

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
DECEMBER 4, 2018
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Tom Green, Vice Chairman
Chick Gregg
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel

ABSENT: Jennifer T. Dane, Secretary Treasurer
Commissioner Brenda Carey, County Liaison
Mayor Jeff Triplett, City Liaison

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Thomas Fuehrer, Chief SAPD
Tommy Gentry, IT Supervisor
Lori Hunt, Executive Assistant
Jacqueline Lauterbach, Leasing Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager

OTHERS PRESENT: Sonya Brauer, Southeast Ramp
Krysty Carr, Sanford Chamber of Commerce
Steve Cornell, Kimley-Horn
Luke Frey, Walbridge
Jonathan Hand, Atkins
Pam Hargis, Focal Point Coaching
Brady Lessard, CPH
Bernie Livingston, NAI Realvest
Hilary Maull, Avcon
Paul Partyka, NAI Realvest
R. Keith Robinson, AWW
Tom Roda, Atkins
Rachel Saunders, NAI Realvest

Tim Shea, Avcon
Angela Singleton, Hilltop Securities
Gregg Smith, Million Air
Kevin Spolski, Spolski Construction
Craig Sucich, AVCON
Paul Vermast, CE Avionics

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

The meeting was called to order at 8:30 a.m. followed by the Pledge of Allegiance and introduction of new Board Director Chick Gregg Sr.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. ANNUAL STAFF ACKNOWLEDGEMENT

Chairman Slattery invited the SAA staff to join the meeting. On behalf of the Board, Chairman Slattery thanked the employees for their hard work. He stated we have had such a productive year and it is because of staff and their efforts. President Crews acknowledged employees who have been with the Airport for more than 20 years. Chairman Slattery wished staff Merry Christmas.

4. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON NOVEMBER 6, 2018

Motion by Board Director Smith, seconded by Board Director Robertson, to approve the Minutes of the Regular Meeting held on November 6, 2018. Vote was taken, none opposed. Motion passed.

5. LIAISON REPORTS

A. City of Sanford

Mayor Triplett was absent.

B. Seminole County

Commissioner Carey was absent.

6. COMMITTEE REPORTS

A. METROPLAN

Board Director Smith updated the Board regarding MetroPlan: emergency money was allocated for redoing the traffic lights at the intersection of Airport Boulevard and 17/92 lighting. Chairman Slattery asked Board Director Smith to inquire of MetroPlan regarding a problem with north bound traffic on 417 exiting onto Lake Mary Boulevard backing up onto 417, creating a dangerous situation because cars are sitting on the 417 waiting to exit.

In response to Board Director Green's inquiry, Board Director Smith stated that the end date of construction on the western beltway connection is targeted for 2021. Board Director Green noted that the website states 2022. Board Director Smith stated he would get clarification at the next MetroPlan meeting.

7. COMMENTS FROM THE PUBLIC

None.

8. PRESIDENT'S REPORT

President Crews updated the Board regarding the following construction projects: Terminal Expansion/CPH detailed report including photos, Runway Incursion Mitigation and Taxiway Romeo.

President Crews updated the Board with regards to Gator Dock and Marine: Avcon prepared a scope including preliminary data collection, survey, topographic mapping, Geotech, site layout plan including 30% design and preliminary technical specs. President Crews noted there is a revised schedule and she intends to bring pricing to the February Board meeting.

Don Poore updated the Board regarding the Terminal Expansion project budget. President Crews updated the Board regarding the airline consultation meeting that was held last Friday. Board Director Green requested a change order log on the Terminal Expansion Project be distributed to the Board monthly.

Lauren Rowe updated the Board regarding media events, the Orlando Sentinel's in-depth article featuring Via Air on the front page, plans for the 3 millionth passenger event and the Ladies Sporting Clay Shoot.

Paul Partyka updated the Board regarding Gator Dock and Marine, Toro, and upcoming meeting with UCF New Business Development.

President Crews referenced the property report for November, prepared by Rachel Walker, Finance Manager.

President Crews referenced Police and ARFF reports.

President Crews referenced community outreach events.

President Crews updated the Board regarding the meeting with FDOT in Tallahassee regarding the SIS-connector. Oscar Anderson, Southern Strategy attended this meeting as well. A follow-up meeting will be held after the New Year to discuss what can be done to improve our signage and address the backup on 417 at the Lake Mary Boulevard exit.

