

**MINUTES OF THE  
SANFORD AIRPORT AUTHORITY  
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING  
THURSDAY, JULY 19, 2018 10:30 A.M.**

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**PRESENT:** Tom Green, Chairman  
Jennifer T. Dane (appeared via telephone)  
Frank Ioppolo, Jr. (appeared via telephone)  
William R. Miller  
Steve Smith  
Brett Renton, Counsel

**ABSENT:**

**OTHER BOARD:  
DIRECTORS** Henry Bowlin  
Tim Slattery

**STAFF PRESENT:** Diane Crews, President & CEO  
George Speake, Executive Vice President of Operations & COO  
Don Poore, Chief Financial Officer  
Scott Cole, Maintenance Director  
Thomas Fuehrer, Chief Sanford Airport Police Dept.  
Tommy Gentry, IT  
Lori Hunt, Executive Assistant  
Jacqueline Lauterbach, Leasing Manager  
Al Nygren, Property Manager  
Rachel Walker, Finance Manager

**OTHERS PRESENT:** Paul Partyka, NAI Realvest  
Rachel Saunders, NAI Realvest  
Angela Singleton, Hilltop Securities

1. CALL TO ORDER

The meeting was called to order at 10:30 a.m. by Chairman Green.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. COMMENTS FROM THE PUBLIC

None.

4. APPROVAL OF THE MINUTES OF THE MEETING HELD ON MARCH 21, 2018

Motion by Board Director Smith, seconded by Board Director Miller to approve the minutes of the meeting held on April 26, 2018. Vote taken, none opposed. Motion Passed.

5. GATOR DOCK & MARINE

President Crews presented background information on Gator Dock & Marine:

- Oldest tenant since 1979, good standing strong company.
- Would like us to build them a new facility.
- Existing leasehold consists of 5 buildings, oldest infrastructure in Commerce Park. Very inefficient layout for production.
- Gator requesting 29,760 square foot building on 6 acres of land, adjacent to current site.
- Do not require or need rail access.
- Preferred site; they have been looking at for 4 years.
- \$32,000 maximum amount Gator Dock & Marine wants for payments.
- \$4.1 million-dollar project, asked Gator to put in equity of 10% \$410,000 we would pay \$3.7 million.
- Proforma showing debt service.
- Gator currently generates approximately \$10,000 per month, \$120,000 per year.
- Just signed one-year extension with two one-year options.
- Gator deciding to stay here if we build them a new building or they look at another property that works for them.
- Lease term 30 years.
- Proformas: 2 @ 20-year loan, 4@ 30-year loan. Trying to keep them at payment they want, and in the meantime, we acquire income level we want.
- Cost comparison.
- Proformas A-F show cash flow we would generate from each option, how it would affect our current income.
- 5 of 6 Proformas have us receiving less income than we currently generate.
- Final proforma: debt service using 5% interest over 30-years with payments of \$32,000 provides increase over current income.

Chairman Green summarized:

- Existing situation \$120,000 per year is not an ongoing opportunity for us, they aren't going to stay.
- Short term extension with two one-year options.
- We don't have the opportunity to do a 20-year ground lease for \$120,000.
- What is the credit of the tenant?

- What is cost to build the building?
- Need a consultant with architect capabilities to draw up conceptual plan to put a number around.
- Recommendation to spend money to get conceptual cost.
- Airport's consideration, \$3.74 million-dollar loan and how that will impact Airport's overall credit capacity.

President Crews presented an overview to the Committee:

- 20-year versus 30-year loan.
- Cash flow analysis.
- Proformas.
- Soft cost.

Discussion ensued regarding proposed demolition cost on existing Gator Dock & Marine property. Discussion ensued regarding site contamination, FDEP and RBCA closing.

Discussion ensued regarding Airport's credit capacity.

Discussion ensued regarding future development opportunities in the Commerce Park and how the Gator Dock & Marine proposal would affect that future development.

