

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JANUARY 5, 2010**

PRESENT: G. Geoffrey Longstaff, Chairman
Tim Donihi, Vice-Chairman
Whitey Eckstein
William R. Miller
Stephen P. Smith
Brindley B. Pieters
John A. Williams
Brett R. Renton, Airport Counsel
Michael McLean, County Liaison

ABSENT: William T. Litton, Secretary/Treasurer
David L. Cattell
Comm. Jack T. Bridges, City Liaison

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 Development
Jim Cawthon, SAA Chaplain
Juan Fernandez, Orlando Carriers
Tracy Forrest, Winter Park Construction
Larry Gouldthorpe, TBI
Geoff Lane, Starport
Bill McGrew, PBS&J
James L. Meade, Mears Transportation
D'Anne Mica, Mica McCormick Strategic Partners
Al Nygren, O.R. Colan Associates
Sergelin Osmar
Bobby Palm, AVCON
Jack Reynolds, JRA, Inc.
Kevin Spolski, Spolski Construction
Jean Pierre Toussand

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:35 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON DECEMBER 1, 2009

Motion by Board Member Williams, seconded by Board Member Smith, to approve the minutes from the regular meeting held on Tuesday, December 1, 2009. Motion passed.

4. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Extension of Runway 9L-27R – The Benefit Cost analysis was approved and the Environmental Assessment and the Finding of no Significant Impact were received. Need to apply for the \$8 million land acquisition grant and the \$1.2 million for the design-planning grant. Bryant Garrett stated that everything is due in by January 8, 2010.
- B. Runway 18-36 Rehabilitation – Project is almost complete. Due to cold weather, striping has not been completed and tortoise removal has to wait. The Runway opened before Christmas. A Notam was issued stating the markings are non-standing. The tortoise permit was received and the striping crew is scheduled to return.
- C. Improvements for the upgrade for airfield signage – This is a force account project funded with a \$1,060,253.00 grant. Lighting improvements were done on Romeo, Charlie and Kilo. The project started in June and is expected to be completed in February 2010.
- D. Bldg. 310 – The dorm is expected to generate approximately \$41,000.00 this month.
- E. Cargo Building Buildout for TSA – The project is expected to be completed the following week.
- F. Membrane Hangar – The design bid opening was extended to January 15, 2010. The selection committee will meet to review the bids and make a recommendation to the Board in February. At least 10 or more companies are expected to bid.
- G. Attorneys' Fees – Distribution and discussion of December's attorneys' fees.

(Discussed out of order during the FAC Annual State Summit) Board Member Eckstein questioned the charge for a conference call on the bill. Counsel stated he

would review the bill. He assured the Board that if there was an error on their part, the bill would be adjusted.

- H. Article – Discussion of article from the Orlando Business Journal regarding Bristow Academy.
- I. Legislative Priorities – The Board's priorities are limited to the widening of SR 46, to continue the purchase of the Right-of-Way, and placement of construction on the FDOT's 5-year Workplan. Their estimate for the Right-of-Way is \$16 million.
- J. FAC Annual State Summit – The FAC Annual State Summit will take place Wednesday, February 3, 2010. President Dale asked the Board's opinion about doing the annual dinner. Chairman Longstaff stated it is a relative small expense for the good it does. Board Member Miller stated that given the ongoing issue the Airport has and the economic climate, this might be the year to forgo it. Considering the unknowns for this year and the economic climate, he would consider not doing it this year. Board Member Pieters stated he understands what Board Member Millers recommends; however, in light of what is going on, the Authority still needs to continue to press the issues. Board Member Whitey agrees with Board Member Pieters. He believes that if the Authority still plans on attending the summit, Board Member Miller and Board Member Williams should attend. President Dale believes it is important to keep the Airport's status there. The SAA Board members are the only ones that attend, other airports send their staff or legislators. President Dale believes this is the event that the Authority should consider spending a little money on, with a dinner, where it gives the Board a chance to meet with legislators and discuss issues. Chairman Longstaff stated the consensus of the Board is to move forward with the dinner. Chairman Longstaff, Board Member Donihi, Board Member Miller, Board Member Smith, and Board Member Williams expressed their interest in attending.
- K. Bristow Academy – Flights started before the holiday, then closed and restarted this week. Their military contract is for helicopter training. They signed two new contracts with the government. The school is based out of Titusville.
- L. Millwork International – Addendum to be discussed under Consent Agenda as an add-on item.
- M. Building Occupancy Report – The Authority had about 1 million rentable square footage available. Currently there is a 90.8% occupancy by square feet; 87.31% occupancy by rental/income. Income is down 12.69% (approximately \$632,227.67 less of budgeted \$4.583 million). Staff is currently working with Southern Jet, Millwork International, and Pan Am on their outstanding balances.
- N. Editorial Cartoon – President Dale showed the Board a cartoon by Len Monroe from the Sanford Herald, regarding Allegiant Airlines. He stated the Authority continues to get complaints trough the website and e-mails about the airline's move to OIA. Diane Crews tries to answer the e-mails as soon as she receives them.