President Crews updated the Board regarding the proposed Shaner hotel.

President Crews updated the Board with a list of items to be discussed at the upcoming Board Workshop. President Crews stated the date for the Workshop needed to be discussed. The Board agreed to the date of January 10, 2019 at 12:30 p.m. to schedule the Board Workshop.

9. COUNSEL'S REPORT

Brett Renton updated the Board regarding litigation with: t-hangar tenant and Jetezy. Brett Renton wished everyone Merry Christmas and Happy Holidays.

10. AIRPORTS WORLDWIDE REPORT

Keith Robinson updated the Board on November statistics: traffic up 10% over prior year, traffic tracking 8% over last year. Air service continuing to work on new options for ground transportation with SAA staff and more details will be provided in coming weeks. Working with SAA staff regarding 2019 marketing. Recent meetings were held in Europe with TUI, looking to see if they will increase service and get new destinations. Thanksgiving operation: 21% increase in passengers, traffic increase although less cars which indicates the transportation network could be having an impact. Mr. Robinson wished the

Board, SAA staff and their families Happy Holidays, Merry Christmas, Happy Hanukah and he's looking forward to a great 2019.

Board Director Robertson inquired of Mr. Robinson at what passenger count point would we be looking at another parking garage with a restaurant on top. Board Director Robertson stated this is the most asked question he receives. Mr. Robinson replied he has no date or passenger number but there have been many conversations on that already. He likes the idea of a restaurant on top and would pass that request on. President Crews responded we are working on the Master Plan now and the garage will be one of the short-term goals identified and funding possibilities. The CEO of Uber stated in ten years people won't have their own cars. Mr. Robinson stated if a new parking structure is built it would need to have an alternate use.

Discussion ensued regarding the celebration of the three millionth passenger. Keith Robinson informed the Board a projected date is somewhere in the last half of December. President Crews invited the Board Directors to attend the event, more details will be shared when a date is selected. Lauren Rowe presented an overview of the celebration that is being planned.

Chairman Slattery stated the Vinci Joint Board Meeting and Reception went extremely well, he hoped we made the Vinci Board feel welcome. Chairman Slattery thanked the Board Directors who were able to attend.

11. CHAIRMAN'S REPORT

Chairman Slattery stated he is proud of the Board Directors; they are very engaged and donate so much of their time, effort and skills. Chairman Slattery reminded the Board we are not only volunteers but ambassadors for the Airport. He is going to be asking staff to emphasize marketing done by us and would like to see the Board wearing apparel from the Airport every opportunity they have. This will be very important over the next couple of years during the terminal expansion project. Chairman Slattery stated he has started to meet with staff and Elizabeth Brown to make sure we are doing all we can do in this area. As we get our expansion completed, we need to have the gates full, we will have capacity. Over the next couple of years, we need to market and develop the carriers. Chairman Slattery stressed to Keith Robinson that he would like to see some results this year and would be asking for a report from AWW from time to time. Chairman Slattery reminded the Board to complete their ethics training and welcomed Board Director Gregg.

12. CONSENT AGENDA

A. Consider approval of Addendum C to Lease No. 2015-023 with WIN-4-AUTISM,

- INC. for Building No. 139 N/S, located at 2776-2886 Navigator Ave., Sanford. (Commercial).
- B. Consider approval of Addendum D and E to Lease No. 2014-02 with AIRCRAFT SERVICE INTERNATIONAL GROUP BY MENZIES AVIATION, INC. (USA) for Building No. 317, located at 1690 Hangar Rd., Sanford. (Commercial Bldg.).
 - C. Consider approval of Addendum B to Lease No. 2017-002 with CHRISTOPHER & MARY MURRAY for Building No. 298N, located at 3105 Rudder Cr., Sanford. (Residential).
 - D. Consider approval of Addendum P to Lease No. 2003-01 with DONALD AND LAURA NOLETTE for Building No. 299, located at 3114 Rudder Cr. Sanford. (Residential).
 - E. Consider approval of Addendum E to Lease No. 2014-003 with COTY SMITH for Building No. 298S, located at 3107 Rudder Cr., Sanford. (Residential).
 - F. Consider approval of Addendum J to Lease No. 2008-39 with MARY SMITH for Building No. 300S, located at 3106 Rudder Cr., Sanford (Residential).
 - G. Consider approval of Addendum D to Lease No. 2015-01 with JUSTIN BLINN for Building No. 529, located at 2990 Cameron Ave., Sanford. (Residential).
 - H. Consider approval of the Traffic Signal Maintenance Agreement between Sanford Airport Authority and Seminole County.
 - I. Consider approval of the Ground Transportation Pre-Arranged Permit for January 1, 2019 – December 31, 2019.
 - J. Consider approval of an Agreement for Use of Property at the Orlando Sanford International Airport for Airshows to be held in 2020 and 2021 with B. Lilley Productions.

