MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
FRIDAY JANUARY 5, 2018

PRESENT: William R. Miller, Chairman
Jennifer T. Dane
Tom Green
Frank Ippolito Jr.
Steve Smith

OTHER BOARD: Clyde Robertson, Jr.
DIRECTORS Clay Simmons
Tim M. Slattery

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President of Operations & COO
Don Poore, Chief Financial Officer
Lori Hunt, Executive Assistant
Jacqueline Lauterbach, Leasing Manager
Al Nygren, Property Manager

OTHERS PRESENT: Dave Cattell, NAI Realvest
Rich Crotty, Crotty Group
Eric Liff, Lambert Advisory
Paul Partyka, NAI Realvest
Grace Perdomo, Zyscovich Architects
Suria Yaffar, Zyscovich Architects

1. CALL TO ORDER
The meeting was called to order at 8:00 a.m. by Chairman Green.

2. ADVERTISEMENT OF MONTHLY MEETING
Copies attached.

3. COMMENTS FROM THE PUBLIC
4. APPROVAL OF THE MINUTES OF THE MEETING HELD ON DECEMBER 11, 2017

Motion by Board Director Ioppolo, seconded by Board Director Dane to approve the minutes of the meeting held on December 11, 2017. Vote taken, none opposed. Motion Passed.

5. REVIEW OF ZYSCOVICH TASK 1 OF REPORT

Chairman Green stated today the Committee would be reviewing the Zyscovich presentation and give input which would result in a final product to be forwarded to the Board. Also, the Committee will discuss the contract, Phase 2 and deliverables.

President Crews updated the Committee on their request from the last EDAC meeting to obtain a formal extension from Zyscovich on the deadline for the Board to determine if the project would move forward. The new deadline date is January 19, 2018 which gives a 10 day grace period from the January 9, 2018 Board meeting date.

Grace Perdomo, Zyscovich Architects stated today her entire team was present which includes Lambert Advisory and AVCON. Ms. Perdomo explained project scope of work is divided into two tasks 1) Initial task which was developed and finalized; an analysis and visioning component focused on a final check point at which they would confirm viability of the development for SAA owned land. 2) Second task is focused on definition of a development framework and consists of three components: enhance access to airport, place making and leverage site development opportunities. In conclusion Ms. Perdomo stated the focus of the presentation today includes revisions based on feedback received from the Committee and the specifics of the tasks.

Following presentation by Zyscovich, the Committee requested a number of revisions to the report: Vision Statement slide to clarify number of years; Comparable airports slide to use radius of ten miles instead of city population; Rail lines to be clarified commercial versus passenger; the use of Spartanburg/Greenville SC airport in lieu of Middle Georgia Regional Airport for comparative airports; the addition of “which includes all the proposed uses” to SAA Developable Properties slide; Highlight rail access on slides; FBO language shown for Zone 2 to be changed to “FBO/ MRO/Cargo”; North Lots Development Zone slide to highlight “Zone 1” and make reference to detail drawing; Add “owned by others” to development cons on Central Development Zone slide; on South Lots Development Zone slide, update aerials to show Boombah Sports Complex; on Airfield-accessible properties, line of site issues area needs to be re-drawn; re-arrange pros and cons on Gateway Development Zone; add SAA-
owned developable property along Red Cleveland Boulevard in front of Allegiant Training Facility, including development options; and add page numbers to presentation.

President Crews noted that Task 1, as revised including today’s comments, will be presented to the Board January 9, 2018. Following the SAA Board meeting, there will be a 10 day comment period.

Board Director Ioppolo inquired of Rich Crotty and Paul Partyka their thoughts in terms of practical implementation of the plan, going to market and finding folks to fill the plan’s business development. Chairman Green asked that they hold their comments until after the recommendation for Task 1 was voted upon.

Grace Perdomo stated she could have the modified document to President Crews by noon on Saturday. President Crews stated she will then forward the modified presentation to the Board Directors.

Motion by Board Director Ioppolo, seconded by Board Director Smith to approve the plan as presented with modifications made. The Committee recommends approval to the Board provided the Board receives the final product of the presentation by 5 p.m. Saturday, inclusive of requested changes. Vote taken, none opposed. Motion passed.

Rich Crotty addressed Board Director Ioppolo’s inquiry; he stated proper planning prevents poor performance. The more planning and visioning when making the final decision should probably include phase 2, to have the complete picture when presenting this to developers. In terms of marketability he noted he’s talked to a major distribution potential, the property isn’t there yet for this particular prospect although he felt we can get it there to attract that sort of talent.

Chairman Green asked Grace Perdomo to take the Committee through the next task and what that’s going to entail, what the deliverables look like, and at the end of the day, what are we going to have to take out to The Crotty Group and NAI Realvest.

