

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
TUESDAY, SEPTEMBER 7, 2010**

PRESENT: G. Geoffrey Longstaff, Chairman
Tim Donihi, Vice-Chairman
David L. Cattell
Whitey Eckstein
William R. Miller
Stephen P. Smith
Brindley B. Pieters
John A. Williams
Commissioner Patty Mahany, City Liaison
Brett R. Renton, Airport Counsel

ABSENT: William T. Litton, Secretary/Treasurer
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
Diana M. Muñiz-Olson, Executive Secretary

OTHERS PRESENT: Krysty Carr, S.E. Ramp Development
Geoff Field, Starport
Steven Foley
Tracy Forrest, Winter Park Construction
Larry Gouldthorpe, TBI
Geoff Lane, Starport
Brady Lessard, CPH Engineers, Inc.
Bill McGrew, PBS&J
Genean H. McKinnon, Enterprise
Al Nygren, O.R. Colan Associates
Jack Reynolds, JRA, Inc.
Keith Robinson, TBI
Tim Shea, AVCON
Kevin Spolski, Spolski Construction

1. INTRODUCTION OF GUESTS AND CALL TO ORDER

The meeting was called to order at 8:34 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON AUGUST 3, 2010; AND MINUTES OF THE JOINT MEETING HELD ON AUGUST 23, 2010

Motion by Board Member Smith, seconded by Board member Donihi, to approve the minutes from the regular meeting held on Tuesday, August 3, 2010; and the minutes of the joint meeting held on Monday, August 23, 2010. Motion passed.

4. RECOGNITION

Presentation of Resolution No. 2010-12 and engraved propeller to John A Williams commemorating his term as board member, from March 2002 to September 2010.

Presentation of Resolution No. 2010-11 and engraved propeller to William R. Miller commemorating his term as board member, from May 1992 to September 2010.

Recognition to President Dale for receiving the FDOT 2010 Aviation Professional of the Year Award.

5. PRESIDENT'S REPORT

President Dale reported on the following:

- A. Aerial – President Dale distributed the aerials.
- B. Extension of Runway 9L-27R – Task order has been approved by the ADO. There is a tentative schedule. Waiting on \$8 million grant for land.
- C. Large Commercial Aviation Hangar – The project is progressing well, as scheduled. The red iron is almost completely up (installed). Kevin Spolski stated the structural steel for the doors will start the week of the meeting; the steel for the roof will start the following week. If things progress well, the project could be done two weeks ahead of time. President Dale stated the deluge storage tanks have both been installed.
- D. Airport Law Enforcement Training Range – Regarding a piece done by Channel 9, President Dale clarified the range has been done according to the law. The first segment of the footers has been poured. Board Member Smith pulled the permit and is overseeing the project. The project is expected to be completed in a couple of months.

Board Member Smith stated he had received an e-mail from a Geneva leader regarding the range. He clarified to him that the range had nothing to do with hunting.

- E. Privatization of Security Screening – President Dale discussed a letter from Congressman Mica sent to the Authority and to GOAA. President Dale reported that he and Larry Gouldthorpe met to discuss privatization of security screening. President Dale clarified it would be TSA's contract; TSA would have oversight and pay for services. He expects the process will take approximately a year and requested direction from the Board.

Board Member Smith questioned if the Authority would get a proposal. President Dale clarified that TSA does the RFP, it is up to the Authority to opt out. The Authority will not be part of the process; only input would be President Dale's advice (recommendation) on behalf of the Board. President Dale clarified TSA pays the bills and the cost of the RFP, makes the selection, and supervises the services.

Board Member Donihi questioned if there would be a problem with downsizing if domestic traffic goes down. Chairman Longstaff believes there would not be a problem since it is a contract between TSA and the company. President Dale stated Congressman Mica said the company could not treat them (the employees) any differently and briefed the board on the pilot programs.

Chairman Longstaff recommended "we" (staff or Board members) need to visit an airport that has this service before a decision is made. Board Member Eckstein told Chairman Longstaff to check the airport at Rochester, NY. Board Member Cattell requested George Speake (operations and maintenance) or Bryant Garrett (police) attend with a Board member. President Dale asked if the Board wanted them to take a trip or do a phone conference. Chairman Longstaff clarified he would like to see it. President Dale stated it is a legitimate expense and recommended the Authority pay for it. He requested advance notice so that it can be advertised in the event that multiple Board members go to the same location. Counsel stated Board members could go to separate locations. He clarified if two go to the same location, it must be advertised. Board Member Pieters requested a complete list of airports participating in the program.

