

**MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
WEDNESDAY April 27, 2016**

PRESENT: William R. Miller, Chairman
U. Henry Bowlin
Jennifer T. Dane
Tom Green
Tim M. Slattery
Stephen P. Smith

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President of Operations & COO
Don Poore, Chief Financial Officer
Thomas Fuehrer, SAPD
Jerry Crocker, Director of Information Technology
Al Nygren, Property Manager
Jennifer Taylor, Project Coordinator
Valerie Lindbom, Administrative Assistant
Lori Hunt, Administrative Assistant

OTHERS PRESENT: Frank S. Ioppolo, Jr.
Commissioner Brenda Carey
Lynn Porter – Carlton
Brett Renton
Larry Gouldthorpe
Nicole Guillet
Jeremiah Owens
Todd Norman
Kevin Spolski

1. CALL TO ORDER

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

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. COMMENTS FROM THE PUBLIC

None

4. APPROVAL OF MINUTES OF THE MEETING HELD ON MARCH 11, 2016

Motion by Board Director Bowlin, seconded by Board Director Slattery, to approve the minutes of the meeting held on March 11, 2016. Vote taken, none opposed. Motion Passed.

5. UPDATE – LAND EXCHANGE WITH SEMINOLE COUNTY

President Crews introduced Seminole County Manager Nicole Guilett and County Attorney Lynn Porter – Carlton, and deferred to SAA Council Brett Renton to address the Committee.

Mr. Renton reported at last month's EDAC meeting he appeared telephonically and the Committee directed him to meet with the County and develop potential legal language regarding the Right of First Refusal. The County prepared a document although it couldn't bind the BCC to a Right of First Refusal in the future should they decide to declare said property surplus. As an alternative, Florida Statute 125.38 is being considered which allows the County to declare a piece of property as surplus and then proceed with the application process where another political subdivision could apply and in essence acquire the entire piece of property.

President Crews clarified for the Committee that F.S. 125.38 allows the "nominal value" which applies because the Authority is a governmental entity as stipulated in the Statute. The FAA supports the idea; and requested a recent appraisal be conducted. County Chairman Horan, when contacted, stated he is in favor of County Manager Guillet obtaining a new appraisal of the County parcel for this purpose. The proposal under discussion was formulated by County Manager Guillet.

Commissioner Carey requested that the first agreement be re-addressed.

Board Director Dane requested a copy of the draft proposal.

The Committee discussed the original decision of the SAA Board [on August 12, 2014] to approve the land exchange with the right to impose a use restriction, i.e. Sports Complex. Following discussion, the Committee reached a consensus to recommend a "straight swap" with a restriction on the SAA parcel to be used for a public sports facility/indoor or outdoor sports fields. Chairman Miller suggested that President Crews, Commissioner Carey, Ms. Guillet, Chairman Ioppolo or his designee meet to discuss what transpired at today's meeting. Mr. Renton responded that if the Committee makes that recommendation that a document with the restrictive language be prepared that could be forwarded to the Board at their next scheduled meeting. Commissioner Carey replied and Ms. Porter –

Carlton agreed, stating said document exists and needs to be amended to include the new wording.

6. DISCUSS REQUEST FROM AIRPORTS WORLDWIDE FOR CURB-CUT ON RED CLEVELAND BLVD

Thayne Klingler, Manager, Airports for Allegiant Airlines appeared telephonically. President Crews reported to the Committee she was contacted by Mr. Gouldthorpe, President of Airports Worldwide, regarding their intention to develop a property they own into a simulator training center that is being considered by Allegiant Airlines. The Airports Worldwide property has no access from Red Cleveland Boulevard as the SAA owns all of the frontage adjacent to Red Cleveland Boulevard. Part of the request is a need by Airports World Wide for access to their property from Red Cleveland Boulevard for purposes of facilitating the development. Kevin Spolski with Spolski Construction provided preliminary drawings for the Committee's review. President Crews stated that she has been in contact with members of the Committee and different alternatives to the requested curb cut have been recommended. Jeremy Owens, CPH was present and provided overlays. President Crews noted the Committee as a recommending body to the full board, can decline the request, amend or suggest an alternate type of access than is proposed. The future development of the Airport is a priority in reviewing this request.

