

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, JULY 3, 2007**

- PRESENT:** G. Geoffrey Longstaff, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Tim Donihi, Secretary/Treasurer
David L. Cattell
Whitey Eckstein
William R. Miller
Brindley B. Pieters
John A. Williams
Paul Hechenberger, Airport Counsel
- ABSENT:** Colonel Charles H. Gibson
Comm. Jack T. Bridges, City Liaison
Comm. Bob Dallari, County 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
Phyllis Gibson, Administrative Assistant
- OTHERS PRESENT:** Chris Albertson
Quill Cintron, Comfort Inn
Larry Gouldthorpe, OSI
Nash Hooda, Miro Hospitality Properties, LLC
John Horan, Foley & Lardner, LLP
Krysty Kress, S.E. Ramp Development
Doug Norman, HTA
Roger Phillips, Starport
Stan Poloski
Jack Reynolds, JRA, Inc.
Keith Robinson, OSI
Sandeep Singh, AVCON
Gary South, O.R. Colon & Associates
Kevin Spolski, Spolski Construction
Ernest Stallings
Bob Tunis, City of Sanford Economic Dev. Director

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 TUESDAY, JUNE 5, 2007.

Board Member Miller noted an error at the bottom of page 2, Item H of the President's Report; "William" should be "Williams".

Motion by Secretary/Treasurer Donihi, seconded by Board Member Williams, to approve the minutes from the regular meeting held on Tuesday, June 5, 2007, with correction as noted.

Motion passed.

4. REQUEST FROM ATTORNEY JOHN HORAN WITH FOLEY & LARDNER, LLP

Attorney John Horan of Foley & Lardner, LLP, who is representing the SAA in the Craggs Construction Lawsuit, addressed the Board, noted that the lawsuit is set for trial beginning August 13, and requested an Executive Session to discuss the status of the lawsuit. Following discussion, the Board concurred to hold an Executive Session after the August 7th Board Meeting. Airport Counsel will arrange for the court reporter and see that the session is properly noticed.

5. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Extension of Runway 9R-27L – The Authority worked for years to obtain a master conceptual stormwater permit for the Airport, which was finally issued in January 2006. Part of that permit process was the donation of 26± acres (adjacent to Chubb Creek) to mitigate the Airport's wetlands. The process has been very involved and staff was finally able to close on the property transaction last Friday, June 29. Now that wetland mitigation has been completed, the stormwater permit for the extension of Runway 9R-27L can be issued; receipt of that permit is anticipated this week.
- B. Parking Garage – As directed by the SAA Board at the June meeting, Airport Counsel (Attorneys John Dannecker and John Nadjafi) wrote a letter to ACI to begin process of bringing project to completion. ACI responded in writing by contesting SAA's letter, and noted that they will be filing a claim for delays due to design, etc. Subsequently, SAA Staff and Counsel at the Airport met with ACI

President and Counsel, both from Atlanta, and ACI's Project Manager to discuss the issues. As a result of the meeting, Attorney John Dannecker came to the SAA Budget Work Session requesting that the SAA make payment to ACI, via two-party checks, so suppliers and subcontractors can be paid. The Board authorized this action and ACI was to provide a list of suppliers and subcontractors, but President Dale hasn't heard back from them; he requested that Counsel have Attorney Dannecker get back with him regarding this matter. President Dale noted that ACI has asked for mediation, and requested Board authorization to attend mediation if it occurs, with the understanding that no final decision is to be made at mediation; any settlement would be subject to final approval of the Board. Chairman Longstaff noted that the Board has authorized payment of a portion of April and May's pay requests, a total of \$491,000, leaving approximately \$100,000 against reserves for a total of about \$750,000. In his response to ACI, Attorney Dannecker offered to make some payment based on the list, no dollar figure was given, and it's up to the attorney to advise. The President noted that the garage looks good, and OSI is anxious to start managing the facility. There is still some spillover into the grass with the July 4 holiday, which is tough with the Authority conducting vehicle inspections since Saturday (June 30), along with increased law enforcement activity.

