

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, AUGUST 7, 2012**

PRESENT: Tim Donihi, Chairman
Stephen P. Smith, Vice-Chairman
Tom Ball
Whitey Eckstein
William R. Miller
Clayton D. Simmons
Tim M. Slattery – *arrived at 8:49 a.m.*
Mayor Jeffrey C. Triplett, City Liaison
Commissioner Dick Van Der Weide, County Liaison
Brett R. Renton, Airport Counsel

ABSENT: U. Henry Bowlin, Secretary/Treasurer
David L. Cattell

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
George Speake, Vice President of Operations & Maintenance
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Krysty Carr, S.E. Ramp Hangar Development
David Doudney, Doudney Surveyors
Michael Doudney, Doudney Surveyors
Greg Dull, TBI
Tracy Forrest, Winter Park Construction
Larry Gouldthorpe, TBI
Shannon Gravitte, Mears Transportation Group
Brady Lessard, CPH Engineers, Inc.
Genean H. McKinnon, McKinnon & Associates
Mike Mikkola, Executive Jet Design, Inc.
Al Nygren, O.R. Colan Associates
Tim Shea, AVCON
Kevin J. Spolski, Spolski Construction

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION OF GUESTS

The meeting was called to order at 8:31 a.m., followed by the Pledge of Allegiance.

Chairman Donihi welcomed the guests.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JULY 3, 2012

Motion by Board Member Ball, seconded by Board Member Smith, to approve the minutes of the regular July meeting held on Tuesday, July 3, 2012. Vote taken, none opposed. Motion passed.

4. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Reminder of meeting – President Dale confirmed that the joint meeting with the City of Sanford to approve the 2012-2013 Budget is scheduled for 4:00 p.m. on Monday, August 27, 2012, in the City Commission Chambers.
- B. Extension of Runway 9L-27R – Notice to Proceed has been issued and the contract has been signed. The Authority has the insurance (builder's risk, workers compensation, and liability) and all the St. John's River Water Management permits. The NOI (Notice of Intent) for the NPDES (National Pollutant Discharge Elimination System Stormwater permit) has been issued. The geotechs are checking the moisture in the wet soil (wet from the summer rains). The soil is at an optimum range of moisture (13 %) in the latest proctor taken. If there are any issues with the soil due to moisture, there is a material that can be mixed in and white sand from another location. The Authority has the bond on file. The Notice of Commencement has been recorded along with the bond. Staff held a preconstruction meeting and the first construction meeting. Staff has also had a preconstruction meeting regarding the Adesa pond. At this time, everything is going according to schedule.
- C. Land Acquisition – Land acquisition is progressing well. The Adesa property was acquired by a Stipulated Order of Taking in final judgment. The Authority now has possession and title to the property. The money has been deposited with the Court. The Authority still needs to acquire the Fertakis property needed for the RPZ (not needed for the expansion). The Authority will be making them an offer only on the property needed for the RPZ, and then seek a hearing for the Order of Taking. The other properties have either been closed on, acquired by Order of Taking, or are in the process of mediation. The Hoke property has a Stipulated Order of Taking and may result in a jury trial. The Delphini and Driscoll properties have Stipulated Orders of Taking.

- D. T-Hangar Repairs – Before and after pictures of the improvements were shown. It takes approximately 6-8 weeks to repair a building; the bigger buildings might take longer. The buildings in the worst condition were repaired first. This is a 3-year project, with a schedule to repair 3-4 buildings per year.
- E. Buildout – The buildout for Orange Air has gone out to bid. The reimbursement of the cost of the buildout will be amortized over 7 years at 5% interest. The Authority has received a personal guarantee in an amount above of what the rent would be. Consent Agenda Item A asks the Board to award the contract to Bailey Construction (lowest bidder) and enter into a lease addendum with Orange Air. Board Member Simmons questioned if the Authority has done business with Bailey Construction in the past. President Dale clarified they had worked with the Authority, and noted this is a bonded job (the bond is included in the contract).

Regarding the buildout for Synergy Woods, the Board had previously authorized staff to enter into a lease with them, based on a buildout proposal. The buildout was put out to bid. It was later modified and put out to bid once again.

