an EDAC meeting would be beneficial to the Committee to know our opportunities.

Chairman Slattery stated that whatever we can do to keep that front of mind we should do, and if you have a Committee meeting that doesn't have a full agenda, take a piece of it and explain it to the members.

Board Director Dane suggested it be scheduled as a full Board Work Shop to eliminate redundancy.

Discussion ensued regarding the difference between a Committee meeting and a Board Work Shop. After further discussion, the Board agreed to schedule a Work Shop in January after the new Board Director is added. Board Director Green will work with President Crews to prepare a draft agenda. President Crews stated it would be a good idea to schedule a Board Work Shop every January.

7. COMMENTS FROM THE PUBLIC

None.

8. PRESIDENT'S REPORT

President Crews updated the Board regarding: Runway Incursion Mitigation Project, Taxiway Romeo Rehab and Ramp Expansion Project.

George Speake updated the Board regarding Aviation Day: Speakers are being scheduled, changing name of the event to Aerospace & Aviation Day, working with Zero-G for the 2020 show.

President Crews informed the Board that George Speake proposed the Airport sponsor a scholarship. The Airport is promoting careers in aviation and not all careers require a college education. The scholarship amount would be \$5,000 of which \$2,500 would go to a student in a degree program and the other \$2,500 would go to a student who's looking at a certificated program. George Speake reiterated that this is something that will help steer kids toward aviation who don't have the desire to go to college. Offering the scholarship to both sides is a good way to show students this is something we believe in.

Chairman Slattery thought this was an excellent idea but cautioned that the scholarship needs to be a merit or needs base and to clearly define what staff is looking for and suggested they tighten the parameters. Board Director Robertson volunteered to serve on a scholarship selection committee when one is formed.

Don Poore presented the financials.

Lauren Rowe updated the Board that SAA and AWW have contracted with Meltwater to monitor our social media, push out information and media reports; she then presented a demonstration of the reports.

Paul Partyka updated the Board regarding: Gator Dock and Marine draft lease, property prices are based on usage of the land, the Airport is the catalyst and gateway to Seminole County, Parkside Place using access to the Airport in their promotions, Lake Mary Boulevard future development interest, Toro expansion, and the need for additional warehouse space at the Airport.

Board Director Green inquired of Paul Partyka regarding the draft Gator lease. Mr. Partyka responded it is a lease draft for Gator's legal team to see lease clauses. Board Director Green inquired of the land prices that NAI Realvest is using and requested a full report of pricing and rationale, and summary of land use for the January Board Work Shop. Chairman Slattery requested Paul Partyka build in the scarcity of prime property into his discussions.

Southern Strategy: President Crews stated that Oscar Anderson could not be here today, but he had arranged a meeting for her on Friday November 16th to meet with the FDOT in Tallahassee. President Crews informed the Board she will be addressing the FDOT's recent study that determined that Airport Boulevard should not replace Lake Mary Boulevard as a SIS connector. Her purpose will be to clarify that we didn't want to replace the SIS connector but add Airport Boulevard as an additional connector. We know that it's been done at other locations and other airports here in Florida.

Ken Wright clarified it will be complementary to the existing SIS connector and funded through SIS funds.

President Crews referenced the property report for October, prepared by Rachel Walker, Finance Manager.

President Crews reviewed the 2019 Board meeting calendar and recommended changes.

President Crews referenced Police and ARFF reports, and community outreach events.

Chairman Slattery updated the Board on the Fairfield Inn Grand Opening in Harrisburg, VA that he and Board Directors Ioppolo and Smith attended along with George Speake and Don Poore. It was money well spent, Board Director Ioppolo got some one on one time with the owners. The hotel was within walking distance of the terminal, and noted that Allegiant, United, Delta and American are their carriers. He felt it was a very productive trip.

Board Director Smith reported the hotel itself has a fantastic floor plan, great meeting space, the bar restaurant combination worked great. They were also able to see all room types, and if the same representative is working down here, it's going to be a fantastic asset to this property.

President Crews clarified she inadvertently stated Board Director Bowlin had attended the grand opening when it was Board Director Smith who attended. President Crews informed the Board there are photographs that were taken by our consultant of the facility that she wants to share with the Board. She didn't want to send them out until she met with him to discuss them. President Crews and Board Director Ioppolo will be meeting with the consultant soon and discuss the trip, items observed and whether we want to incorporate them into our hotel plan.

Board Director Ioppolo stated he felt it was a worthwhile trip, glad they made the trip, happy it was the Board and staff to see the quality of work there. There is a scheduled meeting with Shaner on November 20th and President Crews stated she and Don Poore met with Shaner's consultant last week to begin the next phase of due diligence for Shaner, this item is moving ahead.

