

**MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
TUESDAY JANUARY 30, 2018**

PRESENT: William R. Miller, Chairman
Jennifer T. Dane (arrived 12:06 p.m.)
Tom Green
Frank Ioppolo Jr. (arrived 12:20 p.m.)
Steve Smith

**OTHER BOARD:
DIRECTORS** Clyde Robertson, Jr.
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

OTHERS PRESENT: Robert Luthy, L3 CTS Flight Academy
Paul Partyka, NAI Realvest
Jeremy Owens, CPH Engineers

1. CALL TO ORDER

The meeting was called to order at 12:04 p.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 JANUARY 5,
2018

Motion by Board Director Smith, seconded by Board Director Miller to approve the minutes of the meeting held on January 5, 2018. Vote taken, none opposed. Motion Passed.

5. UPDATE FROM BEACON BAY

President Crews stated she has briefed all of the Committee members regarding the hotel, all of the details are not available at this time and she anticipates another EDAC meeting will be necessary before the March Board meeting in order to bring a recommendation to the full Board in March.

6. OVERVIEW L3/AEROSIM FLIGHT ACADEMY'S LEASEHOLD

President Crews referenced an aerial of Aerosim's campus with current leaseholds. L3 is in need of additional ramp space due to growth; currently they have over 500 students and expect 600 by the end of the year. They are increasing their fleet from 70+ to 130 aircraft. L3 has been engaged in negotiations with the Airport for extension of their current leasehold as well as the addition of Building 450, through a Letter of Intent (LOI). They are also considering Building Nos. 517 and 543 which were formerly leased by Jetezy. L3 had already made it known to her that they were interested in leasing those properties if recovered by the Airport. She explained that half of Building 517 is being used by the SAA for the storage and restoration of the PV1, and the other half, which is separated by a fence, is being used temporarily by Allegiant Air for storage through the end of the year. The ramp was the most important element to L3 at this time for aircraft parking, although they would like to get the hangar eventually, as well as Building 543. They are working on a LOI separately for the properties.

Robert Luthy, L3 CTS Flight Academy, Director, Business Development stated he has already turned in a request to corporate to lease the additional properties.

President Crews explained there are two different groups of properties to look at; she will be receiving a LOI for buildings 543 & 517 from L3's real estate group. The rest of their properties including 450 (which they don't lease right now but want to include) have all been included in an LOI that is under review by staff and SAA Counsel. It's not quite ready to bring to the Board for consideration and approval, although we're getting closer. President Crews updated the Committee giving them a better sense of who L3 is and how much they've expanded their operation.

Robert Luthy gave the Committee a brief history of L3. Mr. Luthy explained the impending need for pilots, the shortage that we are envisioning and that has been talked about for a number of years. L3 being able to facilitate this pilot

shortage is important to commercial aviation, and having a quality partner is wonderful. He stated their predecessors at times struggled but fortunately they were able to stay afloat. L3 brings in a level of expertise and money, and hopefully they will continue to grow.

Mr. Luthy informed the Committee that L3 has a need for lodging; currently, their dorm has 131 beds, and he has a need for 401 beds. Presently, the students live in apartments throughout town. He stated they are working with a proprietor to build a Hampton Inn with construction slated to begin this summer. There is additional land to build a second hotel and room for apartments to house staff members. L3 has 300 employees which includes instructors and they are planning to hire 35 more employees this year.

7. RELOCATION OF L3'S FUEL FARM

President Crews updated the Committee that L3 came to the Airport's Design Review Committee (DRC) to get approval for the addition of a new fuel tank for jet A fuel at their existing fuel farm. She noted that after the DRC, Board Director Miller and staff looked at whether or not it would be feasible for the Airport to pay to relocate the L3 fuel farm, including the new tank, to the north adjacent to the Airport's fuel farm. However, the quote was cost prohibitive at \$250,000. She had input from various members of the Board regarding the feasibility of going ahead with installation of the new Jet A fuel tank to the north, with the SAA paying any additional costs for the new location. This would keep us from not having to move something twice later on. At some point when we need this property vacated for development, there would only be the one Av-gas fuel tank to move. The additional cost to install the new Jet A fuel tank to the north came back very favorable and she wants to move forward.

Chairman Green noted a recommendation was not being requested at this time.

8. REVIEW OF OPTIONS FOR GATOR DOCK FACILITY

President Crews gave the Committee a brief history on Gator Dock and Marine regarding various discussions over the last several years about a new facility. Gator Dock's facility is the oldest infrastructure in the Commerce Park. They have been in business since the 1980's, and their leasehold consists of a conglomeration of old buildings some of which are old Quonset huts. The Airport generates \$10,000 per month from the lease of these buildings but the layout is very inefficient for Gator's operation.

President Crews explained Gator Dock had requested that the SAA construct a new 55,000 square foot building and they would lease it from us.

Discussion ensued regarding the size of a new building, new location, and cost of renovations to buildings at the existing site.

Board Director Smith informed the Committee that about ten years ago, he was contacted by Gator Dock regarding remodeling the existing buildings. He walked the property and explained to them remodeling wasn't an option; they'd have to find somebody else because he wouldn't touch it.

President Crews referenced Gator Dock's other options: make improvements and stay at the current facility; find a competitor with a larger facility and relocate within 12-18 months [they have a competitor south of Orlando that they are seriously considering acquiring them, so they could do this]; or they could begin fabrication and expansion at their Atlanta facility and phase out of Sanford within 18-30 months.

Board Director Slattery felt we should be careful with our borrowing capacity because we're going through this master plan with Zyscovich and we're going to have some opportunities where we need to borrow. He didn't feel we need to spend money to tear down the existing Gator Dock buildings; they are fine standing until we have a secondary use, then you can go put it together as one loan. He felt eventually someone will come to us who wants to do a big project, and that's where we want to spend our money. As far as them leasing or wanting us to spend money, they are torn on where to go and they aren't ready to commit 5 million dollars. He reminded the Committee that you can sign a lease or you can also sublease and get out of that expense, and he thinks they're looking for us to spend that money versus them, because they aren't ready to commit to the project.

Paul Partyka discussed advantages of Gator Dock building in Florida versus moving out of state. He stated whether they build the building right here or Aviation Loop, wherever they build it, that building is going to cost the same here, south Orlando or Atlanta. Mr. Partyka discussed the cost of money. Florida is a cheap place to do manufacturing, labor is cheap, cost of goods is cheap and the weather is good, this is the place to be. He said he would match our total economic package versus GA or any place else.

Board Director Ioppolo responded we're willing to do a commercial reasonable deal, but if they're looking to make their project profitable and we're going to take the loss or reduction, we are no longer willing to do that.

Chairman Green summarized that we have no interest in investing in the existing facility and buildings. If they want to do an extension that is certainly a consideration, or another site build to suit definitely a consideration.

Board Director Smith felt they need to be out of their current location, somewhere on airport property.

Board Director Dane requested the Board Directors tour the Airport property after a meeting.

9. OTHER BUSINESS

None.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 1:44 p.m.

Respectfully submitted,



Diane H. Crews, A.A.E.

President & CEO

/lh