- F. Property Acquisition with Noise Mitigation Grant – Staff is still working on the noise mitigation land acquisition for voluntary purchases. Al Nygren stated three offers have been made so far, and one agreement was executed already (he picked it up the previous night). President Dale showed the properties on the map.
- G. Wildlife Management – Staff continues to do wildlife management. The propane cannons are working well. The eagle's nest on the Piloian property (Lake Mary Blvd.) was taken down (the permit was issued). Regarding the old/abandoned nest on the Steele (previous owner) property, the Authority has not been able to get a Federal permit. President Dale noted Counsel wrote a letter to U.S. Fish and Wildlife, and noted the agency did not respond to it. He stated he had Counsel write them a second letter, reiterating the removal of the nest is an emergency. The agency does not agree that removal of the nest is an emergency. President Dale noted the wildlife management hazard plan requires the Authority take immediate action in such cases. He stated the Authority took immediate action by applying for the permit and instructing Counsel to contact the agency twice regarding the request. Due to the lack of response from the U.S. Fish and Wildlife, staff was forced to contact Congressman Mica's Office in hopes to resolve the permit issue.
- H. Conference and Training – The Airport Commissioners Public Policy and Leadership Academy is scheduled for October 28 – 30, 2012. Board members interested in attending need to contact Diana M. Muñoz-Olson.
- I. Operations – For a while, the Airport was the busiest combined (General Aviation and Commercial Aviation) airport; however, operations decreased

during the recession. Operations have now increased to almost 29,000, the busiest in five years.

- J. Aerosim Flight Academy – The increase in operations is partly due to traffic from the Aerosim Flight Academy. The academy is planning on closing their campus in Houston, Texas and moving 25 aircraft to the Airport; however, they requested a couple of incentives to do the move to SFB. The move would mean approximately 100 additional students at the Sanford location.

President Dale stated there are two small buildings, located near the academy, that have been empty for a while. Diane Crews clarified Delta Connection Academy used to lease the buildings; one for record storage (an empty building - no buildout inside) and the other for their finance offices. President Dale stated Aerosim requested to use the buildings for 3 years at no additional cost to their current lease, effective August 2012; with the assurance the Houston operations would relocate to SFB. He noted the Authority will get more in fuel flowage fees from the academy, than the projected rent for the two buildings. President Dale stated Aerosim has given the Authority a commitment that this will roll into their permanent operations. Motion by Board Member Smith, seconded by Board Member Simmons, to incorporate the two buildings (Bldg. 41 and Bldg. 113) into Aerosim's present lease agreement (at no cost for 3 years effective August 2012). Board Member Slattery questioned if the Authority gets the buildings back if they relocate the academy somewhere else. Counsel stated a reversion clause can be added as part of the lease contract. Vote taken, none opposed. Motion passed.

- K. Attorneys' Fees – Distribution and discussion of attorneys' fees

- L. Aerials – Distribution of aerials.

- M. Year-to-date Financial Statements – President Dale gave the floor to Bryant Garret so that he could brief the Board on the financial report. Mayor Triplett requested a copy of the aged receivables and payables.

5. COUNSEL'S REPORT

During the July 25, 2012 Summary Judgment Hearing for the McDonnell property, the Motion to Compel was denied. Regarding the Motion to Strike Affirmative Defenses, there were three defenses the judge struck but told the attorneys they can argue them at trial.

Regarding Millwork International's Hearing on the same day, the other party alleged some of the applications of the payments did not match to the report Counsel had. As a result, the judge granted a partial summary judgment. The judge also found Millwork International breached the contract, but has reserved on the damages. The only thing left to determine is how much money they owe the Authority.

Discussion ensued regarding the McDonnell property case. It was the consensus of the Board no further action is needed at this time.

Regarding Millwork International, Counsel stated it is moving forward, once the documents they provide to Counsel are reconciled.

Regarding the Hoke property, Counsel is waiting for the trial coordinator to set it for trial. Counsel expects it to be a short trial.

6. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for July 2012

- i. UK traffic total
July 2012 – **55,483** passengers
- ii. International traffic total
July 2012 – **64,028** passengers
- iii. Domestic traffic total
July 2012 – **135,259** passengers
- iv. Total traffic
July 2012 – **199,583** passengers
- v. Year-to-date traffic – UK traffic
2012 – **198,752** passengers
- vi. Year-to-date traffic – International traffic
2012 – **254,216** passengers
- vii. Year-to-date traffic – Domestic traffic
2012 – **844,155** passengers
- viii. Year-to-date traffic
2012 – **1,102,476** passengers
- ix. Percentage
UK traffic is down 22% compared to July 2011. International traffic is down 18% compared to July 2011. Domestic traffic is up 2% compared to July 2011. Total traffic is down 6% compared to July 2011. Year-to-date UK traffic is down 6% compared to 2011. Year-to-date International traffic is up 8% compared to 2011. Year-to-date Domestic traffic is up 20% compared to 2011. Year-to-date traffic is up 15% compared to 2011.

B. Miscellaneous Updates

- i. Rental car relocation project – The rental car project and the garage modifications have been closed out. The rental car tenants are very happy with the remodeling.
- ii. Customer Facility Charge (CFC) – The CFC collection is slightly ahead of what was projected.
- iii. Curbside check-in – Mr. Gouldthorpe briefed the Board on the trial curbside check-in program.
- iv. Allegiant – The airline made a big announcement the previous week that they will add a third aircraft type to their fleet. Mr. Gouldthorpe stated Allegiant placed two separate orders, for a total of 19 aircraft. The A319 airbus will be joining the fleet at the end of the year (November 14, 2012). It is expected the new aircraft will double the range, reduce the seat cost on a unit basis, and give the airline better field performance; possibly opening more domestic markets.

There will be five new cities announced the following week; however, flights to Saginaw, Michigan will be discontinued. Greg Dull stated with the additional cities, SFB will surpass Las Vegas in number of destinations.

- v. Marketing video – Mr. Gouldthorpe commended Mr. Dull and Michael Caires for their job on this project. Mr. Dull briefed the Board on the added features of the website and presented the new marketing video. He noted the video was done in English, Spanish, and Portuguese. Icelandic and Dutch will be added to the website.

Chairman Donihi thanked Mr. Gouldthorpe for the dinner they hosted at the FAC Conference. Mr. Gouldthorpe thanked AVCON for co-hosting the event and the Board for attending.

7. LIAISON REPORTS

City of Sanford

Mayor Triplett stated the City Budget is balanced and noted the City continues discussions regarding the contracts with the Police and the Fire Department.

Regarding the article by the Orlando Sentinel on race relations, Mayor Triplett noted the City staff continues to bring the parties together for discussion.

In order to meet new federal and state regulations, the City plans on increasing the residential water rate (and wastewater bills) by approximately 8% or \$3.00 per household, effective October 1, 2012.

Seminole County

Commissioner Van Der Weide stated the County Budget is balanced. He encouraged staff to give a small presentation to the County Commission giving the status of the Airport.

8. CHAIRMAN'S REPORT

Chairman Donihi commented Congressman Mica would have an event the following day at the Southeast Ramp.

Regarding President Dale's evaluations, the 2012 Performance Evaluation Summary was distributed and Chairman Donihi announced the final score of 4.67. He will meet with President Dale later in the month to negotiate President Dale's bonus/salary.

9. CONSENT AGENDA

A. Consider approval of:

- i. Award of contract to Bailey Construction Co., Inc. for the buildout in Building 147, located at 1722 Hangar Road.

In previous meetings, the SAA Board was briefed on the proposed buildout for Orange Air, LLC in Building 147. Proposals have been received from four (4) contractors, with final bid tabulation as follows;

BAILEY CONSTRUCTION CO., INC.	\$221,500.00
DUNBAR CONSTRUCTION LLC	\$225,785.00
MCKEE CONSTRUCTION CO.	\$223,502.00
SPOLSKI CONSTRUCTION, INC.	\$274,799.00

Staff recommends approval of award of contract to Bailey Construction Co., Inc. for the buildout in Building 147, located at 1722 Hangar Road.

- ii. Addendum B to Lease No. 2011-16 with ORANGE AIR, LLC for Building 147, located at 1722 Hangar Road (Commercial Hangar).