- C. Southeast Ramp Development Phase 2A – Project is going smoothly as always and is almost leased up. President Dale mentioned the recent death of banner pilot Jimmy Stevenson, an air traffic controller and tenant at Southeast Ramp who was killed in a plane crash as he attempted to pick up a banner. President Dale noted that Mr. Stevenson had been a good friend and a good tenant, and asked the Board to remember his family.
- D. Delta Connection Academy – Project is going well, concrete slab was poured at 3:00 a.m. this morning. This is a 27,000 square foot hangar on 26th Place to house DCA's flight simulators.
- E. GA (ARMF) Hangar – SAA has received the SJRWMD permit, has secured a tenant, and construction will soon be under way. This is a 22,000 square foot general aviation hangar at 26th Street and Mellonville Avenue, for which we received a \$500,000 FDOT grant.
- F. Attorneys' Fees – Discussion of attorneys' fees from Shutts & Bowen, LLP for the month of June, for a total of \$24,571.79. President Dale noted a fee reduction of previous charges in the amount of \$3,686.77, and that most charges were grant-related for land acquisition, SJRWMD closing, environmental issues, and employment matters; charges for general representation were \$6,097.00.
- G. Joint Work Session with City Commission – Budget will be brought forward today for approval for submission to the City by August 1, 2007. Joint Work Session is scheduled to be held on Monday, August 13, at 4:00 p.m.. President Dale asked Bob Tunis to have City Manager or someone from the City call him

to confirm the scheduled work session date/time, and reminded the Board that a quorum will be needed at the meeting for joint acceptance of the budget, as required by the Authority's enabling legislation.

- H. City of Sanford July 4th Celebration – Noted that the City will be having a big July 4th celebration, with festivities beginning at 5:00 p.m. [Airport is co-sponsoring a booth with TBI at the event.]
- I. FAC Conference – Reminder to the Board that the annual FAC conference will begin on Saturday, July 7, at the Rosen Shingle Creek Resort in Orlando.
- J. Southeast Airlines – Referenced correspondence received by the Chairman from the bankruptcy trustee, Angela Escolito, in the case of Southeast Airlines, which is a motion for the sale for \$585,000, for approximately \$15 million of airplanes, including 5 engines and 2 aircraft. President Dale recapped the current situation to date, explaining that World Fuel originally filed suit and won a judgment down in Miami in Dade County Circuit Court, but the court wouldn't rule on the priority of any liens, and it was finally forced into bankruptcy. The finance company, JOTA, now claims ownership by virtue of their mortgage on the aircraft. The Airport's lien was filed first under state statute; however, the bankruptcy trustee is attempting to void our lien. The Airport is represented in this matter by TBI's attorney, Bob Stovash [TBI has indemnified SAA], and we are contesting this action. Keith Robinson of TBI received notification late yesterday of a motion for the sale to go through, which is scheduled to be heard on July 12. Mr. Stovash, as well as a bankruptcy attorney, David McFarlin, will attend that hearing on behalf of both the SAA and TBI. President Dale further explained that do to a "writ of attachment" issued by the Seminole County Sheriff's Office by order of the Dade County Circuit Judge, whether the Authority liened them or not, the airplanes would still be here at the Airport's expense. SAA has attached overnight charges of \$50 per night for each aircraft for more than 2 years; however, those charges have not been paid since May 2006. He voiced his concern that the bankruptcy judge is going to give SAA an order to release the aircraft, and when that happens, the Authority will have no choice but to release them. However, if SAA releases the aircraft as requested in the motion, subject to the aircraft staying here or being moved, then they will owe the storage fees; this is a matter that will need to be addressed by Bob Stovash. President Dale stated that this matter has been reviewed by Jim Byrnes because Shutts & Bowen in Miami is one of the competitor's attorneys. Mr. Byrnes hasn't received this latest letter referenced by Mr. Robinson yet, and President Dale just received it, hasn't had an opportunity to read it.
- K. Wildlife Management Issue – The bald eagle has now been delisted, the relocated eaglets are doing well and George Speake is still receiving updates from the Audubon Society. President Dale reported that George Speake is working with the U.S. Fish and Wildlife on the after-the-fact biological opinion. Florida Fish and Game has sent their eagle management plan out for review and the SAA has commented on it. President Dale informed the Board that in the