- O. Wildlife Management – The last eagle’s nest, an abandoned nest, was located by Starport. They Authority had a permit from the Florida Fish & Wildlife Conservation Commission to take the tree down. The tree was immediately taken down once the permit from the United States Fish and Wildlife Commission was received.

5. COUNSEL’S REPORT

There are three construction cases: two against HTA, to be mediated on January 21, 2010. Counsel hopes for a resolution to be discussed during the February meeting.

The third case is against ACI for the parking garage waterproofing. The day before, Counsel received ACI’s response with cross-claim. Counsel has to wait 10-20 days for Moss Water Proofing to reply. President Dale clarified the Authority had warranties from ACI and a 5-year warranty from Moss Water Proofing. The court will order mediation, parties can attempt to do mediation. The cost of repair is \$75,000.00.

Regarding the invoice inquiry by Board Member Eckstein, Counsel reviewed the bill and the item in question was a line item for Kenneth Wright, and his rate is correct.

Chairman Longstaff questioned if there were any eminent domain cases. Counsel clarified there were no eminent domain pending at this time.

6. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for December 2009

- i. UK traffic total
December 2009 – 6,383 passengers
- ii. International traffic total
December 2009 – 6,863 passengers
- iii. Domestic traffic total
December 2009 – 106,215 passengers
- iv. Traffic total
December 2009 – 113,078 passengers
- v. Year-to-date traffic
YTD 2009 – 1,711,619 passengers

vi. Percentage

UK traffic is down 30% compared to December 2008. Domestic traffic is up 16% compared to December 2008. Year-to-date traffic is down 7% compared to 2008.

Most airports in the small to medium category are seeing traffic decrease in the double digits (ex. 25% and higher). Orlando International Airport's traffic is approximately 6% down. Domestic traffic performs well at Orlando Sanford International Airport. Regarding the international traffic, the model is changing. Even though it is still a very important market, the charter package is down globally. The Airport has to find a way to offset that. Even though the recession is down globally, Mr. Gouldthorpe expects further reductions in 2010.

B. Airlines/Tour Operators Update

- i. Flyglobespan – The airline filed for bankruptcy. There was a dispute about a credit card clearing company not giving them access to funds that could have taken them out of bankruptcy. Approximately 50,000 passengers a year will be loss. OSI Staff is under discussion with other prospective airlines.
- ii. Tour Operators – The agreement with Thompson should be completed by the end of the week.
- iii. Allegiant – The airline is purchasing additional aircraft. It is still not clear what they intend to do with the planes. Mr. Gouldthorpe will see Maury Gallagher in February and hopes to learn what the airline's plans are. They are very sensitive to Airtran's competition right now. Doubts they will be public where these planes will go.