Staff recommends approval of Addendum B to Lease No. 2011-16 with ORANGE AIR, LLC for Building No. 147, located at 1722 Hangar Road (Commercial Hangar). Addendum B extends the lease term until August 31, 2022, effective September 1, 2012. The lease consists of 14,400 square feet of office/hangar space, at \$4.00 per

square foot PLUS \$2.66 per square foot for reimbursement of the cost of buildout, amortized over 7 years at 5% interest, calculated as follows:

Years 1 – 5 (September 1, 2012 – August 31, 2017)

Base Lease Rate - \$4.00 per sf		
14,400 sf @ \$4.00 per sf	=	\$57,600.00
Monthly	=	\$ 4,800.00
6% Sales Tax	=	\$ 288.00
TOTAL	=	\$ 5,088.00

Upon issuance of C.O. for Buildout, payment will change to Base Lease Rate of \$4.00 per sf PLUS amortized payback of \$2.66 per sf for total payment of \$6.66 per sf, said payment to continue for seven (7) years.

14,400 sf @ \$6.66 per sf	=	\$95,904.00
Monthly	=	\$ 7,992.00
6% Sales Tax	=	\$ 479.52
TOTAL	=	\$ 8,471.52

Years 6 – 7 (September 1, 2017 – August 31, 2019)

Base lease rate will be \$4.00 plus an amount equal to the cumulative CPI from the preceding five (5) years PLUS \$2.66 per sf for reimbursement of buildout.

Years 8 – 10 (September 1, 2019 – August 31, 2022)

Base lease rate established in Year 6 plus an amount equal to the cumulative CPI from the preceding two (2) years, PLUS any remaining payments on the amortized payback of \$2.66 per sf.

NOTE: The tenant is a start-up air carrier currently working on securing their FAR Part 121 certification.

- B. Consider approval of Addendum A to Lease No. 2011-32 with ALLEN'S FRIENDLY AUTO SALES, INC. for Building No. 407, located at 1211 East 26th Place (Warehouse/Office).

Staff recommends approval of Addendum A to Lease No. 2011-32 with ALLEN'S FRIENDLY AUTO SALES, INC. for Building No. 407, located at 1211 East 26th Place (Warehouse/Office). Addendum A extends the lease term for one (1) additional year, effective August 9, 2012. The lease consists of 8,750 square feet of office and warehouse space, at \$3.00 per square foot. The annual rental rate is \$26,250.00; the monthly payment is \$2,187.50, exclusive of taxes.

Note: The tenant is currently in the process of building a facility offsite. Addendum A contains a provision that allows them to terminate the lease with sixty (60) days written notice to relocate to the new offsite building upon completion.

- C. Consider approval of Addendum B to Lease No. 2010-21 with SEMINOLE COUNTY POLICE ATHLETIC LEAGUE, INC. for Building No. 515-6/7, located at 2812-2818 South Mellonville Avenue (Warehouse/Office).

Staff recommends approval of Addendum B to Lease No. 2010-21 with SEMINOLE COUNTY POLICE ATHLETIC LEAGUE, INC. for Building No. 515-6/7, located at 2812-2818 South Mellonville Avenue (Warehouse/Office). Addendum B extends the lease term for one (1) additional year, effective August 1, 2012. The lease consists of 3,000 square feet of office and warehouse space, at \$4.00 per square foot. The annual rental rate is \$12,000.00; the monthly payment is \$1,000.00.

- D. Consider approval of Addendum E to Lease No. 94-42 with ORLANDO SANFORD INTERNATIONAL, INC. for Parcels A, B, C, D, E, and F.

Staff recommends approval of Addendum E to Lease No. 94-42 with ORLANDO SANFORD INTERNATIONAL, INC. for Parcels A, B, C, D, E, and F. Addendum E increases the annual rate effective October 1, 2012 by \$50,272.66 and amends the parcels as follows:

i.	Parcel A (GSE Pad)	54,153 sf @ \$0.2875	=	\$ 15,568.99
ii.	Parcel B (International Terminal/Ramp)	419,250 sf @ \$0.2875	=	\$120,534.38
iii.	Parcel C (Employee Parking/Lot C)	145,126 sf @ \$0.2645	=	\$ 38,385.83
iv.	Parcel D (Rental Car Service/Welcome Center)	680,177 sf @ \$0.2645	=	\$179,906.82
v.	Parcel E (Alpha Flight Kitchen)	63,187 sf @ \$0.2875	=	\$ 18,166.26
vi.	Parcel F (Fuel Farm)	40,319 sf <u>15,600 sf</u> 55,919 sf @ \$0.24	=	\$ 13,420.56

- E. Consider approval of Lease No. 2012-25 with THE LITE HOUSE, LLC for Building 126, located at 2854 Flightline Avenue (Warehouse/Office).