history of eagle protection, only five nests in the United States have been removed with permit [four at SAA and one at Orlando International Airport]; the first nest removed at the Airport was when he was Mayor of Sanford in 1997. Further, eagles are still a protected specie under the Bald Eagle Protection Act and there is a Memorandum of Understanding among all the various agencies. President Dale further reported that a meeting at the Airport has been set up with the SAA, U.S. Fish & Wildlife, Florida Fish & Game, and the Audubon Society on July 26. He mentioned the wildlife assessment that will be undertaken along with Daytona International Airport at a cost of \$68,000, and the new budgeted position for wildlife management.

- L. 84 Lumber – Hardy Management has requested that SAA execute a Memorandum of Lease for Lease No. 2006-14 between the SAA and Hardy Management LLC, that they will have recorded.

Motion by Secretary/Treasurer Donihi, seconded by Board Member Williams, to authorize the execution of the Memorandum of Lease for Lease No. 2006-14 between SAA and Hardy Management LLC.

Motion passed.

6. COUNSEL'S REPORT

SAA Counsel Paul Hechenberger reported on the following:

A. Audubon Society – Counsel recommended that the Board go ahead and pay the requested donation of \$30,000 to Audubon. President Dale informed Counsel that the contract that Audubon requested was never signed, and that Audubon had agreed they would not contact the press as a prerequisite to the SAA donation. Discussion ensued regarding Audubon's failure to sign the contract or abide by the terms of agreement. Board Member Eckstein questioned the breach of contract and stressed that he believes the SAA has been harmed in this matter, especially with the negative portrayal of the Airport in the press. President Dale reminded Counsel that before the trees were cut down, Linda White with the Audubon had sent a letter requesting the SAA prepare the contract for donation, and then subsequently, informed the press about the letter; Audubon has now refused to sign the requested contract. Counsel advised that he will speak to Audubon counsel in Washington DC to resolve the issue, and take the position that Audubon has not lived up to their end of the agreement. President Dale asked for a summary of the legal fees incurred by SAA on this issue.

B. Imminent Domain – Attorney David Shontz distributed a Resolution to establish the need for acquisition of property on Cameron Avenue [Parcel Nos. P-8E, P-80, P-8D and P-8C] for the extension of Runway 9R-27L, and to authorize Shutts & Bowen LLP to proceed with the acquisition of said property by the filing of a petition of imminent domain. Attorney Shontz reported that they were able to close on a voluntary sale of one parcel yesterday, but they have not been able to come to an agreement with the owners of these other four (4) parcels.

Motion by Board Member Miller, seconded by Board Member Eckstein, to approve the resolution.

Discussion ensued regarding the land acquisition process using FAA grant funding, how an appraisal and review appraisal are both conducted to ensure a fair and just value is established. Attorney Shontz stated that every step of the way, if there was a question, they always benefited towards the property owner in terms of valuation; every benefit of the doubt was given in appraising the property and in the offer tendered. He further noted that the property owner has the ability under the law and a competent attorney to negotiate with the SAA, and if there are some issues, they will sit down and talk about it.

Motion carried.

Board Member Eckstein questioned the adjustment of the attorney fees, and asked how far back the adjustment went retroactively, and will fees charged currently be constant, unless an associate becomes a partner? President Dale explained that the Airport has a fee agreement, and unless that changes, the current fees will remain constant. Counsel explained that the Airport is given a significant discount of 20-25%, an adjustment that must be made manually; accounting has now been asked to make sure that the necessary adjustment in billing rates be done whenever a new associate or partner is brought in for Airport-related work. Counsel will check to see how far back the retroactive adjustment was taken and report back at the August board meeting.

7. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for June 2007

- i. UK traffic total
June 2007 – **101,246** passengers
- ii. International traffic total
June 2007 – **104,678** passengers
- iii. Domestic traffic total
June 2007 – **85,373** passengers
- iv. Percentage

UK traffic declined, down 6% from June 2006. International traffic is down 15% from June 2006 due to the loss of Vacation Express. Domestic traffic is up 14% compared to June 2006. Total traffic for June is 190,051, a 4% decline from June 2006. Total traffic is up 11% at 803,905 year-to-date.

President Dale commented on recent newspaper reports that mayors of other cities have been complaining about U.S. Customs and some airports are down over 30%, so we can be proud that we have kept our heads above water.

Mr. Gouldthorpe reported the good news that there will be an Aero Mexico charter program conducting 27 flights at SFB between July and August, and noted that this is an important ancillary piece of business for SFB as far as competition with other airports. Mr. Gouldthorpe credited Dave Logan and Greg Dull for securing this program, and acknowledged that this gives us a foot in the door for other charter services.

Allegiant continues to do well, with load factors in May of 91% for Allentown, 95% for Chattanooga; 98% for Huntington, West Virginia; 94% for Roanoke; 92% for Knoxville, and either the high 70's or low 80's for those remaining of the 26 destinations.

In response to the Chairman's inquiry, Mr. Gouldthorpe reported that there are 32 air carrier operations at SFB on a typical Saturday. President Dale noted that we have approximately 800 general aviation operations each day. Mr. Gouldthorpe further reported that Allegiant's schedule will experience a slight reduction in August, September, and October to coincide with market seasonality, but anticipate growth in November and December. Parking activity is extremely high due to growth of originating domestic traffic, with no major customer complaints, and he will be working with President Dale on ways to improve the concession program, including customer surveys.

Mr. Gouldthorpe expressed his regrets that he will not be able to attend the TBI dinner to which the Board and Staff have been invited during the FAC Conference as he has been called to London for a meeting; Keith Robinson will take over his duties as host in his absence.

5.M. PRESIDENT'S REPORT (continued – out of order)

M. Best Western Hotel - President Dale reported that the Best Western Hotel is projected to open January 2009, and introduced Nash Hooda of Miro Hospitality Properties LLC. President Dale discussed the stormwater permit issue regarding the hotel, explained that he had met with the engineer last week, who was concerned about various issues such as zoning; he believes he got him straightened out and gave him all the information regarding the existing retention pond and master conceptual permit. He believes Mr. Hooda is at square one for the design of the site and hotel. Mr. Hooda reported that there are zoning and drainage issues; he cannot design yet, as he found out 3 weeks ago that he cannot drain the water but will have to retain the water onsite. President Dale explained that they were looking at exfiltration at one time, to be put under the parking lot, or retain onsite with retention or detention pond; the other option is to retain offsite and there are areas on either side of the project that could be utilized for this purpose. The conceptual permit did not include the hotel site, for some unknown reason. Miro has done some geotech borings there, and President Dale has reviewed the

findings and recommendations, for conventional shallow footings and columns. He noted that the 5-story parking garage has been constructed on the same type of soil. Mr. Hooda anticipates having the drawings for permitting in 90-120 days. President Dale showed the Board on the aerial photograph the various options available to Miro for stormwater drainage and the additional 60 feet on the hotel site's southern boundary that Miro has requested to be added to the leasehold. Board Member Miller requested a review of the timeline thus far, i.e. date lease signed, etc. Chairman Longstaff asked that the Board suspend conversation relative the hotel until staff could provide the requested information.

8, LIAISON REPORTS

City of Sanford

Bob Tunis, Economic Development Director, asked that the SAA keep in mind that the City is trying to put a commuter rail service downtown, and he would like to see if there is a way to connect it to the Airport by shuttle; he would like to stay in communication with the Airport regarding the proposed rail service.