Motion by Board Director Smith, seconded by Board Director Robertson to approve Consent Agenda Items A-J. Vote taken, none opposed. Motion passed.

13. DISCUSSION AGENDA

- A. Consider approval and authorization to execute FDOT PTGA FM# 437713-2-94-01 amendment for the Terminal Expansion project (Design of the FIS Improvements).

President Crews noted the reason this item was placed under Discussion Agenda was to reiterate the background of what has come forward in discussions with U.S. Customs. In May, she and George Speake were asked to meet with CBP. At that meeting, the Area Port Director from Orlando along with our Port Director informed her we are not in compliance with the 2017 Regulations. She had no forewarning of this and CBP had been working with staff for two years regarding the terminal expansion and nothing was said during that time. A non-disclosure agreement was signed so we could obtain the 2017 Regulations which are over 700 pages. We are awaiting Washington to assign a

project manager to the Airport to look at everything we need to do. CPH did a real quick look at what they thought the cost may be based on the document we were given, and we were looking at over \$18M. This is an unfunded mandate. President Crews stated she has been in contact with Congresswoman Murphy's office, and they are very concerned we are being hit with this mandate as well as airports all over the country.

President Crews stated she is waiting for CBP to come to her with the new project manager who will say what we need to do. Her understanding is we can negotiate but she doesn't think there is a lot of room to negotiate. As soon as we heard about this, we went to the FDOT. She noted that the cost for Clearwater St. Pete, who has a much smaller FIS in their international terminal, 18,000 sq. ft. compared to our 60,000 sq. ft., was \$6M. The FDOT was able to find funding for the Airport provided the amount is under \$500,000; therefore, this 50/50 grant is \$499,000 for design. We don't yet have a full scope, but we have enough to get the funding in place.

In summary: unfunded mandate, getting money we know we can while we can, very short timeline with the FDOT to secure funding. We have to go back and amend any construction. The Board is being asked to approve the grant from FDOT in the amount of \$499,000 for the design of the work that must be done in the FIS. There are a lot of unknowns as far as the entire cost of the eventual construction project; this grant is just for design.

Board Director Ioppolo inquired if this is something that the FAA can give us a grant for, knowing that CBP is different from FAA. President Crews replied she could have included it in the PFC application, but didn't want to muddy those waters. Additionally, if we are looking at using PFC's, it would be many years in the future possibly ten years, and she's not sure it's a wise use of our PFC funding.

Board Director Smith inquired do we have any idea what type of scope of work they are looking at. President Crews responded she has a preliminary report from CPH that shows about an \$18M cost. Board Director Smith asked if it will change the terminal design. George Speake replied part of the problem is this 700-page book that President Crews referenced has every potential room that an FIS could ever need; for instance, for the Port Director it shows a receptionist area for the Port Director that they don't currently have. And what we discovered from other airports is that you have a negotiation with CBP of what they say they need and what we can provide and hopefully you come up with something that is less than \$18M.

President Crews stated in talking to Clearwater St. Petersburg there wasn't a lot of negotiation when they sat down with CBP. It's one of those situations where there was no preliminary consideration, no contact with us prior to this decision being made and yet we're being told that this is the way it is and it's the

responsibility of the Airport sponsor. We just got hit with the request of a new copier for CBP; Jerry Crocker has quotes between \$4000-\$5000. Board Director Ioppolo asked if we have to buy the paper too? President Crews said she asked that and the Port Director who is just doing what he is being told to do, said let me check on that, but no, we do not have to purchase the paper.