Discussion ensued regarding PFC's as collateral for the terminal expansion loan. Discussion ensued regarding PFC #5 application timeline. Discussion ensued regarding contractual obligation of Airport for additional gates.

Paul Partyka presented an overview of discussions held with Gator Dock & Marine:

- Reviewed 10 different proformas.
- Gator has requested \$32,000 monthly payment limitation.
- Feels Gator wants to remain at the Airport.
- Conducted a 20-mile radius near the Airport and no other property available to meet their needs.
- Additional soft cost.

Chairman Green suggested that President Crews and her team talk to some of our consultants to determine a conceptual construction cost. The general contractor can get pricing more definitive for development, see more details, and then the Board could make a decision with more accurate information.

President Crews summarized the main objectives today:

- Revisit Gator's request and determine Board interest.
- Discuss spending money to get a better cost estimate for construction.
- Decide if we want to take a risk or not.

Discussion ensued regarding preference to using a smaller civil engineering design firm opposed to a larger firm.

Discussion ensued regarding design build option. Discussion ensued regarding cost for design build documents.

After further discussion the Committee members were in favor of spending no more than \$10,000 for conceptual design drawings and moving forward to make this work for the tenant.

Discussion ensued regarding:

- Need for clearly defined drawings to put out to bid.
- Gator Dock & Marine aggressively cutting back on design criteria.
- Necessity for a consultant or not.
- Suggestion that Gator Dock & Marine furnish bid documents.
- Doing all we can without harming our balance sheet to retain this tenant and make a profit.
- Airport provide a shell building and Gator either gets a credit or provides all the build out of the interior.
- The required crane mechanism is separate and apart, Gator paying for that.
- Hilltop Securities to review Gator's financial ability, financial statements, 3-year tax returns.
- Credit of Gator Dock & Marine's parent company.
- There is 30-45-day window to review M&E, credit, rates, cost overruns.

## 6. OTHER BUSINESS

President Crews briefed the committee regarding L3 leases:

- Still engaged in conversations with their real estate division and corporate officer.
- Final response is not back yet.
- Final term sheet needs to go back to EDAC.
- L3 given the option of letter of credit opposed to a personal guarantee.

L3 Benefits the Airport:

- Anchor tenant since 1989.
- Lease currently below market rate.
- Financially beneficial impact to the City.
- Benefit of landing fees and fuel, 130 planes on the ground.
- Seminole State College and Seminole County Public schools ground aviation program; they could help us award scholarships.
- SFB is ranked 29<sup>th</sup> out of 553 airports because of operations generated by flight school.
- 500 students, instructors and staff, they are a big employer.
- Students, instructors and staff spending money in the community.
- Dorm facility being contemplated in downtown Sanford.

President Crews briefed the Committee on L3's history, how they evolved from Comair, Delta Connection, and Aerosim.

Discussion ensued regarding the Constant Aviation proposal. President Crews notified the Board Constant Aviation has asked to be notified first if we have any available hangars because they're growing.

Board Director Ioppolo updated the Committee on recent discussions regarding hotel opportunities. Currently considering two solid offers, continuing negotiations for multiple hotels. Looking at getting a good deal from an industry perspective as well as making sure that relationship/deal is done in a way as a catalyst to the additional development and expansion of our airport along the lines that we have outlined in our Zyscovich proposal. Board Director Ioppolo stated he expects to have a decision to bring to the Committee for consideration in the next 60 days.

Discussion ensued regarding funding concerns, equity injection into the hotel deal, reserves, budget amendment, landlord incentives, revenue stream, debt element, private partner option.

7. ADJOURNMENT

Chairman Green entertained a motion to adjourn.

Motion by Board Director Smith, seconded by Board Director Dane, to adjourn the meeting. Vote was taken, none opposed. Motion passed.

There being no further business, the meeting adjourned at 11:57 a.m.

Respectfully submitted,



Diane H. Crews, A.A.E.

President & CEO

/lh