Chairman Miller, clarified the Committee is the venue for Mr. Gouldthorpe to present his proposal, and directed the Committee to review the information as it relates specifically to the SAA's land and how the proposed ingress and egress affects said land. At the next meeting a draft agreement from the Committee can be recommended to the Board.

Mr. Gouldthorpe gave a brief history on the purchase of the property. TBI Real Estate Holdings purchased this piece of property in 1999 as a compliment to the terminal expansion at the time. Mr. Gouldthorpe has been instructed by his board with strict criteria to make sure the current proposal is structurally related to the terminal. Seventy Three (73) million dollars have been invested in the terminal and three (3) million dollars in the property. Although a deal or lease hasn't been signed, there are some very critical time frames that revolve around production of the simulator equipment being constructed in Europe and delivered by the end of 2016.

Mr. Klingler addressed the Committee reiterating the importance of the project to Allegiant in providing an east coast training facility, and emphasized the Sanford location further solidifies the commitment to Sanford and the community.

Mr. Gouldthorpe summarized by stating there is a strong relationship between Airports World Wide and Allegiant, and strong benefits to the Airport regarding

the project. Those benefits being Economic Development and convenience for the 350 Allegiant employees who can train in Sanford opposed to Nevada.

Chairman Miller reminded the Committee the focus of the review would be the proposed ingress and egress to the property as it goes over airport property.

Board Director Green inquired of Mr. Klingler that if the curb cut across Red Cleveland Boulevard were not approved, would that preclude the proposed development of the property. Mr. Klingler replied that he would have to consult with other decision-makers and that he viewed this as a setback and inconvenience.

Kevin Spolski, Spolski Construction addressed the Committee and provided preliminary development drawings. With regards to the roundabout, Mr. Spolski noted it is for the total development of the site. Mr. Spolski felt the straight curb cuts are detrimental to avoiding unnecessary traffic within the terminal area. The proposed development will facilitate the approximately 350 people believed to be involved in the daily operation of the training facility

President Crews referenced four alternate drawings and comments prepared by AVCON Engineering and distributed to the Committee.

Board Director Bowlin suggested mast arm signs be installed for clearer visibility to the training facility and land grounded signs could be placed on the corner. He favored easements for deceleration lanes, turn lanes or improve the entry way to make it more presentable opposed to the curb cut/ easement.

Board Director Dane expressed concern over the critical time frame the project was up against. She didn't want to miss out on an opportunity with Allegiant.

Mr. Gouldthorpe replied he would submit his site plans using Marquette Avenue as the entrance while awaiting the Board/Committee's determination. Discussion ensued and a date of June was decided upon as a target date to re-present the request

Board Director Slattery requested the Engineers develop a design that would both benefit the Authority and the project.

Chairman Iappolo suggested a high level document that would outline proposed future development for the Authority and Airports Worldwide which would demonstrate the value in the relationship with Allegiant.

President Crews responded that due to the extent of the last minute information, she encouraged the Committee to review the conceptual drawings and comments from AVCON before the June meeting.

Mr. Spolski reiterated the access point off Red Cleveland Boulevard with the placement of the roundabout and road system, as his backup to the limited road system hardship. He suggested the property to the North with existing infrastructure be considered as possible future use for the Airport.

7. UPDATE – PRESIDENT'S PROPOSAL FOR SE RAMP HANGER DEVELOPMT (TRACY FORREST)

President Crews introduced Todd Norman, representative for Mr. Tracy Forrest. Mr. Norman had previously appeared at the March meeting. President Crews stated, at the March meeting the Economic Development Committee had instructed her to meet with Mr. Forrest and return with a detailed recommendation. President Crews stated her recommendation was a new Master Development Agreement for the property. However there are major changes that include removal of the second right of refusal and limit the first right of refusal to only those aviation developable properties adjacent to the current site. In conclusion the term changed to a restricted amount of land, allows the Authority a first right of refusal on assignment, and would also renew automatically.

Chairman Ioppolo and Board Director Green suggested the addition of a Key Man clause. President Crews responded that counsel has yet to review this new Master Agreement. President Crews distributed Report 47 ACRP – Guidebook for Developing and Leasing Airport Property, produced by the Airport Cooperative Research Program and sponsored by the FAA as a comprehensive guide which references First Right of Refusal. The manual doesn't reference or recommend a charge for a First Right of Refusal.