Board Director Ioppolo said you're talking a potential \$18M cost on top of buying a copier, is this something we need to go to Washington on with the Florida Airport Council? President Crews replied at this point what is she going to say, she is being asked to do something, but can't really define what she's being asked to do. Board Director Ioppolo responded your being asked to spend a million dollars just to figure out what we'll have to go argue about. President Crews replied she didn't have a full scope of what they are asking us to do. She has asked Edwin Catano our Port Director to try to put the pressure on them and get an answer, he's the one who was able to come back and say okay it's gone to Washington, they are going to assign someone, and they haven't assigned anyone yet; he knows she's anxious to get that information.

Board Director Ioppolo stated you've got the Florida Airport's Council that we're members of and we all go in the summer and participate in, so he assumes this same imposition is being visited on all the airports nationwide and all the airports in Florida. He inquired should we be accessing our trade association to use our collective weight to say to CBP and our senators and congressmen what are you doing? If they told us three years in advance we could plan for it, if they had the good sense to tell us while we were planning a \$80M expansion we could have built it in, now you're going to do something that impacts the development of the Airport because we have to take money from another project and provide it to something giving the Port Director an office and receptionist is ridiculous.

President Crews noted she needs to call Kevin Burke who is the head of ACI anyway which is a more powerful organization than FAC and even more powerful than AAAE and can bring up this conversation as well. She just felt she needed more substantial information before she started talking to anyone. Right now, she knows it's going to be expensive. Based on what CPH said it could be as much as \$18M, that's enough to start the conversation. She was really hoping that we'd get feedback from CBP very soon so that we could sit down and have a conversation.

Brett Renton informed the Board one additional consideration we have engaged, we have a contract with OSI and AWW on this in terms of how and whose responsible for payments, we are in discussions. Part of the contract when it talks through this deals with replacement/repair which is theirs in their purview versus a completely new issue that comes out of the blue like if we have to reconstruct the entire new facility where the Airport took that risk, so part of the scope and understanding scope is also related to whose going to share some

responsibility; there is a minor dispute over what that relationship is between AWW and the Airport Authority.

Board Director Ioppolo said irrespective of the technicalities of the contract which he's far too familiar with and just as a rule an unfunded mandate of \$18M being visited on every airport in the country seems to be sufficiently important where our trade association should be in Washington having this conversation. We don't need to wait for an \$18M price tag.

President Crews replied she will start with Kevin Burke. Board Director Green inquired do we need to bring in a consultant, a specialist or legal counsel and agreed with Board Director Ioppolo we should be out front trying to challenge the whole thing.

President Crews informed the Board she and the Chairman have been in discussion with AWW, and it is a very significant part of the discussion assigning responsibility of the different areas that are covered. And when she references different areas, we don't even have a clear understanding of all the areas of responsibility yet. There are lots of different things to address but agreed it doesn't need to preclude her from reaching out to AAEE and ACI to see if they can give us any assistance in this.

Board Director Ioppolo reiterated it doesn't matter who ultimately has the price tag because every dollar that AWW spends or we spend could be spent on something else. He felt we need to be upfront with this aggressively, that's why we need our big trade associations to advocate for us.

Board Director Smith inquired if this is going to affect our construction schedule. Are we going to continue per plans that we've already developed and designed, then go back and tear a brand-new project down to fit this footprint that they're going to want?

President Crews replied at this point it shouldn't and that is why we had CPH look at it. Board Director Smith inquired if we feel comfortable in what we have designed is what they're going to want and fit in with the design of the building? President Crews replied a lot of it is the infrastructure for their computers, CAT6. She just wanted to make the Board more aware of the situation and thought that it is sound advice for us to move forward in spite of the fact that we don't have as much information as we'd like. It is a problem but it's happening all over the US, based on the number of Airports that she talked to.

Motion by Board Director Smith, seconded by Board Director Ioppolo to approve Discussion Agenda Item A. Vote taken, none opposed. Motion passed. Brett Renton clarified the motion is the approval and authorization to execute FDOT PTGA FM# 437713-2- 94-01 amendment for the Terminal Expansion project (Design of the FIS Improvements).

14. COMMENTS FROM THE PUBLIC

None

15. OTHER BUSINESS

16. REMINDER OF NEXT BOARD MEETING (JANUARY 8, 2019)

Chairman Slattery wished everyone Merry Christmas, Happy Hanukah, Happy Holidays.

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:03 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Diane H. Crews".

Diane H. Crews, President & CEO

/lh