It was the consensus of the Board to do due diligence before making a decision.

Chairman Longstaff adjourned the meeting for a break at 9:16 a.m.

Chairman Longstaff called the meeting to order at 9:26 a.m.

- F. Attorneys' Fees – Distribution and discussion of attorneys' fees.

- G. Seminole County Sport Hall of Fame – Mr. Gouldthorpe stated the wall is being prepared for the mural. The date for the Inaugural Induction Ceremony is yet to be determined. Diane Crews briefed Chairman Longstaff on the project.
- H. Land Acquisition, Relocation, and Property Management Services – Application to the FAA for force account in regards to land acquisition was submitted on August 23, 2010. Currently under review by FAA.
- I. Storage Facility – CPH Engineers, Inc. did layout of the truss property as a storage facility. The facility will have 239 spaces (various sizes). The facility is expected to generate \$258,000.00 at 100% capacity, and \$180,000.00 at 70% capacity.

Board Member Cattell questioned if an RFP has been published to see if there is any interest from the private sector. President Dale clarified no RFP has been done. He believes the Authority can do it and make as much as the truss rental payment if the facility is at 70% occupancy. A private company cannot pay the amount the truss company paid for rent. Board Member Cattell expressed his concern that there will be peaks and valleys and there could be staffing issues. This does not seem to him as the principal business of the Airport, it is another operating business. President Dale clarified most of the income from the Commerce Park is non-aviation related. Board Member Eckstein stated in the past he would have agreed with Board Member Cattell; however, things have changed and the Board needs to think outside the box. Chairman Longstaff stated this is just another product type on the real estate market. In order to make up the loss of the truss rental payment, it needs 70% occupancy. Board Member Eckstein stated he trusts President Dale's judgement and commended President Dale and staff for their imagination and creativity. Board Member Cattell stated he is not suggesting it has to do with a vote of confidence and commends the staff for thinking outside the box, but whenever possible have private enterprise do the job. He believes a marketing plan should be done, and a report with key performance indicators. He also recommended the Authority not enter into long-term leases.

Board Member Williams commented it is a great location, and the biggest selling point is the security. However, he questioned how the word was going to get out and who will do the job. President Dale stated in previous meetings he had discussed about hiring somebody.

Commissioner Mahany stated the Board might find people that prefer to fly into the Airport (from other locations) and keep their boats here. Chairman Longstaff stated he liked the concept but does not think the Board has enough data yet to make a decision. He would like to see the first year (plan in phases) and a market study. Chairman Longstaff requested that staff return with answers to the Board's questions.

President Dale requested direction from the Board in regards to terminating the lease with Realty Development. The tenant has given verbal intent to vacate the truss plant. Counsel stated it would be a lot easier to reach a termination agreement with the tenant than to evict. Motion by Board Member Cattell, seconded by Board Member Williams, authorizing President Dale to enter into a lease termination agreement with Realty Development, conditional on the amount being no less than half (½) of remaining lease payments; in the event the amount is less, it must return to the Board for approval. Motion passed.

J. Property Report – The occupancy rate is 92%.

K. Name change for Delta Connection Academy – Official notification was received that Delta Connection Academy change its name to Aeorism Academy, Inc. dba Aerosim Flight Academy. The company also requested for the change to be reflected on all leases, agreements, and signage. The corporation is in good standing.

L. Bldg. 310 – President Dale briefed the Board on the lack of grants for domestic students and how the academy has turned to the foreign student market. Staff recommends leasing the dorm to Aerosim Academy in the amount of \$5.00 per square foot for one year (since they have to renew other leases next year). Motion by Board Member Pieters, seconded by Board Member Donihi, to lease the dormitory to Aerosim Academy, Inc. Motion passed.

M. Aviation Freedom – Request by tenant to terminate lease due to death of owner. Staff recommends termination of lease with a requirement of 6 months rent payment (\$40,125.00). Motion by Board Member Cattell, seconded by Board Member Williams, authorizing President Dale to negotiate the lease termination agreement with Aviation Freedom, conditional on receiving 6 months rent payment in the amount of \$40,125.00. Motion passed.

