

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, APRIL 5, 2011**

PRESENT: G. Geoffrey Longstaff, Chairman
Tim Donihi, Vice-Chairman
Stephen P. Smith, Secretary/Treasurer
Tom Ball
U. Henry Bowlin
David L. Cattell
Whitey Eckstein
Brindley B. Pieters
Brett R. Renton, Airport Counsel

ABSENT: William T. Litton
Commissioner Patty Mahany, City Liaison
Commissioner Dick Van Der Weide, County Liaison

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Bryant W. Garrett, Vice President of Finance
Jennifer Taylor, Project Coordinator
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Krysty Carr, S.E. Ramp Hangar Development
Marisol C. Elliott, Atkins (formerly PBS&J)
Geoff Field, Starport
Tracy Forrest, Winter Park Construction
Larry D. Gouldthorpe, TBI
Jonathan Hand, Atkins (formerly PBS&J)
Geoff Lane, Starport
Brady Lessard, CPH Engineers, Inc.
Jeremy Lupa
Anna Marron, Atkins (formerly PBS&J)
Hilary W. Maull, AVCON
Genean H. McKinnon, McKinnon & Associates
Al Nygren, O.R. Colan Associates
Ted Pluta, O.R. Colan Associates
Mary Soderstrum, AVCON
Kevin Spolski, Spolski Construction
Lori Steiner, Wilbur Smith Associates

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

The meeting was called to order at 8:32 a.m.

Board Member Donihi commented that veterans can do a hand salute when saying the Pledge of Allegiance, then the Pledge was said.

Chairman Longstaff congratulated Steve Smith on his birthday. He also recognized O.R. Colan for providing the breakfast for the Board meeting and Krysty Carr with S.E. Ramp Hangar Development for the donuts.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON MARCH 1, 2011; AND MINUTES OF THE SPECIAL MEETING HELD ON MARCH 21, 2011

Motion by Board Member Ball, seconded by Board Member Donihi, to approve the minutes of the regular meeting held on Tuesday, March 1, 2011; and minutes from the special meeting held on Monday, March 21, 2011. Motion passed.

4. PRESENTATION BY ATKINS (FORMERLY PBS&J) - MASTER PLAN UPDATE

Marisol C. Elliott briefed the Board on the Master Plan Update.

Airfield and terminal area alternatives were discussed. Several preliminary recommendations for the terminal expansion were shown. The first part of the expansion phase would be the tip of the domestic terminal gates. Approximately two gates will be lost during construction; however, four gates will be gained from it.

Board Member Cattell questioned how better traffic flow will be achieved in the terminal.

Board Member Donihi stated he really liked the separation of the international and domestic terminals (as shown). He has been asked if the Master Plan has a place where guests who are not flying can have dinner or see planes. Ms. Elliott stated that part of the plan is to pave the cell phone lot where the Vigilante Memorial is. President Dale stated in the past he has discussed the possibility of a restaurant/observation area.

Chairman Longstaff questioned if the old Master Plan is outdated. Ms. Elliott confirmed it is out of date.

5. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Chinese delegation – President Dale received a nice letter from Embry Riddle thanking him for hosting the Chinese Civil Aviation Administration delegates.
- B. Extension of Runway 9L-27R – The plans are at 70%; still waiting on comments for the 60% plans submitted to the FAA. Land acquisition is underway, and several offers have been made. The survey for the Delphini property was received. Under the Uniform Acquisition Act, the Authority has to make an offer for the appraised value. Chairman Longstaff questioned if the Authority had to demolish the Delphini buildings because of drainage. President Dale stated the FAA will have to tell him if they will let the Authority keep them or take them down. Board Member Pieters questioned (based on the last Master Plan) how much change the Authority would have to make to the stormwater master plan on the new Master Plan. President Dale clarified not a lot based on the Master Plan, since the Authority has a master stormwater consumptive use permit. The project is expected to go out to bid in August. The Notice to Proceed is expected to be issued in the middle of August. Construction is expected to begin in the Fall and the project is expected to be completed by this time next year. President Dale commended Diane Crews and Jennifer Taylor for their work with the land acquisition. Staff will have to have a safety risk management meeting and do the safety management system with the Tower to make sure there are no undue risks taken during construction. While the County has approved the road closure, they cannot act on vacating it until the Delphini property is bought. The reimbursable agreement for the ILS component is in draft form. Chairman Longstaff questioned when the Runway extension will be operational. President Dale stated it would be a year from now. Geotech borings were done on some properties the Authority owns; however, the fill material is not suitable. Another area will be tested for suitable material. The utility coordination meeting will be held the following week.
- C. Airport Law Enforcement Training Range – The range is complete.
- D. Perimeter road – The project has gone out for bid. President Dale showed on the map where the perimeter road starts and ends. The project will be funded with discretionary funds (95% from AIP, 2.5% from the State, 2.5% from the Authority). Board Member Eckstein questioned the length of the road. President Dale stated it will be approximately 7-8 miles long, and clarified some of it is already there. Staff had looked at various ways of doing it. The bid is out now; however, an addendum will have to be done. The first proposal submitted, which was denied, is now the preferred alternative. President Dale estimated it is a \$2.2 million project. Most areas will be paved; other areas have millings and will be left that way until the Runway 9L-27R extension will fund it. Bid opening is

scheduled for April 15, 2011 at 2:00 p.m. The project is scheduled for 180 construction days, with 30 days for close-out from the time Notice to Proceed is issued.

- E. Attorneys' Fees – Distribution and discussion of attorneys' fees.
- F. TSA Opt-Out – President Dale stated the tax return, D&B reports, and financial statements from the three screening companies have been received. He believes any of the three companies are financially capable to do the job. He also stated he had asked the companies for a summary of what they think the teaming concept will be, and hopes to meet with the companies to discuss it before bringing it back to the Board. All the companies have been very responsive in giving information.

The FAA Reauthorization Bill passed unanimously in the Senate. Congressman Mica had it passed through the Transportation Infrastructure Committee, and it has now passed the House floor. However, the Obama Administration has threatened to veto it, and it may be in jeopardy. The bills (from the Senate and the House) are not reconciled regarding the union proviso; he does not expect the bills to reconcile for at least two months. The Blunt Amendment would have required that the administrator approve any airport that chose to opt-out within 30 days. However, the amendment was amended so that those who had applied from January 1, 2011 through February 2, 2011 shall be approved within 30 days. Anything after February 2, 2011, the administrator “may” approve. President Dale stated Congressman Mica said it will include the Airport. The administrator cannot just say private screening is not a benefit; he has to have a compelling reason not to approve the application.

- G. State Legislation – President Dale stated staff supports State legislation HB 913, which provides exemption from public record requirement for proprietary confidential business information and trade secrets held by a public airport and for any proposal or counterproposal exchanged between a public airport and a nongovernmental entity relating to the sale, use, development, or lease of airport facilities. President Dale hopes the bill passes, and asked for the Board's continued support.
- H. Financing – Bryant Garrett briefed the Board on two proposed commercial loans with CNL Bank, collateralized by revenue streams, to refinance existing notes currently with Bank of America. In 2001 a consolidation loan was taken by the Authority with Bank of America in the amount of \$3.8 million. In 2003 another loan was taken to borrow for three Seminole County Buildings: the Juvenile Enforcement Center, the Supervisor of Elections Office, and the Seminole County Sheriff's Special Operations building.

At the time, Bank of America was the only suitor the Authority had for loans, and they do not want to give a long-term loan based on a fixed rate. Both loans

come up for renewal: one in June 2011, and the other in two years from that point. Since it was a derivative based product, when the Authority borrowed the money, it had a certain value. The Authority is now going to return that money back to market and it is going to have a different value. If the value is higher, then the Authority would get cash out. However, if the value is lower, then the Authority will have to pay, it is called a breakage event. There is no breakage event on the loan renewing in June; however, there is one for the other loan. It will cost the Authority approximately \$200,000.00 to break the loan; however, it will save the Authority \$69,000.00 a year in interest by doing so. Both will be funded all the way until the balance is zero. The new loans have a fixed desirable rate; one is non-taxable, the other is taxable.

Board Member Eckstein questioned if the loan had been put out to bid. Mr. Garrett stated that it had not gone out to bid since CNL Bank was responsive at a better price than SunTrust, Bank of America and Chase. Mr. Garrett requested authorization to move forward (and negotiate the terms); the resolution and documents will be ready for approval at the May meeting. Board Member Eckstein questioned if Mr. Garrett was happy with the interest rate. Chairman Longstaff stated he advised Mr. Garrett to take it. He believed the fixed taxable rate at 5.5, with soft collateral, is significant. On the second loan, the Authority is getting a ten-year fixed at sub 5%, and getting the landing fees off of that. There are no breakage fees. The market is at the lowest rates ever since he can remember, and now is the time to do it when you can lock-in rates long-term. Motion by Board Eckstein, seconded by Board Member Donihi, authorizing Mr. Garrett to continue to negotiate the terms of the loans with CNL Bank and get a final commitment letter. Motion passed.

- I. Traffic Report – Report shows traffic is headed back up. Aerosim is “ramping up” through July.
- J. Foreign Trade Zone – On April 4, 2011, the Longwood City Commission unanimously approved a request from a Longwood business to participate in the Foreign Trade Zone (FTZ).
- K. FAC Annual Conference – The Florida Airports Council 42nd Annual Conference is scheduled to be held on July 17 – 20, 2011. Board members interested in attending should contact Diana M. Muñiz-Olson.
- L. Flight – Vision Airlines’ inaugural flight took place on April 1, 2011.
- M. Board Meeting Schedule – President Dale noted the regular meeting for July falls on July 5th, and questioned if the Board would like to change the date because of the July 4th holiday falling on a Monday. It was the consensus of the Board to reschedule the July meeting to Thursday, June 30th at 8:30 a.m. Board Member Eckstein requested to reschedule the December meeting closer to

Christmas. It was the consensus of the Board to reschedule the December meeting to Tuesday, December 13, 2011 at 8:30 a.m.

N. Articles – President Dale discussed the following articles:

- i. “Allegiant Air Considers Adding Fees for Carry-on Bags” – Airport Business
- ii. “Jetliner collisions with birds increase” – USA Today
- iii. “Rep. John Mica Calls TSA His ‘Little Bastard Child’” – ABC News

O. Aerials – President Dale previously distributed the aerials.

P. Damage – Some buildings sustained damages due to the rainstorm the previous week. There were leaks on seven buildings, and approximately nine T-hangar doors came off the tracks. Board Member Eckstein questioned what was the wind speed. President Dale clarified it was significantly high. The winds were registered at 60-65 miles per hour.

Q. Supplemental Joint Participation Agreement with the Florida Department of Transportation (FDOT) – Motion by Board Member Eckstein, seconded by Board Member Ball, to approve Supplemental Joint Participation Agreement and Resolution Number 2011-05, for land acquisition (S. Beardall Avenue between Runway 9L-27R and Runway 9R-27L). Motion passed.

R. Joint Participation Agreement with the Florida Department of Transportation (FDOT) – The FDOT has allowed the Authority to be reimbursed for the cost of security for operations and maintenance. The Authority needs a boom mower; \$100,000.00 can be recovered and the funds could be used towards purchasing the mower. Motion by Board Member Donihi, seconded by Board Member Bowlin, authorizing resolution (Resolution No. 2011-06) to request from FDOT (approval of Joint Participation Agreement) for 100% security for operations and maintenance cost. Motion passed.

S. Teal Magnolia Luncheon – Reminder of the Teal Magnolia Luncheon taking place the 9th of April in support of the Ovarian Cancer Alliance of Florida. Board Member Donihi discussed the event.

T. Large Commercial Aviation Hangar – Avocet now has the opportunity to do business with DC-10s and MD-11s, which are a little higher than the door can accommodate. They have asked staff to research the cost of the modification. The Authority will not be responsible for the cost of the modifications. Kevin Spolski briefed the Board on the changes. President Dale stated that at this point it is only research.

Board Member Pieters commented that Commissioner Mahany was not present at the meeting, and that the Board needed to reinforce the need of having a new board

member with banking experience. Chairman Longstaff stated he already sent a letter to Mayor Triplett to let him know that banking and engineering experience will be lost (once the terms of Chairman Longstaff and Board Member Pieters expire on 09/30/2011).

6. COUNSEL'S REPORT

None.

7. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for March 2011

- i. UK traffic total
March 2011 – **5,104** passengers
- ii. International traffic total
March 2011 – **8,902**
- iii. Domestic traffic total
March 2011 – **125,804**
- iv. Total traffic
March 2011 – **134,708** passengers
- vii. Year-to-date traffic
Total YTD traffic – **307,717** passengers
- viii. Percentage
Total traffic is up 38% compared to March 2010. Year-to-date traffic is up 2% compared to March 2010.

B. Miscellaneous Updates

- i. ArkeFly– New service to Amsterdam will start up in June. Outbound sales from Amsterdam are high.
- ii. Charter carrier – Icelandair Express is back in the month of April. Likely could be the summer solution when normal Icelandair program decreases. Icelandair has more of a connecting synergy than Icelandair Express does.

- iii. Allegiant – OSI Staff is working with Allegiant, trying to get their fall traffic schedule. The airline does not hedge on fuel, and they adjust their capacity to deal with it. There may be some reductions in the fall schedule.
- iv. Agreements – Mr. Gouldthorpe expects to bring next month the revised participation agreements with the airlines.
- v. Rental Car companies - Negotiations with Dollar Rental Car are taking place, and should conclude in the near future.

OSI will schedule a rental car industry meeting in June 2011 to discuss the RFP (taking place a year from now) for rental car services.

Chairman Longstaff stated a radio announcement was made the previous night stating that the collection for hotels in Orange County was well above expectations (tourist development tax). The UK is one of the areas Orange County will promote travel to Orlando. He asked Mr. Gouldthorpe for his opinion on rejuvenating the UK traffic. Mr. Gouldthorpe stated the current list of players, (Virgin Holidays, British Airways Holidays, Thomson Airways, Cosmo, and Monarch) do not have a single travel focus as charters had in the past. The market is missing that kind of player, and it needs to be redeveloped. If resources are put into it, provided there is a recovering economy, there should be an ability to stimulate the market back.