Staff recommends approval of Lease No. 2012-25 with THE LITE HOUSE, LLC for Building 126, located at 2854 Flightline Avenue (Warehouse/Office). The lease shall have an initial term of two (2) years, commencing on August 18, 2012. The lease consists of 6,658 square feet of office and warehouse space, at \$2.50 per square foot. The annual rental rate is \$16,645.00; the monthly payment is \$1,470.30, inclusive of taxes, PLUS a monthly payment of \$369.00 for repayment of construction costs for an \$8,400.00 office buildout.

NOTE: Tenant is a distributor of lighting fixtures.

Motion by Board Member Ball, seconded by Board Member Simmons, to approve Consent Agenda Items A through E. Board Member Slattery questioned OSI's rent increase, and requested the current rate (not only the increased rate) be shown in the future. President Dale offered to meet with Board Member Slattery to brief him on the OSI agreements/history. Vote taken, none opposed. Motion passed.

10. DISCUSSION AGENDA

None

11. COMMENTS FROM THE PUBLIC

None

12. OTHER BUSINESS

None

13. REMINDER OF NEXT BOARD MEETING (SEPTEMBER 4, 2012)

14. REMINDER OF JOINT BOARD MEETING (AUGUST 27, 2012)

15. ADJOURN FOR BREAK

The meeting was adjourned for a break at 10:12 a.m.

16. RECONVENE FOR TRAINING

The meeting reconvened from break at 10:21 a.m.

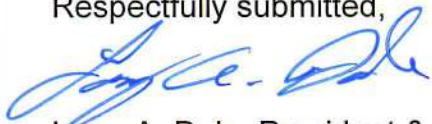
17. BOARD TRAINING: Airport Industry Familiarization and Training for Part-Time Policy Makers [by Airport Cooperative Research Program] – (Financial – Sections 13-15)

President Dale briefed the Board on the PowerPoint training presentation.

18. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:17 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Larry A. Dale", is written over the text "Respectfully submitted,".

Larry A. Dale, President & CEO
/dmm



SANFORD AIRPORT AUTHORITY
1200 Red Cleveland Boulevard
Sanford, Florida 32773
(407) 585-4001 • Fax (407) 585-4045
www.orlandosanfordairport.com

July 27, 2012

Via email: legals@mysanfordherald.com

The Sanford Herald
P. O. Box 1657
Sanford, Florida 32772 1657

Attn: Patti, Legal Classified

Please publish the following Public Notice one (1) time in the **Wednesday edition (August 1, 2012) of the Sanford Herald Classifieds.** Please confirm receipt of this advertisement by email to dmuniz@osaa.net.

PUBLIC NOTICE

SANFORD AIRPORT AUTHORITY

Notice is hereby given that the Sanford Airport Authority will conduct its August meeting on Tuesday, August 7, 2012, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Certified proof of publication and invoice should be sent to:

Attn: Diana M. Muñiz-Olson
Sanford Airport Authority
1200 Red Cleveland Boulevard
Sanford, FL 32773

Please do not hesitate to call me at (407) 585-4002 if you have any questions.

Sincerely,

Diana M. Muñiz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority for will be held on Tuesday, August 7, 2012, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) scheduled to be held on Tuesday, August 14, 2012, has been cancelled. Information may be obtained by calling (407) 585-4006.

USER GROUP

The Airport User Group meeting is held quarterly. The next scheduled meeting will be held on Tuesday, October 9, 2012. Information may be obtained by calling (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meetings are conducted on the first Wednesday of each month unless otherwise posted. The next meeting will be held on Wednesday, August 1, 2012, at 10:00 a.m., in the Authority's Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by calling (407) 585-4002.

The Sanford Airport Design Review Committee (DRC) will conduct a regular specially called meeting on Thursday, August 23, 2012, at 9:00 a.m., in the Authority's Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by calling (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO