

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JUNE 6, 2006**

PRESENT: G. Geoffrey Longstaff, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Whitey Eckstein, Secretary/Treasurer
Tim Donihi
Colonel Charles H. Gibson
Brindley B. Pieters
John A. Williams
Mayor Linda Kuhn, City Liaison
Comm. Randy Morris, County Liaison
Ashley Brewer, Airport Counsel

ABSENT: Lon K. Howell
William R. Miller

STAFF PRESENT: Larry A. Dale, President & CEO
Diane Crews, Vice President of Administration
Jack Dow, Vice President of Operations & Maintenance
Bryant W. Garrett, Vice President of Finance
Diana M. Muñiz-Olson, Lease Manager

OTHERS PRESENT: Annabelle DiCarlo, AVCON
Tracy Forrest, WPC
Krysty Kress, Southeast Ramp
Bill McGrew, PBS&J
Dave Logan, OSI
Genean McKinnen, Alamo/National
Todd Morley, Bank of America
Doug Norman, HTA
Sabrina O'Bryan, Seminole Co. Economic Development
Stan Poloski
Jack Reynolds, JRA, Inc.
Kevin J. Spolski, Spolski Construction

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:30 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON TUESDAY, MAY 2, 2006

Motion by Board Member Robertson, seconded by Board Member Gibson, to approve the minutes from the meeting held on Tuesday, May 2, 2006.

Motion passed.

4. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Federal Inspection Service (FIS) facility improvements – Construction is progressing.
- B. SIS road – Project went to bid on May 7, 2006. Out of the 4 bidders, White Site's Development, Inc. was the lowest apparent bidder. Doug Norman, Design & Consulting Engineer, recommended the contract be awarded to White Site's Development, in the amount of \$1,885,000.00 including bid alternate #1. Motion by Board Member Robertson, seconded by Board Member Donihi, to approve White Site's Development's bid. Motion passed.
- C. 18-36 Main Runway Lighting – In-house electricians are doing the job. Project is progressing as scheduled.
- D. New Ramp – Project to expand the International Ramp to the east is expected to go out to bid on June 14, 2006.
- E. Extension of Runway 9R-27L – Board ratified President Dale's signature on the reimbursable agreement between the SAA and the FAA, for the design of the new ILS for the extension of Runway 9R-27L, in the amount of \$59,400.00. Motion by Board Member Robertson, seconded by Board Member Gibson. Motion passed.
- F. Parking Garage – There will be a change of Superintendent for the project. Otherwise, project remains as scheduled.
- G. Hertz QTA – Project being completed as scheduled.
- H. Concurrency issue – Discussion of letters from William Walsh and George Gilhooley regarding the concurrency issue. Mr. Gilhooley was reassigned to another FDOT division and is no longer District 5 Secretary. Kevin Thibault is now serving as interim FDOT District 5 Secretary.
- I. Florida Airports Council (FAC) Conference – The conference is scheduled to take place Sunday, July 23, 2006 through Wednesday, July 26, 2006. Board members attending: Chairman Longstaff, Tim Donihi, William R. Miller, Clyde H.

Robertson, and John A. Williams. Staff members attending: President Dale, Diane Crews, Bryant Garrett, and Andrew Van Gaale.

J. Future meetings

1. Special Budget Work Session reminder– Scheduled for Tuesday, June 27, 2006 at 3:00 p.m.
2. July Board meeting reminder– Changed from Tuesday, July 4th to Tuesday, July 11, 2006 due to holiday.
3. Joint Work Session with City of Sanford – Scheduled for Monday, August 14, 2006 at 4:00 p.m., at City Hall Commission Chambers.
4. October Board meeting – Board meeting was changed from Tuesday, October 3rd to Tuesday, October 10th due to Chairman's absence.

K. Certification Inspection – The Airport successfully passed their annual certification inspection with a perfect score.

L. Painting of Vigilante at Memorial Park – Painting donated by local artist Karen Harrod.

M. Vigilante Memorial - President Dale acknowledged the City of Sanford for their generous donation of \$25,000.00 for the Vigilante Memorial.

N. Waste water treatment facility – Project is moving forward. The facility is an important part of the development of the Airport. Currently the plant has 2 million gallons a day capacity; pumps and other infrastructure are sized to easily accommodate expansion of another one million gallons per day.

O. McDermit Davis and Co. Audit Agreement – President Dale requested approval of McDermit Davis and Co. audit agreement for FY ending September 30, 2006, in the amount of \$19,500.00. Motion by Board Member Donihi, seconded by Board Member Pieters, to approve engagement letter with McDermit Davis and Co. Motion passed.

P. Hirsch Security Access System – In order for Charles Ebanks to become an authorized dealer of Hirsch Electronics parts, a request was made to use \$3,000.00 (unbudgeted) for additional training. Decision was left to the discretion of management.

5. COUNSEL'S REPORT

No Counsel's Report. President Dale commented there were no major developments regarding the Jett Air and Craggs Construction lawsuits.

6. TBI REPORT

Dave Logan, TBI Operations, reported on the following:

Monthly Statistics for May 2006

A. Combined total (inclusive of transit passengers)

May 2006 – **147,180** passengers

B. Domestic Flights (year to date)

213,690 passengers domestic

C. Combined total (year to date)

380,000 passengers

D. Percentage

Combined traffic for May is up 11% from May 2005. Domestic traffic (year to date) is up 24% from 2005. Combined total (year to date) is up 3% from 2005. United Kingdom traffic (year to date) is down by 4%. International traffic overall is up by 3% from 2005. Icelandair seems to be compensating for the United Kingdom traffic.

7. LIAISON REPORTS

City of Sanford

Mayor Linda Kuhn praised the City of Sanford for its accomplishments. Board Member Gibson thanked Mayor Kuhn for her support of the Sanford Veterans Memorial Park. Mayor Kuhn reported on the following:

A. Workforce housing issue – Mayor Kuhn stated 86% of houses in Sanford are workforce housing. Commissioner Morris suggested the City and the County made a presentation on how this issue affects the Airport and other employers in the area.

B. Annual Golf Charity – Mayor Kuhn invited all present to attend the 2nd Annual Mayor's Charity Golf Tournament at Timacuan Golf and Country Club, on Friday, June 16, 2006. Profits from the event will benefit Good Samaritan Home.

Seminole County

Commissioner Morris reminded the Board about the next METROPLAN ORLANDO (MPO) meeting. He stated the SR 46 issue seemed to be heading in a positive direction. It is currently number 6 in the MPO's priority list. President Dale suggested a conference call between Mayor Kuhn, Commissioner Morris, Kevin Thibault, and himself to discuss the issue.

Board Member Eckstein reiterated the need to address the Volusia County traffic issue and how it impacts Seminole County. Volusia County should be involved in the

discussions. Commissioner Morris suggested the Board invited Volusia County's Chairman to discuss the issue further. It was brought to the attention of the Board that Congressman Mica would be meeting with the Volusia County Council on June 26th. The Board will determine at a later time how it will show its support for Congressman Mica.

8. CHAIRMAN'S REPORT

No Chairman's Report.

9. CONSENT AGENDA

- A. Consider approval of Addendum A to Lease No. 2005-13 with FLUGFELAGID ATLANTA d/b/a AIR ATLANTA ICELANDIC for Building No. 317, located at 1650 Hangar Road (Office).

Staff recommends approval of Addendum A to Lease No. 2005-13 with FLUGFELAGID ATLANTA d/b/a AIR ATLANTA ICELANDIC for Building No. 317, located at 1650 Hangar Road (Office). Addendum A extends the lease term for one (1) additional year, effective July 1, 2006. The building consists of 1,020 square feet at \$5.25 per square foot. The annual rental rate is \$5,355.00, an increase of \$255.00; the monthly payment is \$446.25.

- B. Consider approval of Addendum B to Lease No. 2004-11 with DENIS E. BERGER for Building No. 520, located at 3933 Moores Station Road (Residence).

