

**MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 3, 2018 8:00 A.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane
Frank Ioppolo, Jr.
William R. Miller
Stephen P. Smith
Brett Renton, Counsel

ABSENT:

OTHER BOARD: U. Henry Bowlin
DIRECTORS Clayton D. Simmons
Tim M. Slattery

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Thomas Fuehrer, Chief SAA PD
Lori Hunt, Executive Assistant
Jacqueline Lauterbach, Leasing Manager
Al Nygren, Property Manager
Rachel Walker, Finance Manager

OTHERS PRESENT: Spencer Carey
Tracy Forrest, Southeast Ramp
Mark Galvin, Hilltop Securities
Eric Johannessen, Beacon Bay
Jeremy Owens, CPH Engineers
Paul Partyka, NAI Realvest
Rachel Saunders, NAI Realvest
Angela Singleton, Hilltop Securities
Kevin Spolski, Spolski Construction

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

None.

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

Motion by Board Director Smith, seconded by Board Director Ioppolo to approve the minutes of the meeting held on September 21, 2018. Chairman Green inquired as part of the official minutes do we incorporate the memos. President Crews replied what we have is an Agenda package which includes everything that went out plus the minutes, but we could add a reference in the minutes to the memo that says it was incorporated into the minutes. Board Director Smith amended his motion, seconded by Board Director Ioppolo. Vote taken, none opposed. Motion Passed.

5. SOUTHEAST RAMP

President Crews stated Tracy Forrest was present today as the owner of South East Ramp Development Inc. This item was introduced at last month's EDAC meeting. The Committee received a revised memo this morning, a revised letter of intent, lease rate and dates to when each phase would likely come forward.

Tracy Forrest has secured a tenant for Phase II and would begin construction immediately following approvals and permitting. President Crews referenced staff recommendation and requested the Committee strike the wording "Issuance of CO" in the last paragraph. Tracy Forrest is agreeable to the staff recommendation. President Crews presented and the 2017-18 General Aviation Airport Rates and Charges survey for the State of Florida, conducted annually by Slack, Johnston and Magenheimer, Inc.

Discussion ensued regarding existing lease term, enabling legislation, and FAA regulations. Counsel to review existing lease. Discussion ensued regarding the annual escalator and the length of time tenant has been with the Airport.

Motion by Board Director Smith, seconded by Board Director Dane to move the deal on to the Board per the staff recommendation as amended. Vote was taken, none opposed. Motion passed. (Attached Staff Memo for this item to be entered in to the Public Record).

6. HOTEL

President Crews stated Eric Johannessen with Beacon Bay Development was present today, as the Airport's hotel consultant. President Crews referenced the proposed site of the hotel which is to be located at the SE corner of Marquette Avenue and Red Cleveland Boulevard. Site plan shows two hotels and a restaurant. Second hotel is conceptually an extended stay hotel. President Crews referenced the staff memo which provided a history of our hotel development

process. Board Director Ioppolo is the Board representative regarding the hotel and he gave the Committee an overview of the hotel discussions.

Mr. Johannessen presented his background to the Committee including the work he has done for Shaner Hotels. Mr. Johannessen stated Shaner Hotels develops, builds and runs their own properties. He reached out to Shaner as an effort to secure a firm to build a hotel for the Airport. Mr. Johannessen noted:

- Shaner was building a Fairfield Inn in Harrisburg PA.
- This conversation took place in June of 2018.
- 80% of Shaner's hotels have the Marriott flag.
- Shaner is in the Florida market.
- Shaner is opening a second hotel at Daytona Speedway, just opened a Fairfield Inn at the Daytona speedway and completing an autograph hotel as well.

President Crews stated she spoke with the Harrisburg Airport Director who informed her it had been a wonderful experience in dealing with Shaner, they did everything they said they would do on time and on budget, and it's been a great project for the airport. Harrisburg incentivized Shaner with a low lease rate and there was additional revenue procured through a grant. She noted that the Board Directors are invited to attend the grand opening of the Fairfield Inn Harrisburg, PA on October 25th.

Discussion ensued regarding the Shaner proposal.

President Crews summarized the deal on the table is: revenue shared partnership, discounted lease rate, incentive cash payment of \$1M, and we get 50% share of revenue after expenses.

Mr. Johannessen presented an overview of the proposal and updated the Committee on Shaner's answers to their specific questions.

Board Director Miller thanked Eric Johannessen for his and staff's presentation of the hotel proposal and Eric for bringing Shaner to the Airport.

Motion by Board Director Dane, seconded by Board Director Smith that EDAC recommends to the SAA Board to approve the Shaner Hotel Group, Inc. LOI and move forward with drafting the lease agreement for the proposed hotel. Vote was taken, none opposed. Motion passed. (Attached Staff Memo for this item to be entered in to the Public Record).

President Crews thanked the EDAC Committee and Chairman Slattery for bringing out significant points, and she appreciated their time and input.

7. OTHER BUSINESS

President Crews stated Paul Partyka, NAI Realvest is present today and she asked him to update the Committee regarding the Gator Dock and Marine proposal.

Paul Partyka updated the Committee that he spoke with the President of Gator Dock and Marine regarding the EDAC Committee's decision and increase in equity.

- Equity stipulation was shared with President of Gator.
- Gator Dock and Marine plans to be at the Airport long term.
- Sanford is a key part of their operation.
- Gator planning acquisitions in Texas that will have impact here as far as sharing work load here and other parts of the southeast.
- Regarding \$600,000 equity share, assumption was made that the Airport could get 10% loan. Gator anticipated \$400,000 in equity and can't do more than \$400,000.
- 30-year lease term on initial terms is too much; they will do 20-year lease term.

Discussion ensued regarding Gator Dock and Marine's response they will contribute no more than \$400,000 and no longer than 20-year initial term. Discussion ensued regarding cost estimate on building. Discussion ensued regarding spending no more than \$10,000 for a cost estimate of a new building. Discussion ensued regarding current operation of Gator Dock and Marine staying in their current location for another 20-25 years and redoing their lease for that term. Discussion ensued regarding presenting Gator with different renewal scenarios.

8. ADJOURNMENT

Chairman Green entertained a motion to adjourn.

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

There being no further business, the meeting adjourned at 9:24 a.m.

Respectfully submitted,



Diane H. Crews, A.A.E.

President & CEO

/lh