Board Member Eckstein questioned what kind of progress Randy Morris has made with the proposed conference center. Mr. Tunis explained that Mr. Morris' job is to lobby with RERC, the company that is conducting the study, to make sure Sanford's interests are included in the report. Board Member Eckstein stated that he would like to be apprised of his progress.

Seminole County

No report - Commissioner Dallari is out of town.

9, CHAIRMAN'S REPORT

Chairman Longstaff reviewed the annual review process for Larry Dale, which he, as Board Chairman, must initiate in July. The Chairman distributed the evaluation forms and asked that each board member complete their evaluation of President Dale and give the completed form to Diane Crews by the middle of the month for tabulation and presentation at next month's meeting.

10, CONSENT AGENDA

- A. Consider approval of Addendum A to Lease No. 2006-29 with AERONAUTICAL RESTORATION & MAINTENANCE FACILITY, L.L.C. (ARMF, L.L.C.) for a 20,000 square foot hangar and 2,000 square foot office and storage building [Building No. 543] to be constructed by the Sanford Airport Authority and located at 2855 Mellonville Avenue (Hangar/Office).

Staff recommends approval of Addendum A to Lease No. 2006-29 with AERONAUTICAL RESTORATION & MAINTENANCE FACILITY, L.L.C. (ARMF, L.L.C.) for a 20,000 square foot hangar and 2,000 square foot office and storage building [Building No. 543] to be constructed by the Sanford Airport Authority and located at 2855 Mellonville Avenue (Hangar/Office). Addendum A provides for an adjustment of the rental payment at the end of each five (5) year period during the lease term and any extension, options or renewals thereof, said adjustment to reflect the cumulative Consumer Price Index (CPI) of the preceding five-year period, not to exceed three percent (3%) per annum from the rent calculated for the preceding five-year term.

- B. Consider approval of Lease No. 2007-22 with AVION JET CENTER for Building No. 424, located at 1600 Hangar Road (Hangar/Office).

Staff recommends approval of Lease No. 2007-22 with AVION JET CENTER, LLC for Building No. 424, located at 1600 Hangar Road (Hangar/Office). The lease shall have a term of one (1) year, commencing on July 1, 2007. The building consists of 4,900 square feet of hangar space, at \$7.50 per square foot. The annual rental rate is \$36,750.00; the monthly payment is \$3,062.50 exclusive of taxes.

- C. Consider approval of Addendum B to Lease No. 2005-22 with ENTERPRISE LEASING COMPANY OF ORLANDO for Building No. 453, located at 1645 Hangar Road (Office/Warehouse).

Staff recommends approval of Addendum B to Lease No. 2005-22 with ENTERPRISE LEASING COMPANY OF ORLANDO for Building No. 453, located at 1645 Hangar Road (Office/Warehouse). Addendum B extends the lease term for five (5) additional years, effective June 1, 2007. The annual rental rate for the first year is \$41,311.28, an increase of \$4,385.60; the monthly payment is \$3,442.61 exclusive of taxes.

- D. Consider approval of Addendum D to Lease No. 99-18 with AIR ESSENTIAL, INC. D/B/A FLORIDA CLAY ART, CO. for Building No. 256, located at 1645 Hangar Road (Office/Warehouse).

Staff recommends approval of Addendum D to Lease No. 99-18 with AIR ESSENTIAL, INC. D/B/A FLORIDA CLAY ART, CO. for Building No. 256, located at 1645 Hangar Road (Office/Warehouse). Addendum D extends the lease term for one (1) additional year, effective July 1, 2007. The building consists of 4,020 square feet, at \$4.40 per square foot; and 10,890 square feet of land, at \$0.22 per square foot. The annual rental rate is \$20,083.80; the monthly payment is \$1,673.65 exclusive of taxes.

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

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 (Office/Warehouse). Addendum D increases the rental rate, as stipulated on the lease, on every fifth anniversary of the Commencement Date. The lease includes Parcel 1 consisting of

66,712 square feet, at \$0.20 per square foot; and Parcel 2 consisting of 90,500 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 exclusive of taxes.