Board Member Pieters questioned how OSI is handling the marketing of Allegiant's return. Mr. Gouldthorpe stated they have provided Allegiant with some opportunities in the domestic side. They are also formulating strategies on how secondary markets could be used to reach the international market.

Board Member Eckstein stated he still believes marketing should concentrate on cruise ships through Port Canaveral. Board Member Pieters stated Board Member Eckstein has a good point, and noted the expansion at the Ft. Lauderdale airport. President Dale stated one of the obstacles the Airport faces is that it does not have the flight frequency needed to match the cruise times; however, staff is working on it. Mr. Gouldthorpe stated sometimes it is a matter of breaking traditions; for the most part the cruise companies have a working relationship with the major carriers.

Board Member Donihi noted gates will be added in the future, and questioned if Mr. Gouldthorpe could say which airlines will go into the gates. Mr. Gouldthorpe stated he could not at this time and commended Atkins (formerly PBS&J) and SAA staff for their work on the Master Plan. He also thanked them on behalf of Allegiant for incorporating the extension of Runway 18-36, a very value piece of infrastructure for them.

President Dale briefed the Board on two task orders he is currently working on: 1) Task order for Atkins (formerly PBS&J) for the SW Ramp Rejuvenation; and 2) a task order for AVCON to do the Benefit Cost Analysis for the extension of Runway 18-36. Since President Dale received the orders during the meeting, he will bring back to Board.

8. LIAISON REPORTS

City of Sanford

None

Seminole County

None

9. CHAIRMAN'S REPORT

None

10. CONSENT AGENDA

- A. Consider approval of Addendum H to Lease No. 2003-13 with H.J. BLACK d/b/a THE BUMPER SHOP for Building No. 139, located at 2776-86 Navigator Avenue (Warehouse/Office).

Staff recommends approval of Addendum H to Lease No. 2003-13 with H.J. BLACK d/b/a THE BUMPER SHOP for Building No. 139, located at 2776-86 Navigator Avenue (Warehouse/Office). Addendum H extends the lease term for one (1) additional year, effective April 1, 2011. The building consists of 4,260 square feet of office and warehouse space, at \$3.80 per square foot. The annual rental rate is \$16,188.00; the monthly payment is \$1,349.00 exclusive of taxes.

- B. Consider approval of Addendum A to Lease No. 2008-40 with FIXIT, LLC for Building No. 318, located at 1650 Hangar Road (Warehouse/Office).

Staff recommends approval of Addendum B to Lease No. 2008-40 with FIXIT, LLC for Building No. 318, located at 1650 Hangar Road (Warehouse/Office). Addendum B extends the lease term for one (1) additional year, effective December 1, 2010. The building consists of 1,020 square feet of office and warehouse space, at \$9.06 per square foot. The annual rental rate is \$9,241.20; the monthly payment is \$770.10, exclusive of taxes.

- C. Consider approval of Addendum C to Lease No. 2008-09 with MICHAEL LOADER for Building No. 303, located at 2850 Aileron Circle (Residence).

Staff recommends approval of Addendum C to Lease No. 2008-09 with MICHAEL LOADER for Building No. 303, located at 2850 Aileron Circle (Residence). Addendum C extends the lease term for one (1) additional year, effective April 1, 2011. The annual rental rate is \$9,900.00, an increase of \$300.00; the monthly payment is \$825.00.

Motion by Secretary/Treasurer Smith, seconded by Board Member Donihi, to approve Consent Agenda Items A through C. Motion passed.

11. DISCUSSION AGENDA

None.

12. COMMENTS FROM THE PUBLIC

None.

13. OTHER BUSINESS

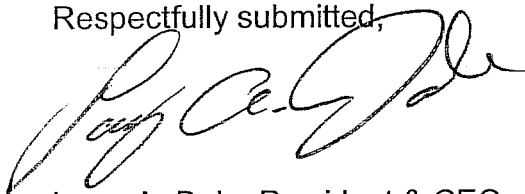
None.

14. REMINDER OF NEXT REGULAR BOARD MEETING (MAY 3, 2011)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:06 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry A. Dale". The signature is fluid and cursive, with the first name "Larry" being particularly prominent.

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

March 14, 2011

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 (March 20, 2011) 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 April meeting on Tuesday, April 5, 2011, 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 will be held on Tuesday, April 5, 2011, 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, April 12, 2011, 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, April 12, 2011, 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) meetings are conducted on the first Wednesday of each month unless otherwise posted. The next meeting will be held on Wednesday, April 6, 2011 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.

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