C. Miscellaneous Updates

- i. Holiday Parking – A lot of passengers were dropped off, rather than parking their cars. On Christmas Eve 300 cars were parked on the grass area, versus 800 same time last year. The parking garage was full, with the exception of the top level, which was used for short-term parking. Board Member Pieters stated he believed the same happened at the Orlando International Airport and Ft. Lauderdale Airport.
- ii. Max & Tracy Warriner – Max and Tracy Warriner will return to the UK on January 19, 2010. Mr. Gouldthorpe commended their work at TBI Cargo.

Board Member Miller stated that one of the reasons given by Allegiant for moving to OIA was the proximity to the area attractions. He questioned the time and cost difference from this Airport to the attractions vs. OIA. Mr. Gouldthorpe clarified the elapsed time from leaving the plane, getting the car and driving is only different by 10 minutes, and as little as 5 minutes for international passengers. The difference in tolls is about \$5.

Board Member Miller questioned the net effect on Allegiant since Airtran started flights to Allentown. Mr. Gouldthorpe stated there was almost no effect here at Sanford. On a factual basis, there has been minimal or no impact. There was no load factor impact; however, there might have been an impact on yield (on what they can charge).

Board Member Miller questioned if the Authority/OSI has had any communication with the cities that are moving to OIA. He questioned if the Authority/OSI have done anything to make sure the cities completely understand the services this Airport renders. President Dale clarified the airports have been contacted. Some airports agree with the Authority, some are neutrals, and others are keeping quiet. Board Member Miller questioned what the Authority has done to make sure those responsible for marketing really understand our services and stand with us. Mr. Gouldthorpe stated there are 4-5 airports that are strong supporters of the Authority. Chairman Longstaff questioned if the passengers have been contacted about the change. Mr. Gouldthorpe stated they should have received a call back by now. E-mails regarding the change have been forwarded to Allegiant.

Chairman Longstaff questioned if there is a way to track their load factors from OIA. Mr. Gouldthorpe clarified that it could be done, but not for the yield reports. Chairman Longstaff questioned how long the airline would be at OIA before it shows if the move works or not. Mr. Gouldthorpe stated it might take a while because of what the airline has invested. The airline does not talk about service too much; they sell basic transportation at very low prices. The Airport has made the airline service oriented by what the Airport offers. Board Member Smith questioned if any other carriers have expressed interest in moving in. Mr. Gouldthorpe stated there are some small models interested; however, they are concerned to try in the current economic market.

7. LIAISON REPORTS

City of Sanford

None.

Seminole County

Commissioner McLean stated the County Commission is paying close attention to the budget. The Commission will hold six separate budget sessions from January until March. They are expecting another 30 million-budget deficit, due to the housing market. A 10-12 % decrease in appraised value is expected. Even with increase in mileage, less than 6% ad valorem will be produced compared to the previous year. If things do not change, the county will have to use all they have in reserves, approximately \$10-\$15 million. The first budget session will be held the following Tuesday.

Regarding the Liaison position, Chairman Dallari has not made choices of board appointments. Commissioner McLean asked the board if they approved him, to let Commissioner Dallari know.

8. CHAIRMAN'S REPORT

None

9. CONSENT AGENDA

- A. Consider approval of Addendum G to Lease No. 2003-01 with DONALD and LAURA NOLETE for Building No. 299, located at 3114 Rudder Circle (Residential).

Staff recommends approval of Addendum G to Lease No. 2003-01 with DONALD and LAURA NOLETE for Building No. 299, located at 3114 Rudder Circle (Residential). Addendum G extends the lease term for one (1) additional year, effective January 1, 2010. The annual rental rate is \$9,900.00, an increase of \$300.00; the monthly payment is \$825.00.

- B. Consider approval of Addendum C to Lease No. 2003-25 with SEMINOLE COUNTY SHERIFF'S OFFICE for Building No. 534, located at 1150 East 28th Street (Juvenile Enforcement Center).