N. Tri-party Agreement – Motion by Board Member Williams, seconded by Board Member Donihi, to approve Domestic Terminal Lease Agreement between the Authority, OSI, and General Service Administration (TSA) for terminal office space. Motion passed.

Mr. Gouldhtorpe will discuss the approval of new terminal facility rates and charges under his report.

O. 9L/27R NAVAIDS – The Authority is committed to \$29,095.00 for the FAA to review the preliminary design. Ninety-five percent will be reimbursed by the ADO through the entitlement program (in approximately a year). Motion by Board Member Donihi, Board Member Pieters, approving Preliminary Design Reimbursement Agreement for Relocation of Runway 9L/27R NAVAIDS and authorizing President Dale to sign on behalf of the Board. Motion passed.

- P. JPA – Staff recommends approval of Joint Participation Agreement (JPA) for security-related operational and maintenance expenses; and Resolution Number 2010-13. Motion by Board Member Pieters, seconded by Board Member Donihi, to approve JPA for security-related operational and maintenance expenses in the amount of \$111,000.00; and Resolution Number 2010-13. Motion passed.
- Q. Settlement agreement – Motion by Board Member Eckstein, seconded by Board Member Donihi, to approve settlement agreement with Moss Waterproofing and Painting Co., Inc. in the amount of \$70,000.00. Motion passed.
- R. Assignment of Lease No. 2005-28 – Tracy Forrest has formed a fuel cooperative on SE Ramp. The fueling cooperative can fuel tenants from SE Ramp, and is set up as a non-profit corporation. Board Member Eckstein questioned why Mr. Forrest was doing this. Mr. Forrest clarified Starport has served them very well; however, the Airport is growing and it is difficult to serve some areas. He will be getting the fuel from a third party wholesale. Motion by Board Member Cattell, seconded by Board Member Eckstein, to accept assignment of Lease No. 2005-28 by Cambata Aviation International, LLC dba Starport to SE Ramp Fueling Cooperative, Inc. Motion passed.
- S. Articles – President Dale noted Allegiant Aircraft is the 25th on Fortune’s 100 list of fastest growing companies.
- T. Congratulatory mail – President Dale read congratulatory notes/letters/e-mails from various people in regards to receiving the 2010 Aviation Professional of the Year Award from the FDOT.

Board Member Miller questioned if there was any way to relocate the aircraft (without engines) sitting on the ramp east of the International Terminal. President Dale clarified several weeks ago there was a storm that caused FAA to come to the Airport. They said the localizer failed. A NOTAM went out to the tower that they were closing the 27R ILS. George Speake spoke with Matthew Sprouse (FAA Daytona) and they did not know why it failed. All the requirements were met and approved by the FAA when the ramp was built for Group 5 category aircraft (bigger aircraft than the ones parked now). President Dale stated the FAA said they were getting too much reflectivity and that 6 aircraft must be relocated. The FAA also said it might be the hangar. However, the hangar was approved by the FAA as well and all requirements were met. President Dale believes it has to do with the localizer antenna. The aircraft had to be relocated, but he expects an update soon on how long they have to remain there.

Board Member Pieters questioned the status of SR 46. President Dale stated that FDOT is currently acquiring the necessary right-of-way and the project has advanced as far as it can until the R-O-W is purchased, at which time it will be shovel-ready.

6. COUNSEL'S REPORT

None

7. TBI REPORT

TBI President Larry Gouldthorpe reported on the following:

A. Monthly Statistics for August 2010

- i. UK traffic total
August 2010 – **65,694** passengers
- ii. International traffic total
August 2010 – **65,694** passengers
- iii. Domestic traffic total
August 2010 – **58,722** passengers
- iv. Transit traffic
August 2010 – **1,126** passengers
- v. Total traffic
August 2010 – **128,542** passengers
- vi. Year-to-date traffic
August 2010 – **865,658** passengers

- vii. Percentage
UK traffic is down 12% compared to August 2009. International traffic is down 12% compared to August 2009. Domestic traffic is down 41% compared to August 2009. Transit traffic is almost the same as the previous year. Total traffic is down 29% compared to August 2009. Year-to-date traffic is down 32% compared to 2009.

B. Miscellaneous Updates

- i. Increase of fees – Airlines that operate from the Airport do so under various types of agreements depending on the level of activity at which they operate. Airlines either have a Participating Agreement (Allegiant is the only airline with a Participating Agreement due to their volume) or the Non-Participating Agreement (for lower volumes but carries higher fees with it). During the budget process, the Board approved increasing the landing fees and the public safety fee. Within the two types of agreements, there are other charges assessed to the airlines for the use of the terminal facilities. It has been four years since the last increase was done. Terminal Use Fee Class 1 (0-50 seats) will be increased by

21%; Class 2 (51-110 seats) will be increased by 20%; and Class 3 (111-150 seats) will be increased by 21%. Increases are also proposed for the following fees: 400 megahertz (fee for powering aircraft), Departure Control System, Ticket Counter rent. OSI is also proposing a Tower Reimbursement Fee for airlines that require the tower be opened after regular operating hours.

Board Member Eckstein started the motion but questioned if this was enough to get OSI where they need to be. Mr. Gouldthorpe stated it is not enough and discussed the cargo rates/loses. This increase will only get the company to a place where the market will allow them to be. Board Member Eckstein reiterated his motion, realizing that at one point probably it will have to be adjusted. Motion by Board Member Eckstein, seconded by Board Member Pieters, to approve the new terminal and facility rates and charges to be effective January 1, 2011, for both the Participating and Non-Participating Airline Users of the Airport. Motion passed.

On behalf of TBI, Mr. Gouldthorpe expressed appreciation to Board Member Miller and Board Member Williams for their service at the Board.

Board Member Pieters questioned the status of the domestic traffic during the Labor Day holiday. Mr. Gouldthorpe stated traffic is expected to be light in this holiday; traffic usually picks-up in mid October.

8. LIAISON REPORTS

City of Sanford

Commissioner Mahany reported on the following:

- A. Board appointments: Commissioner Mahany stated the City Commission will interview potential Board members. She will be happy to take any input of the Board into consideration and reminded Board Member Miller and Board Member Williams that they could re-apply after a year. Board Member Eckstein recommended Commissioner Mahany take into consideration the makeup of the Board. Commissioner Mahany stated she had discussed with the City Attorney the possibility of appointing an emeritus member with voting rights. President Dale stated the Authority's Enabling Legislation allows as few as five voting members and as many as nine voting members. Commissioner Mahany will confirm if the emeritus member would be counted as one of the nine.
- B. Golf Tournament: Steve Phillips, the new manager of the Mayfair Country Club, will have a benefit golf tournament in memory of Jack Bridges, with proceeds

going to the Recreation Department. Commissioner Mahany brought applications for those interested.

- C. Town Hall meeting: The day after the meeting, the City will have a town hall meeting to discuss the proposed millage increase.

Seminole County

None

9. CHAIRMAN'S REPORT

Chairman Longstaff discussed President Dale's review.

Chairman Longstaff recommended a maximum bonus of 15% based on: 1) President Dale waved his bonus in 2009 based on economic conditions of the Airport; 2) the performance of the Airport has exceeded expectancy by a measurable amount; 3) management abilities (thinking outside the box to find revenue); 4) amount of force account the Airport has received; 5) and the intangibles (inclusive of recognition by peers among other things).

Motion by Board Member Eckstein, seconded by Board Member Donihi, to give President Dale a 15% bonus. Vote was taken, none opposed. Motion passed.

10. CONSENT AGENDA

- A. Consider approval of Lease No. 2010-20 with AVOCET CAPITAL, LLC for Building No. 142-W, located at 1143 30th Street (Warehouse/Office).

Staff recommends approval of Lease No. 2010-20 with AVOCET CAPITAL, LLC for Building No. 142-W, located at 1143 30th Street (Warehouse/Office). The lease shall have a one (1) year term, effective August 17, 2010. The lease consists of 10,448 square feet of office and warehouse space, at \$3.25 per square foot. The annual rental rate is \$33,956.00; the monthly payment is \$2,829.67 exclusive of taxes.

Note: The tenant does commercial aircraft maintenance, repairs and demolition, and sells aircraft parts.