President Crews and Paul Partyka presented the Zyscovich Master Plan to the City of Sanford and Seminole County last week. Seminole County was impressed by the Zyscovich report and would like to duplicate it for themselves.

President Crews noted October 30th they held a pre-construction meeting for the second Starbucks to be located upstairs post security and construction is slated to begin November 12th. Luncheon reception for VINCI is being held on November 8th. An appreciation lunch will be held for the CBP on November 13th at which time an update of the terminal expansion will be presented. November 29th will be the 2nd annual Ladies Sporting Clay Shoot. New ACDBE Plan has been completed, this is required by the FAA. President Crews suggested doing a small symposium Doing Business with the Airport in 2019 to introduce the community to what they need to do in order to do business with the Airport.

9. COUNSEL'S REPORT

Ken Wright informed the Board that Brett Renton was not in attendance today, he is accompanying his wife and baby Charlotte to a milestone doctor's appointment. Ken Wright informed the Board there are several items going on with the Airport at any time and if anyone requires more information they can feel free to reach out to either himself or Brett Renton.

Ken Wright updated the Board regarding Gator Dock and Marine's DEP issue, and a leachability test. L3 draft lease has been given to President Crews, hopefully that item will be before the Board in December. With regards to Southeast Ramp leasing matters, an amendment was signed by the tenant and one of the Board members had a change that's being made, this item is on the Agenda today for approval by the Board. Lease Form Templates are being finished both residential and Commercial t-hangars have been prepared, staff is amending some rules and regulations on these leases, they should be implemented at the same time. NAI Realvest contract negotiations are on the Agenda, they have been signed and presented for a vote. A lawsuit is pending against Jetezy for the two hangars and against ARMF for the one hangar, staff is doing some calculations for damages assessed to be incorporated into the lawsuit. Working on a lease agreement for the hotel site. The consultant is negotiating between Shaner and staff over some issues; as those issues condense down, Counsel will incorporate into final lease.

10. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board on October results: 4% over 2017, tracking 2.6 M passengers, 8% over this time last year, almost through hurricane season and still anticipating 3M passengers. Elizabeth Brown stated Jason Terreri has been working very fiercely on a lot of air service development initiatives. Preparing for the holidays, from a ground handling perspective that includes staffing with increased services that Allegiant adds during the Thanksgiving and Christmas season. AWW team is also readying for parking overflow.

VINCI update: transition is ongoing, very positive, a lot of work for finance team. Many AWW staff members have had the opportunity to go to Paris and meet with the VINCI team. Elizabeth Brown stated they are preparing for VINCI's visit this week and she distributed handouts with background information on VINCI and bios of their members attending the Joint Board Meeting.

Chairman Slattery noted a Joint Board Meeting with Vinci is scheduled for Thursday, he appreciates the Board members that can attend.

11. CHAIRMAN'S REPORT

Chairman Slattery stated his wife Felicia surprised him and showed up for the meeting today.

12. CONSENT AGENDA

Chairman Slattery stated he is pulling from the Consent Agenda Item A [Airline Training and Leasing Corp]; he must abstain because the tenant is his client. Further, Item D is also being pulled from the Consent Agenda. Chairman Slattery entertained a motion for Consent Agenda Items B, C & E.

- A. Consider approval of Addendum A to Lease No. 2017-038 with AIRLINE TRAINING AND LEASING CORP. for Building No. 149, located at 1673 Hangar Road (Warehouse).
- B. Consider approval of Addendum C to Lease No. 2012-034 with JET STAR INC. for Building No. 409, located at 1160 E. 30th St. and 2280 square feet of land (parking) at the northeast corner of 29th Street and Mellonville Avenue.
- C. Consider approval of Second Amendment to the Listing Agreement between Sanford Airport Authority and Realvest Equity Partners, LLC d/b/a NAI Realvest.
- D. Consider approval of Addendum E to Lease No. 2003-08 with the Orlando Sanford Airport Southeast Ramp Hangar Development Inc.
- E. Consider approval of Addendum B to 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 Dane to approve Consent Agenda Items B, C & E. Vote taken, none opposed. Motion passed.

13. DISCUSSION AGENDA

- A. [Pulled from Consent Agenda] Consider approval of Addendum A to Lease No. 2017-038 with AIRLINE TRAINING AND LEASING CORP. for Building No. 149, located at 1673 Hangar Road (Warehouse).

Motion by Board Director Smith, seconded by Board Director Bowlin to approve Consent Agenda Item A. Vote taken, none opposed. Chairman Slattery abstaining. Motion passed.