Staff recommends approval of Addendum C to Lease No. 2003-25 with SEMINOLE COUNTY SHERIFF'S OFFICE for Building No. 534, located at 1150 East 28th Street (Juvenile Enforcement Center). Addendum C increases the rental rate by three percent (3%) annually, effective January 24, 2010. The building consists of 22,680 square feet of office space, at \$7.20 per square foot for the first year. The annual rental rate for the first year is \$163,296.00, an increase of \$4,762.80; the monthly payment is \$13,608.00.

- C. Consider approval of Addendum C to Lease No. 2003-26 with SEMINOLE COUNTY SHERIFF'S OFFICE for Building No. 535, located at 501 Don Knight Lane (Pole Barn).

Staff recommends approval of Addendum C to Lease No. 2003-26 with SEMINOLE COUNTY SHERIFF'S OFFICE for Building No. 535, located at 501 Don Knight Lane (Pole Barn). Addendum C extends the lease term for five (5) additional years, effective December 13, 2009. The building consists of 10,000 square feet of office, vehicle, and equipment storage space, at \$4.65 per square foot; and a 9,600 square feet pole barn, at \$2.00 per square foot. The annual rental rate is \$65,700.00; the monthly payment is \$5,475.00.

- D. Consider approval of Addendum A to Lease No. 2008-39 with STEPHEN and MARY SMITH for Building No. 300-S, located at 3106 Rudder Circle (Residential).

Staff recommends approval of Addendum A to Lease No. 2008-39 with STEPHEN and MARY SMITH for Building No. 300-S, located at 3106 Rudder Circle (Residential). Addendum A extends the lease term for one (1) additional year, effective January 1, 2010. The annual rental rate is \$9,600.00; the monthly payment is \$800.00.

- E. Consider approval of Resolution No. 2010-01 authorizing the continuation of the Airport Customer Facility Charge.

Moved to Discussion Agenda.

- F. Consider approval of Resolution No. 2010-02 agreeing to the terms of the \$2.5 million loan from CNL Bank and the use of the loan proceeds to design, engineer, and construct a Large Commercial Aviation Hangar (for AVOCET).

Moved to Discussion Agenda.

- G. Consider approval of Resolution No. 2010-03 approving the terms of a Line of Credit Facility from CNL Bank in the amount of \$1 million.

Moved to Discussion Agenda.

- H. Consider approval of the Ground Transportation Pre-Arranged Permit for January 1, 2010 – December 31, 2010.

Each year staff reviews and prepares a new Ground Transportation Permit and Agreement.

This year's permit has several changes indicated in red text in the draft permit package.

Exhibit A has been expanded to include all of the Airport Rules and Regulations that apply to Ground Transportation.

Exhibit E has been verified and updated.

Exhibit F has been added to standardize reporting from the transportation providers as covered on page 4 of the permit.

~~Staff recommends approval of the Ground Transportation Pre-Arranged Permit for January 1, 2010 - December 31, 2010, as presented.~~

- I. Consider approval by Resolution No. 2010-04 of Joint Participation Agreement (JPA) FM Number 409805 1 94 01, for security projects, in accordance with Chapter 332.007(8) F.S.

Staff recommends approval of Joint Participation Agreement (JPA) FM Number 409805 1 94 01, for security projects, in accordance with Chapter 332.007(8) F.S.; and Resolution Number 2010-04.

- J. Consider approval by Resolution No. 2010-05 of Joint Participation Agreement (JPA) FM Number 411939 1 94 01, for purchase and installation of additional storage capacity to the security video storage network, in accordance with Chapter 332.007(8) F.S.

Staff recommends approval of Joint Participation Agreement (JPA) FM Number 411939 1 94 01, for purchase and installation of additional storage capacity to the security video storage network, in accordance with Chapter 332.007(8) F.S.; and Resolution Number 2010-05.

- K. Consider approval of Addendum D to Lease No. 2002-04 with MILLWORK INTERNATIONAL, INC. for Building No. 400, located at 3017 Mellonville Avenue (Warehouse/Office).