Grace Perdomo stated scope from the initial task has been completed; a combined analysis and visioning process has uncovered through those various components what the opportunities are. Contract had a check point at the end of this phase in which we would be able to, through that analysis, confirm whether or not there was some viable development opportunity at Sanford Airport in terms of marketing and re-development of commercial properties, and we have confirmed that there is. The result of this task does not include what we’ve come to term “an assurance of predictability”. When looking at redeveloping property and marketing it, you need to develop an all-encompassing comprehensive approach plan document that in effect conveys to the development community or to the pursuit of funding or partners what the intent is behind your plan, and the task 1 deliverable does not reflect that.
Task 2 and the components that they will be developing will complete that entire full picture. This entire vision will assure the Authority and predict the type of development that it can engage in over the next decade or two. It will enable the Authority to re-position its properties and sites in a very meaningful way that again assures it has reached the goals that the Authority set out to do which were to have this plan be a focus on economic development opportunities attract job development reposition and be of benefit to the community at large, not only the city and county but also the region.

Task 2 will include development standards again so the Authority has assurance the developers it attracts will build in a desired way and include financial analysis. It will look at defining what the model of the investment cost revenue will be for the SAA and a third component is implementation recommendations step by step in terms of timeline, what potential funding sources are identified and potential key partners to make the plan a reality.

Chairman Green inquired if Task 2 would include a financial feasibility study and look at overall value today, versus when we make those changes, how that enhances the value of land which translates into higher ground lease rents. He felt we’ve got to look at what we’re charging now relative to other competitive airports to SFB.

Eric Liff, Lambert Advisory responded yes, the second phase will be a comprehensive financial analysis to understand two things: 1) allow you to build a flexible model to understand there is existing revenue, 2) what’s the greatest balance of the existing revenue and making that investment for future opportunities and created value, what’s that value. He felt the financial analysis would be able answer that.

Chairman Green requested examples of deliverables.

Board Director Ioppolo stated for example he brought three restaurant developers here over a year ago, talking about needing a restaurant for the hotel, and all three of the three major national companies told him when you have a development plan call me; until then we don’t have the time or energy to waste on hypotheticals. They want a plan that says this is where you think a restaurant will go.

6. **REQUEST FROM CONSTANT AVIATION FOR EXTENSION AND EXPANSION OF GROUND LEASE**

President Crews stated Constant Aviation is requesting an extension of their ground lease. A copy of the overlay was distributed to the Board and discussed. Constant Aviation would be building another facility, 35,000 square feet at a cost
of $7 million dollars. The ramp for that would have to be extended as they don’t lease that. Constant was asked to square off their leasehold, which they also agreed to meaning they would lease an additional 3.72 acres (162,000 square feet). When Constant purchased the property from Cambata, they had asked for an extension of the ground lease because they were going to be investing at least 2.5 million dollars, the Board voted no. Now they have put in over $3 million dollars in improvements and they want to make an additional $7 million dollar investment in a new hangar and have asked if we would consider an extension of a ground lease.

Discussion ensued regarding three possible scenarios A, B and C which were distributed to the Committee. Board Director Smith requested lease rates for MillionAir.
Chairman Green discussed a sensitivity analysis. Board Director Smith felt Constant Aviation is an important tenant, important to employment in the whole area, and job increases in Seminole County. Board Director Green inquired staff’s recommendation.

President Crews responded we need to make this happen; they purchased a property that was failing as Starport was struggling. Constant Aviation has turned it around in less than a year, increasing the number of jobs daily; they will be adding 140 people by June. After adding the new hangar, they will be increasing jobs by another 150. They are doing exactly everything we want, and increasing our air traffic numbers by increased take offs and landings. Her recommendation would be option C as a reasonable place to start.

Chairman Green stated his preference for option B.

Discussion ensued, the Committee stated their preference for option B and agreed President Crews would present this option to Constant Aviation and then come back to the Board.

7. OTHER BUSINESS

President Crews informed the Committee that tenant L3 went before the DRC because they want to expand their fuel farm by adding another tank. This wasn’t something that needed to come before the Board, but she looked in to the possibility of moving their entire fuel farm at our cost. They talked about perhaps moving it to the North to another site to free up the land on which it now sits. She stated she received a ballpark price from L3’s engineer this morning of $230,000 which is cost prohibitive and doesn’t include environmental investigation. Therefore she told them this wouldn’t work.
President Crews updated the Committee regarding the possibility of a hotel being built on Red Cleveland Boulevard at the Airport entrance by the former hotel developer who defaulted on his lease.

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 10:41 a.m.

Respectfully submitted,

*Diane H. Crews*

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