Staff recommends approval of Addendum B to Lease No. 2004-11 with DENIS E. BERGER for Building No. 520, located at 3933 Moores Station Road (Residence). Addendum B extends the lease term for one (1) additional year, effective May 1, 2006. The annual rental rate is \$10,800.00, an increase of \$300.00; the monthly payment is \$900.00.

- C. Consider approval of Addendum A to Lease No. 2005-22 with ENTERPRISE LEASING COMPANY OF ORLANDO for Building No. 453, located at 2101 E. Airport Boulevard (QTA).

Staff recommends approval of Addendum A to Lease No. 2005-22 with ENTERPRISE LEASING COMPANY OF ORLANDO for Building No. 453, located at 2101 E. Airport Boulevard (QTA). Addendum A extends the lease term for one (1) additional year, effective June 1, 2006. The lease consists of 97,265.12 square feet of land at \$0.21 per square foot and Building 453 at \$16,500.00 annually. The annual rental rate is \$36,925.68; the monthly payment is \$3,077.14.

- D. 1) Consider approval of cancellation of Lease No. 2005-14 with GP Aircraft Holdings, LLC for 3.875 acres of land located immediately east of Starport Aviation at 100 Starport Way; and

- 2) Consider approval of Lease No. 2006-02 with FC Flight Services, LLC for 3.875 acres of land located immediately east of Starport Aviation at 100 Starport Way.

In July 6, 2005, the SAA approved Lease No. 2005-14 with GP Aircraft Holdings LLC for 3.875 acres of land on the east side of Starport Aviation, for the construction of a 10,000 square foot aircraft hangar. It was anticipated that construction would commence in the fall of 2005. However, one of the principals in GP Aircraft Holdings, LLC withdrew from the project, and the parent company, First Credit Commercial Capital Corporation, formed a new company, FC Flight Services, LLC for the purpose of continuing forward with construction of the hangar. Gary Lind Johnson, President of First Credit Commercial Capital, has requested that Lease No. 2005-14 be cancelled and replaced with Lease No. 2006-02 with FC Flight Services LLC, under the same terms and conditions. Mr. Johnson was the personal guarantor for Lease No. 2005-14, and remains the personal guarantor for the replacement Lease No. 2006-02 with FC Flight Services.

Staff recommends the following:

- 1) Approval of cancellation of Lease No. 2005-14 with GP Aircraft Holdings for 3.875 acres of land located immediately east of Starport Aviation at 100 Starport Way; and
- 2) Approval of Lease No. 2006-02 with FC Flight Services, LLC for 3.875 acres of land located immediately east of Starport Aviation at 100 Starport Way. The ground lease consists of 35,446.95 square feet (3.875 acres) of land at \$.21 per square foot. The lease term is for thirty (30) years, with four (4) successive option terms of five (5) years each. The tenant has also been granted a First Right of Refusal to lease the adjacent 1.627 acres of property to the east for future building construction, and the adjacent 1.627 acres of land to the south for additional ramp construction. The annual rent is \$35,446.95; the monthly rent is \$2,953.91, commencing on May 1, 2006.

Note: The tenant will construct a 10,000 square foot aircraft hangar.

- E. Consider approval of Ground Lease No. 2006-14 with HARDY MANAGEMENT, LLC for 11.28 acres of land located on the west side of Mellonville Avenue, adjacent to the CSX railroad tracks and immediately south of The Toro Company at 3000 Mellonville Avenue (Warehouse/Retail).

Staff recommends approval of Ground Lease No. 2006-14 with HARDY MANAGEMENT, LLC, for 11.28 acres of land located on the west side of Mellonville Avenue, adjacent to the CSX railroad tracks and immediately south of The Toro Company at 3000 Mellonville Avenue (Warehouse/Retail). The ground lease consists of 491,356.8 square feet (11.28 acres) of land at \$.19 per square foot. The lease term is for thirty (30) years, with four (4) successive option terms of five (5) years each. The annual rent is \$93,357.79; the monthly rent is \$7,779.82, commencing on February 1, 2007 or upon the issuance of the Certificate of Occupancy, whichever occurs first.

Note: The tenant will construct a retail lumber yard and home center facility on the land for the use of 84 Lumber Company.