- F. Consider approval of Addendum B to Lease No. 2005-17 with MIRO HOSPITALITY PROPERTIES, LLC for property located on East Airport Boulevard [Hotel site].

Staff recommends approval of Addendum B to Lease No. 2005-17 with MIRO HOSPITALITY PROPERTIES, LLC for property located on East Airport Boulevard [Hotel site]. Addendum B increases the amount of leased land from 5.72 acres to 6.85 acres, under the same terms and conditions, provided that the integrity of the outfall for the wet detention pond, under St. Johns River Water Management District Permit No. 4-117-22192-28, is maintained, and that the SAA is permitted in perpetuity the right of access for purposes of maintaining the stormwater system, which outfall and drainage conveyance is located on the additional 1.13 acres of leased land. The revised annual rate is \$62,661.06, an increase of \$10,336.79; the monthly rate, excluding taxes, is \$5,221.76.

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

Staff recommends approval of Addendum D to Lease No. 2003-23 with STONE PRODUCTS, LLC for Building No. 526, located at 3945 Moores Station Road (Office/Warehouse). Addendum D extends the lease term for one (1) additional year, effective July 1, 2007. The annual rental rate is \$31,827.00, an increase of \$927.00; the monthly payment is \$2,652.25 exclusive of taxes.

- H. Consider approval of Joint Participation Agreement (JPA) FM Number 418510 1 94 01, to Conduct A Benefit/Costs Analysis and Environmental Assessment for the Extension of Runway 9L-27R at Orlando Sanford International Airport.

This JPA is to provide FDOT funds to cover one-half of the non-federal share of expenses. The grant is for \$11,625.00. This is also the amount committed by SAA. Total project cost is \$465,000.00 for both tasks.

Staff recommends approval of Joint Participation Agreement (JPA) FM Number 418510 1 94 01 and Resolution Number 2007-09; and the acceptance of the additional FDOT grant funds.

Chairman Longstaff excluded Item F from consideration at this time, and asked President Dale to comment on Item H. President Dale explained that the federal share of the funding for the BCA and EA for Extension of Runway 9L-27R is 95%. The remaining 5% is split in half between the State and SAA, with the FDOT and SAA each paying 2.5% [\$11,625.00].

FAA Consultant Jack Reynolds explained that the BCA will be completed this fall, followed by the Environmental Assessment. The FAA in Washington must approve the BCA, which he anticipates will occur the first of next year, followed by an application for

a discretionary grant for design and engineering, with construction anticipated to begin in 2 years.

Motion by Vice Chairman Robertson, seconded by Secretary/Treasurer Donihi, to approve the Consent Agenda Items A through H, excluding F.

Motion carried.

11. DISCUSSION AGENDA

A. Consider approval of the SAA Budget for submission to the City of Sanford.

Staff recommends approval of SAA Budget FY 2007-2008 for submission to the City of Sanford for final adoption at Joint Work-Session on August 13, 2007.

President Dale distributed the proposed Salary Budget, with a recommended increase of 5% across the board, contingent upon employees receiving a satisfactory evaluation. He noted that the cash flow summary has been corrected as discussed and approved at the Budget Work Session; the proposed 3% increase for payroll has been increased to 5%; error in part-time wages for ARFF Department has been corrected; and \$50,000 has been added to marketing incentives.

Motion by Secretary/Treasurer Donihi, seconded by Board Member Williams, to approve the SAA Budget for submission to the City of Sanford for final adoption at Joint Work Session on August 13, 2007.

Motion carried.

The Chairman congratulated President Dale and senior staff for their work on the budget.