- D. [Pulled from Consent Agenda] Consider approval of Addendum E to Lease No. 2003-08 with the Orlando Sanford Airport Southeast Ramp Hangar Development Inc.

Board Director Green stated he requested having this item moved to the Discussion Agenda because it did not meet the criteria for the Consent Agenda.

Motion by Board Director Smith, seconded by Board Director Bowlin to approve Consent Agenda Item D. Vote taken, none opposed. Motion passed.

A. Consider approval of 2019 Airport Rates and Charges.

President Crews stated this item was discussed at the January 2018 Board Work Shop and she suggested further discussion at the January 2019 Work Shop to establish a better system going forward. President Crews stated she intends the Rates and Charges to be a handout, and included on the website, these are aviation and non-aviation. The few proposed changes are listed in the Agenda Memo and will take place January 1, 2019.

Motion by Board Director Smith, seconded by Board Director Dane to approve Discussion Agenda Item A. Vote taken, none opposed. Motion passed.

B. Consider approval of Task Order for AVCON for design of the Taxiway Bravo, Charlie and Lima Rehabilitation Project.

President Crews stated this task order goes along with the grant anticipation loan that was approved at our October meeting, to fund the design of this project. This is a project for which we are seeking a supplemental grant of \$42M from the FAA. Preliminary paperwork has been submitted this is the second round. The task order for AVCON is for the design of that \$42M project and it's \$2.4M which is .59% of the \$42M cost of the project itself.

Board Director Green noted this item was also discussed at last month's meeting in terms of process and instituting a competitive framework; he requested further discussion at the January Board Work Shop.

Motion by Board Director Smith, seconded by Board Director Miller to approve Discussion Agenda Item B. Vote taken, none opposed. Motion passed.

C. Terminal Expansion Update.

Chairman Slattery noted he asked to have this item on the Agenda and requested every six months an update be presented to the Board.

Jeremy Owens updated the Board regarding the Terminal Expansion: foundations on ticket counter addition, screening addition buildout, loading dock building, and new parking garage entrance. Scheduling: as of last Thursday, presently on Contract Day 213. Trying to minimize impact to passengers with construction. Loading Dock: anticipating February/March move-in date. Screening addition being completed around March. Bag Claim 3 temporary

walls should be coming down today. Bathrooms aren't 100% ready but will re-open Bag Claim 3. Parking improvements are partially complete; there are still items they haven't started on the south end. Existing Terminal renovations: 300,000 square feet under roof, touching 100,000 square feet of that, ends June. Skywalk addition foundation work will begin the next month or so. Progress photos were shown.

Jeremy Owens updated the Board regarding additional costs and cost reductions: 1) flooring manufacturer selected at time of bid has gone out of business, modifications needed to be made. Price increase was initially \$450,000, now \$361,000. 2) Unmanned exit lane: vendor changed, review came in, contractor included 5 lanes in their price to reduce redundancy, SAA has asked for an additional lane at a cost of \$52,000. 3) Underground conflicts: to date 50% of in-ground work done and ran into \$29,000 items. 4) Loading dock roll up doors: matched existing loading dock design which is manual doors but went ahead and for future put in electrical in case at some point the loading dock facility wanted to have motorized doors. As they were doing shop design review and talking with SAA, it was decided to add those now instead of later. 5) Roof elevation: the roof was roofed over not re-roofed in 2004, and the method changed the roof elevation by almost one foot. There were no plans available, the structural steel was tied in as high as it could go, and now having to match elevation and drainage. They looked at some alternatives for this that were different pricing, but for longevity, this was the best option for cost. 6) Revenue control system: this was a deducted item, AWW is currently looking at their system, and instead of putting in a system that will be removed in two weeks, this item was removed from scope of work. 7) Kitchen duct insulation: this item came in post bidding during Building Department review, it came down to interpretation of code by the Building Official that the entire kitchen duct had to be insulated instead of just the new portion, this was an additional cost of \$14,000 down from \$25,000. 8) TSA Equipment: Relocation of TSA screening area from the existing location to the new screening addition and included in the contract all the stanchions and podiums and little glass walls. Now through conversations with TSA, they are looking at funding quite a bit of that, north of \$100,000.

Discussion ensued regarding \$362,000 increase in flooring due to the contractor going out of business, specific specified item, lack of alternate manufacturer, warranty on product. Discussion ensued regarding roof, existing condition. Discussion ensued project progress is 12%, \$500,000 additional costs. George Speake informed the Board the flooring is 100% of the entire project. President Crews informed the Board that the flooring change order was included in the PFC #4 amendment application, and it is 100% eligible.