- F. Consider approval of Addendum D to Lease No. 95-43 with HILL LABS, INC. for Building No. 454, located at 2650 S. Mellonville Avenue (Warehouse/Office).

Staff recommends approval of Addendum D to Lease No. 95-43 with HILL LABS, INC. for Building No. 454, located at 2650 S. Mellonville Avenue (Warehouse/Office). Addendum D extends the lease term for one (1) additional year, effective June 1, 2006. The lease consists of 157,212 square feet at \$0.20 per square foot. The annual rental rate is \$31,442.40, an increase of \$7,860.60; the monthly payment is \$2,620.20.

- G. Consider approval of Addendum C to Lease No. 2004-23 with HILL PHARMACY DIRECT, INC. for Building No. 440, located at 1701 E. Airport Boulevard (Warehouse/Office).

Staff recommends approval of C to Lease No. 2004-23 with HILL PHARMACY DIRECT, INC. for Building No. 440, located at 1701 E. Airport Boulevard (Warehouse/Office). Addendum C extends the lease term for one (1) additional year, effective July 1, 2006. The building consists of 2,479 square feet at \$10.60 per square foot. The annual rental rate is \$26,277.40, an increase of \$743.70; the monthly payment is \$2,189.78.

- H. Consider approval of Lease No. 2006-15 with THE LITE HOUSE, LLC for Building No. 502-2A, located at 2927-2931 Carrier Avenue (Warehouse).

Staff recommends approval to No. 2006-15 with THE LITE HOUSE, LLC for Building No. 502-2A, located at 2927-2931 Carrier Avenue (Warehouse). The lease term is for one (1) year, commencing on June 1, 2006. The building consists of 1,000 square feet at \$6.50 per square foot. The annual rental rate is \$6,500.00; the monthly payment is \$541.67.

- I. Consider approval of Addendum C to Lease No. 2003-31 with MAGIC SIGNS ENTERPRISES, INC. for Building No. 148, located at 1711 Hangar Road (Warehouse/Office).

Staff recommends approval of Addendum C to Lease No. 2003-31 with MAGIC SIGNS ENTERPRISES, INC. for Building No. 148, located at 1711 Hangar Road (Warehouse/Office). Addendum C extends the lease term for one (1) additional year, effective July 1, 2006. The building consists of 4,020 square feet at \$4.50 per square foot. The annual rental rate is \$18,090.00, an increase of \$603.00; the monthly payment is \$1,507.50.

- J. Consider approval of Addendum A to Lease No. 01-15 with ORLANDO SANFORD INTERNATIONAL, INC. for Building No. 415, located at 3015 Carrier Avenue (Office/Warehouse).

Staff recommends approval of Addendum A to Lease No. 01-15 with ORLANDO SANFORD INTERNATIONAL, INC. for Building No. 415, located at 3015 Carrier Avenue (Office/Warehouse). Addendum A extends the lease term for one (1) additional year, effective July 1, 2006. The lease consists of 12,750 square feet at \$5.75 per square foot for the building, 7,000 square feet at \$0.20 per square foot for

land, and 26,250 square feet at \$0.15 per square foot for ramp. The annual rental rate is \$78,650.00, an increase of \$4,850.00; the monthly payment is \$6,554.17.

- K. Consider approval of Addendum C to Lease No. 2003-23 with STONE PRODUCTS, LLC for Building No. 526, located at 3945 Moores Station Road (Warehouse/Office/Residence).

Staff recommends approval of Addendum C to Lease No. 2003-23 with STONE PRODUCTS, LLC for Building No. 526, located at 3945 Moores Station Road (Warehouse/Office/Residence). Addendum C extends the lease term for one (1) additional year, effective July 1, 2006. The annual rental rate is \$30,900.00, an increase of \$900.00; the monthly payment is \$2,575.00.

- L. Consider approval of and authorization to execute Business Development Agreement between Seminole County and the Sanford Airport Authority for the seven-year annual marketing allocation for Icelandair.