5.M. PRESIDENT'S REPORT (continued – out of order)

M. Best Western Hotel – President Dale distributed copies of Exhibit “C” of Lease No. 2005-17, Timeline for Construction [attached] to Board Members, and reviewed the timeline, as follows:

March 31, 2006	Phase 1 of the hotel to be established
September 30, 2006	Preliminary site plan to be completed for review by the Airport Design Review Committee Application to be submitted to the SJRWMD for stormwater permit Application to be submitted to the City for site plan and building permits [None of this has been done]
April 1, 2007	Construction to begin

March 31-Sept 30, 2008 Construction to be completed

President Dale further reported that the lease was approved on February 15, 2006; on March 6, 2007, the commencement date for payment of the ground lease rent was extended from March 1, 2008 to September 1, 2009, with the percentage of gross to begin after the fifth year following the commencement date; and today there is a request to increase the leasehold from 5.72 acres to 6.85 acres to include the southerly 60 feet, with the caveat that SAA can still use and maintain the outfall.

Mr. Hooda explained that in March 2006, contracted to do a hotel feasibility study. Hilton entertained the site and preliminary drawings were created with the Hilton concept in mind. In April, they paid a good fee to Hilton to carry on the process, and Hilton gave preliminary approval subject to their own studies. Four months later, Hilton says the site is premature and they need to wait 2-3 years before approval, so they've wasted 6 months and are back to square 1. Mr. Hooda stated that they then applied and paid a fee to Marriott, but Marriott was taken up by another applicant locally, and won't entertain another hotel in the same zone. They finally choose Best Western as the best offer and was prepared to move in quickly. In October 2006, Best Western is commissioned with the hotel and approval is received in December. Before approval paperwork is received, Miro commissions the civil engineering with Spolski Construction in December 2006. The timeline from Spolski was 6-7 months to have all engineering completed and all approvals and permits in place. Mr. Hooda reported that he arrived here 3 weeks ago, found that a number of issues have not been taken care of and now he is starting from scratch. He stated that he had been told all along that he didn't have to worry about retention onsite, but now this is an issue that completely changes the whole configuration and costing because every foot on the site has to make money. He mentioned the planned use of the southerly 60' for parking, but doesn't yet have board approval for the 60 additional feet. Mr. Hooda stressed the need to be completed by the end of 2008, so he can bring over his crew from the hotel that is closing [Comfort Inn on SR 434] to the new hotel. He noted that Hilton wasted 4-5 months of their time.

Chairman Longstaff noted that the determination of whether or not you can retain stormwater onsite or offsite seems like a pretty basic land use issue that should have been determined early on.

Mr. Hooda mentioned that the site they have is on more than one parcel and they found out at the City that they have to get that reconfigured. President Dale stressed that he had spoken to Mr. Hooda's engineer about this and it is not a problem; if Mr. Hooda's engineer is still telling him that it is a problem, then Mr. Hooda needs to get another engineer because he was very specific in talking to the engineer about this concern. He has talked to the City about this matter; this shows as 2 parcels due to an error that was made by the Property Appraiser and Tax Collector's offices and the engineer knows this. You don't have that problem; the engineer said it was a condominium; this is property that belongs to the Airport and it has never been a condominium, it was just an error on the Property Appraiser's website.

Mr. Hooda then said that even the zoning is not correct. President Dale explained that the zoning is not a problem and he has told the engineer this as well. Mr. Hooda stated that this is another issue they have to address, and President Dale stressed again that this is not an issue he has to address, as it is not a problem.

Mr. Hooda then stated that hopefully they now have a clean slate to start the process as quickly as possible, and the permitting should be in place in 3-4 months.

Board Member Miller asked about the zoning issue. President Dale explained that there has never been a problem with zoning, or the fact that the property appraiser is showing that site as 2 parcels. The Airport owns 2,600 acres, which is one parcel until we survey it; it is not platted, but we do subparcels. The property appraiser has nothing to do with it. President Dale noted that the property appraiser's office is coming over today at 3:00 p.m. to correct the error, on the website, as it is not necessary to do a legal correction. He stressed again that there has never been a problem with the parcels or zoning.