Don Poore presented a financial update on the Terminal Expansion. Board Director Green requested of Don Poore a written high level financial summary on the Terminal Expansion.

President Crews explained the project is going very well considering it touches so many parts of our operation, yet we are maintaining our operation very well. This is a credit to all our staff and AWW's staff. Jeremy Owens and his staff along with Luke Frey with Walbridge and his staff are to be credited as well. President Crews reiterated there is not a day that goes by that there are not conversations about all these things many times a day.

Chairman Slattery thanked Board Director Smith as the Board representative to the Terminal Expansion who is spending hours of his time on this project. Board Director Smith updated the Board he is attending 80% of the progress meetings and it has been very smooth. Walbridge and Jeremy Owens have done a great job. He stated he reviews everything from a construction standpoint, the internal guttering system hence the tie in to the new roof. Board Director Miller requested of Jeremy Owens when he is doing the terminal expansion update to put the original quote or bid figure on each line item, where we are, changes with a plus or minus, so the Board can monitor against the original figure.

14. COMMENTS FROM THE PUBLIC

Kevin Spolski inquired regarding the Southeast Ramp Agenda item and changes made to the Lease Amendment and inquired if there was anything Tracy was not familiar with. President Crews replied she received an email acknowledgement from Tracy right before the meeting started.

15. ELECTION OF OFFICERS

Chairman Slattery stated that once a year we get to elect new officers and that is this month. Chairman Slattery said he has enjoyed and appreciated being the Chairman for the last year. There is one year left in his term and he would have an interest in remaining as the Chairman for next year if the Board will have him. Chairman Slattery passed the gavel to counsel. Ken Wright stated the nomination for officers is appropriate and the first one is Chairman. Ken Wright opened the floor for nominations.

Motion by Board Director Smith, seconded by Board Director Dane to nominate Board Director Slattery to serve as Chairman. There were no other nominations. Motion by Board Director Smith, seconded by Board Director Dane to close the nominations for Chairman and to elect Board Director Slattery. By acclamation Board Director Slattery was elected Chairman.

Counsel relinquished the floor to Chairman Slattery for the election of Vice Chairman and Secretary/Treasurer. Board Director Ioppolo nominated Board

Director Green to serve as Vice Chairman. Board Director Miller nominated Jennifer Dane to serve as Vice Chairman. There were no other nominations. Chairman Slattery entertained a motion to close the nominations. Motion by Board Director Smith, seconded by Board Director Robertson to close the nominations. Board Director Dane withdrew her nomination to serve as Vice Chairman. Board Director Green was elected Vice Chairman.

Chairman Slattery opened the floor for the election of Secretary/Treasurer. Motion by Board Director Smith, seconded by Board Director Bowlin to nominate Board Director Dane to serve as Secretary/Treasurer. There were no other nominations. Chairman Slattery entertained a motion to close the nominations. Motion by Board Director Smith, seconded by Board Director Robertson to close the nominations. Board Director Dane was elected Secretary/Treasurer.

16. OTHER BUSINESS

Board Director Robertson informed the Board he spoke with former Board member John Williams, CEO Wayne Densch. They have a suite at the UCF Football Stadium and for the upcoming Navy game this weekend they are going to be having 12 Navy Veterans come as their guests. He was speaking with George before the meeting and George said he could get them each a challenge coin and t-shirt from the 75th Anniversary Celebration.

Board Director Bowlin stated concerning President Crews meeting with FDOT regardless who you're talking to on staff they are engineers. He suggested any proposals we're considering our engineers will be looking at the drawings, he has been up in Tallahassee many times it's your talking to engineer type folks even in the administrative positions. Board Director Bowlin thanked the Board, he said it has been his pleasure serving with them. Also, he will miss it for a while and thanks to everybody.

Chairman Slattery thanked Board Director Bowlin for his service, he advised and hoped everyone will welcome the new Board Director in December whomever the City Commission decides that is.

Ken Wright stated supplemental to the Counsel's Report, he wanted to enlighten the conversation on costs, that he and President Crews discovered early on a very enforceable, subtle, hold harmless agreement by Gator to pay for the costs of cleanup and attorney's fees. He wanted each of the Board Directors to know those costs for the testing, consultant work and attorney's fees have been significant, but Gator has stayed attuned to their obligations.

17. REMINDER OF NEXT BOARD MEETING (DECEMBER 4, 2018)

18. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:39 a.m.

Respectfully submitted,

Diane H. Crews

Diane H. Crews, President & CEO

/lh