Staff recommends approval of Addendum D to Lease No. 2002-04 with MILLWORK INTERNATIONAL, LLC for Building No. 400, located at 3017 Mellonville Avenue (Warehouse/Office). Addendum D shall have a month-to-month term, commencing on January 1, 2010, and terminating at midnight on January 31, 2010.

NOTE: During the November 2009 meeting, the Board approved a month-to-month addendum with Millwork International for Building 400 at 3017 Mellonville Avenue be done. During the December 2009 meeting, Counsel recommended President Dale be given the authority to sign a month-to-month addendum each month on behalf of the Board, provided the tenant is current in their payments, to be reviewed by the Board six (6) months after that. A motion was made by Board Member Pieters, seconded by Secretary/Treasurer Litton, to grant President Dale ongoing extensions in month-to-month increments, for a period of six (6) months before it is reviewed again by the Board.

Motion by Board Member Eckstein, seconded by Board Member Pieters, to approve Consent Agenda Items A through J, excluding Items, E, F, and G, including add-on Item K. Motion passed.

10. DISCUSSION AGENDA

President Dale clarified the bank still wants to make changes to Items E, F, and G; the items can be discussed but no action can be taken. Motion by Board Member Eckstein, seconded by Board Member Smith, to move Items E, F, and G to the February agenda. Motion passed.

11. COMMENTS FROM THE PUBLIC

Juan Fernandez, owner of Orlando Carriers, stated his business was hit hard by the state of the current economy. He requested a change on the insurance limit requirements. Currently the Airport requires \$5 million limit for buses. Mr. Fernandez clarified that airports in Tampa, Miami, and Orlando only require \$1 million liability coverage. He stated it would help his business considerably if it were the same at the Sanford Airport; the change in requirements could save him \$10,000.00 a year. President Dale stated he did not work at the Airport when the Board set the limit. George Speake stated that at the time Counsel recommended the limit to cover the Authority and the passengers. Jim Meade, with Mears Transportation, stated it was lower at other airports, but he is comfortable with the Airport's rate. Chairman Longstaff requested Mr. Speake give an update during the February meeting. Board Member Smith questioned if a change in the limits would affect the Authority's liability insurance. He also questioned if the Authority's premium was based on that insurance. Mr. Speake will discuss it with Counsel and the Authority's Insurance agent. Board Member Smith clarified limits can be changed at any time on an insurance policy.

12. OTHER BUSINESS

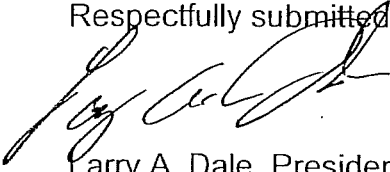
President Dale stated Delta Connection has been sold. President Dale and Staff are scheduled to meet with the new president the day of the meeting. They do have to change their name according to the agreement.

13. REMINDER OF NEXT BOARD MEETING (FEBRUARY 2, 2010)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:02 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry A. Dale", is written over the typed name below.

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

December 16, 2009

Via email: legals@mysanfordherald.com

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

Attn: Scott, Legal Classified

Please publish the following Public Notice one (1) time in the **Sunday edition (December 20, 2009) 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 January meeting on Tuesday, January 5, 2010, 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. Muñoz-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. Muñoz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, January 5, 2010, 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) meeting will be held on Tuesday, January 12, 2010, at 9:00 a.m., in the Sanford Airport Authority Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Scheduling and information is available by contacting the Vice President of Operations at (407) 585-4006.

USER GROUP

The Airport User Group meeting will be held on Tuesday, January 12, 2010, at 10:00 a.m., in the Sanford Airport Authority Executive Offices Board Room, A. K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Scheduling and information is available by contacting the Vice President of Operations at (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meeting scheduled for Wednesday, January 6, 2010, has been cancelled. Information may be obtained by calling (407) 585-4000.

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