Mr. Hooda stated that he is still working on a deadline of December 2008, when Comfort Inn on SR 434 shuts down; permitting is out of his hands at this point, he doesn't have full report from engineer yet, but will provide timeline as soon as he has good numbers. Mr. Hooda stated that he has cooperated with Larry Dale and Diane Crews throughout the process.

President Dale stated that he has offered to go to the St. Johns River Water Management District with the engineer for a pre-application conference and he strongly recommends that the engineer take him up on that offer. Nash said absolutely, that will be done.

Chairman Longstaff noted that we have been in this process 1 year and 3 months, and some land use basics have not been dealt with in the expected timeline. Zoning is as basic as it comes, and for Mr. Hooda to believe there is a problem, someone wasn't paying attention.

President Dale explained that Mr. Hooda didn't believe there was a problem until his engineer raised the issue, and tried to make a problem where there wasn't one.

Mr. Hooda stated that water retention wasn't a problem originally, and hopes it isn't, but it has been highlighted as a potential problem. President Dale explained that water retention is always a problem that has to be dealt with in Florida, but there are several options, and again, he strongly recommends that the engineer go with him to a pre-application conference at the SJRWMD.

Chairman Longstaff questioned whether or not it is reasonable to expect that the hotel will be fully permitted and ready to start construction in the first quarter of 2008.

President Dale explained that the SJRWMD permit is a general staff issued permit, and it can be done, but will depend on whether they accept one of the identified options at

the pre-application conference. Option A uses the existing pond if there is available capacity, and this would be the least expensive. Option B is the most expensive and would consist of exfiltration onsite under the parking lot. Option C would be more expensive than Option A and consists of piping the drainage downstream around Airport Boulevard and Red Cleveland Boulevard. He noted that the engineer will need to do drainage calculations on prepost runoff based on a 25-year storm/24-hour duration.

President Dale confirmed with Diane Crews that the City has designated the DRC as the Airport Zoning Board, and will only require a letter of approval from the Airport Zoning Board.

Chairman Longstaff asked for Diane Crews to get with Mr. Hooda to prepare a revised timeline at the August Board Meeting, and provide an update every two months thereafter.

Board Member Cattell stated that he would like to see the feasibility study and timeline, and then look at the entire project.

Mr. Hooda agreed to get with Ms. Crews to provide a timeline for the August Board Meeting, that he will plan to be here if needed, or can provide the information via email.

Motion by Secretary/Treasurer Donihi, seconded by Board Member Williams, to approve Addendum B to Lease No. 2005-17 with MIRO HOSPITALITY PROPERTIES, LLC for property located on East Airport Boulevard [Hotel site], to increase the amount of leased land from 5.72 acres to 6.85 acres, under the same terms and conditions, provided that the integrity of the outfall for the wet detention pond, under St. Johns River Water Management District Permit No. 4-117-22192-28, is maintained, and that the SAA is permitted in perpetuity the right of access for purposes of maintaining the stormwater system, which outfall and drainage conveyance is located on the additional 1.13 acres of leased land.

Board Miller stated his concern that one of our own engineers review the plan for integrity, and President Dale said that he would do so prior to final approval of the plans. Motion amended to include this review.

Motion passed.

12. OTHER BUSINESS

None

13. COMMENTS FROM THE PUBLIC

None

14. REMINDER OF NEXT BOARD MEETING (TUESDAY, AUGUST 7, 2007)

15. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Larry A. Dale, President & CEO
/dc



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

June 26, 2007

Via email: legals@mysanfordherald.com

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

Attn: Patti, Legal Classified

Please publish the following Public Notices one (1) time in the Sunday edition (July 1, 2007) 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 July meeting on Tuesday, July 3, 2007, 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. Muñiz-Olson
Executive Assistant

PUBLIC NOTICE

BOARD MEETING

The regular meeting of the Sanford Airport Authority will be held on Tuesday, July 3, 2007, 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, July 10, 2007, 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, July 10, 2007, 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 meeting for Wednesday, July 4, 2007 has been cancelled. 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