- B. Consider approval of Addendum C to Lease No. 2001-22 with LOUIS C. BROADWAY, JR. d/b/a BROADWAY SERVICES for Building No. 13, located at 2885 Mellonville Avenue (Warehouse/Office).

Staff recommends approval of Addendum C to Lease No. 2001-22 with LOUIS C. BROADWAY, JR. d/b/a BROADWAY SERVICES for Building No. 13, located at 2885 Mellonville Avenue (Warehouse/Office). Addendum C extends the lease term for three (3) additional years, effective September 1, 2010. The lease consists of 1,955 square

feet, at \$5.00 per square foot. The annual rental rate is \$9,775.00; the monthly payment is \$814.58 exclusive of taxes.

- C. Consider approval of Addendum A to Lease No. 2009-44 with TIMOTHY RUSSELL, DOCIA BLANCHE RUSSELL, & BRUNO SILVA for Building No. 298-S, located at 3107 Rudder Circle (Residential).

Staff recommends approval of Addendum A to Lease No. 2009-44 with TIMOTHY RUSSELL, DOCIA BLANCHE RUSSELL, & BRUNO SILVA for Building No. 298-S, located at 3107 Rudder Circle (Residential). The lease shall have a one (1) year term, commencing on September 1, 2010. The annual rental rate is \$9,600.00; the monthly payment is \$800.00.

- D. Consider approval of Lease No. 2010-27 with KELLER OUTDOOR, INC. for Building No. 531, located at 3575 Marquette Avenue (Residence).

Staff recommends approval of Lease No. 2010-27 with KELLER OUTDOOR, INC. for Building No. 531, located at 3575 Marquette Avenue (Residence). The lease shall have a one (1) year term, effective September 1, 2010. The annual rental rate is \$12,000.00; the monthly payment is \$1,000.00.

Motion by Board Member Eckstein, seconded by Board Member Williams, to approve Consent Agenda Items A through C, and add-on Item D. Motion passed.

11. DISCUSSION AGENDA

None.

12. COMMENTS FROM THE PUBLIC

Kevin Spolski cautioned the increase in millage and fees by the City of Sanford will affect businesses and the Airport.

13. OTHER BUSINESS

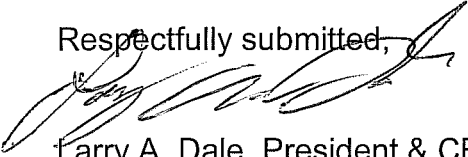
Board Member Eckstein stated he will miss Board Member Miller and Board Member Williams. President Dale hopes they will continue to assist staff and stay involved with the Airport.

14. REMINDER OF NEXT BOARD MEETING (OCTOBER 5, 2010)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry A. Dale", written over the text "Respectfully submitted,".

Larry A. Dale, President & CEO
/dmm



SANFORD AIRPORT AUTHORITY
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www.orlandosanfordairport.com

August 16, 2010 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 (August 22, 2010) 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 September meeting on Tuesday, September 7, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

Please take notice that if any person decides to appeal any decision made by the Sanford Airport Authority with respect to any matter considered at the meeting or hearing scheduled herein, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based, per Section 286.0105, Florida Statutes. Persons with disabilities needing assistance to participate in any of these proceedings should contact the executive offices 48 hours in advance of the meeting at (407) 585-4002.

Larry A. Dale
President & CEO

Certified proof of publication and invoice should be sent to:

Attn: Diana M. 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, September 7, 2010, at 8:30 a.m., at the Sanford Airport Authority Executive Offices Board Room, A.K. Shoemaker Domestic Terminal, 1200 Red Cleveland Boulevard, Sanford, Florida. Information may be obtained by contacting the executive offices during normal business hours at (407) 585-4002.

SANAC

The Sanford Airport Noise Abatement Committee (SANAC) meeting scheduled for Tuesday, September 14, 2010, has been cancelled. Information may be obtained by calling (407) 585-4006.

USER GROUP

The Airport User Group meeting scheduled for Tuesday, September 14, 2010, has been cancelled. Information may be obtained by calling (407) 585-4006.

DESIGN REVIEW COMMITTEE (DRC)

The Sanford Airport Design Review Committee (DRC) meeting scheduled for Wednesday, September 1, 2010, 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