On October 4, 2005, the SAA Board voted unanimously to approve a marketing allocation of up to \$37,500.00 annually for four (4) years to Icelandair to provide scheduled international service to Europe and Scandinavia.

On October 25, 2005, the Seminole County Board of County Commissioners (BCC) voted unanimously to provide \$37,500.00 annually to Icelandair for a period of seven (7) years, as a 50/50 match for the Authority's contribution, for a combined total of \$525,000.00 over the 7-year period.

On November 1, 2005, the SAA Board voted unanimously to increase the duration of the previously approved annual allocation of \$37,500.00 for international air carrier Icelandair from four (4) years to seven (7) years.

Towards this end, Seminole County has drafted a Business Development Agreement between the County and SAA to provide for the County's annual payment of the \$37,500.00, contingent upon Icelandair and the Airport's compliance with their Memorandum of Understanding, executed on November 10, 2005, and Icelandair's continued provision of the following services:

- a. Icelandair agrees to use the Orlando Sanford International Airport for airport services and facilities associated with operating transatlantic flights to Central Florida for a seven (7) year period commencing on or about April 1, 2006.
- b. Icelandair agrees to operate all flights so that NO scheduled operations take place between 1400L and 1800L on Thursday, Friday and Saturday between April 15 and November 15.
- c. Icelandair guarantees a minimum of one hundred (100) live departures per year with at least one (1) live departure per week.
- d. Icelandair agrees to use hotels in Seminole County for the purpose of crew layovers and, when necessary, to accommodate distressed passengers.

Annual payment of \$37,500.00 will be made on or before November 1 of each year, beginning in 2006.

Staff recommends approval and authorization to execute Business Development Agreement between Seminole County and the Sanford Airport Authority for economic incentives for Icelandair.

- M. Consider approval of proposal to seek refinancing on the existing Bank of America Consolidation Loan taken out in May 2001.

Item moved to Discussion Agenda.

Motion by Board Member Robertson, seconded by Board Member Donihi, to approve the Consent Agenda Items A through L, excluding M.

Motion passed.

10. DISCUSSION AGENDA

- A. Consider approval of proposal to seek refinancing on the existing Bank of America Consolidation Loan taken out in May 2001.

This loan was to consolidate multiple existing loans taken out between 1997 and 2000. Several of the previous loans had unrealistically short terms, which caused great strain on the Airport's cash flow. Consolidating the loans provided a fixed rate which saved over \$100,000.00 annually in reduced payments.

At the time the loan was taken out, Bank of America would not provide a loan for the full fifteen-year term. The term of the loan was a 15-year amortization with a call after five years (June 15, 2006). The interest rate was derivative based, providing a fixed rate of 6.98% annually. The original amount was \$3,832,000.00. The current balance is approximately \$3 Million.

Bank of America has asked for an allonge to be added to the existing note and a new SAA Board Resolution. This allonge will hold the same rate for another five-year term.

Staff recommends approval of the new resolution, allonge, and loan amendment with Bank of America providing financing until June 15, 2011.

Motion by Board Member Donihi, seconded by Board Member Williams, to adopt the resolution and approve the loan amendment.

Motion passed.

11. OTHER BUSINESS

None

12. COMMENTS FROM THE PUBLIC

None

13. REMINDER OF BUDGET WORK-SESSION (TUESDAY, JUNE 27, 2006)

14. REMINDER OF NEXT BOARD MEETING (TUESDAY, JULY 11, 2006)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:50 a.m.

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

May 12, 2006

Via email: legals@seminoleherald.com

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

Attn: Patti, Legal Classified

Please publish the following Public Notices one (1) time in the Wednesday edition (May 17, 2006) of the Seminole 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 June meeting on Tuesday, June 6, 2006, 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) 585.4021.

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 407.585.4021.

**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 407.585.4021 if you have any questions.

Sincerely,

Diana M. Muñoz-Olson
Lease Manager

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, June 6, 2006, 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) 585-4021.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) meeting will be held on Tuesday, June 13, 2006, 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, June 13, 2006, at 10:30 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, June 7, 2006, 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) 585-4000.

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) 585-4021.

Larry A. Dale
President & CEO