President Crews stated her recommendation for this item is a modified agreement that removes the portions that the Committee had disagreed with.

Board Director Green requested a proposal with the pros, cons and staff recommendation to consider for this item.

President Crews readdressed the Board and stated that this item has been before the Board and Committee numerous times. At this meeting the Committee was being briefed on the latest proposal. President Crews assured the Committee that she has started a memo to the Board that captures pros and cons and strongly felt the proposal captures the Authority's interest and best benefits the Airport.

Mr. Norman commented stating, the pros and cons of this proposal; the First Right of Refusal was a concern as written it declared Mr. Forrest could transact the property without sharing profits with the Authority. Mr. Forrest is removing some items from the original proposal, has also made some consideration for the

property, and were it not for the clerical error, the prior lease wouldn't have lapsed leading to this meeting.

Chairman Iappolo suggested a Right of First Offer. If Mr. Forrest took the property to market, the Authority would have first option and would be notified in advance the amount per square foot. The Authority then has the option to accept or Mr. Forrest could seek another offer although he couldn't raise the square footage agreed upon price. This would result in a "no chill" situation, a less invasive way to achieve the same result.

President Crews briefed the Committee on the prior minutes with regards to this item.

Board Director Dane suggested a document with Right of First Refusal as long as it excludes the items the Committee discussed, with the "key man" clause.

Mr. Renton responded stating there are various options to achieve the required results, the Right of First Refusal, Mr. Forrest can lease the property, an RFP for a full fledge Master Services Development for all of the properties and enter in to a guarantee for "x" amount of dollars. To be clear from a point of consideration, some type of consideration must be received for the deal that the FAA will accept.

Chairman Iappolo inquired of Mr. Norman as to whether Mr. Forrest was opposed to paying something for the Right of First Refusal. Mr. Norman responded stating Mr. Forrest would prefer not to pay anything but he would consider a reasonable number. Chairman Iappolo then inquired if a reasonable amount for Right of First Offer as opposed to Right of First Refusal was put in the Master Development Agreement, would Mr. Forrest be willing to accept that language. Mr. Norman responded the Right of First Offer would be less.

Discussion ensued regarding the amount to charge for a Right of First Offer for 5 years. Following discussion, the Committee agreed that President Crews would convey to Mr. Forrest what transpired at the meeting regarding the changing of the language and return to the Economic Development Committee next month after meeting with Mr. Forrest and consulting with counsel.

8. UPDATE – STATUS OF HOTEL LEASE

Brett Renton referred to a Memorandum from Shutts & Bowen that was distributed to the Committee which summarizes fourteen (14) terms of the proposed Hotel Ground Lease. He stated the Lessee is requesting the wording in item #8 Permitted Use, "acceptable to Lessor's Board of Directors" be removed. And item #16 he inquired of the Committee if they would object to an

entity versus a person. The Board has a policy of a personal guarantee; a corporate entity guarantee would require board approval.

Mr. Renton's inquired of the Committee if they would strongly object to the wording in item #16 being changed to "entity" versus "person" in order to facilitate the lease. Board Director Slattery stated this wording is acceptable with a ground lease. In conclusion counsel is waiting on two wording changes that have been expected for the last two weeks.

9. UPDATE – STATUS OF POTENTIAL LAND EXCHANGE AT AIRPORT ENTRANCE (RED CLEVELAND BLVD./E. LAKE MARY BLVD.)

President Crews has been in contact with the FAA who felt the proposal is a good value for the Authority to have control over the front parcel. The FAA also informed President Crews not to conduct any more reports those being Phase I and Phase II, and to wait until the full proposal is ready for submittal. FDOT and FAA approval are required for this land swap.

Discussion ensued and Chairman Miller stated that at the next meeting a gross figure for the amount of fill would be presented to the Committee.

10. UPDATE – DEVELOPMENT CONSULTANT

President Crews stated that she has been in contact with the two consulting firms and inquired if the Committee wanted to discuss this item or refer it on to the Board. Discussion ensued and it was determined that this item would be referred to the Board.

11. UPDATE – CONVENIENCE STORE/GAS STATION

President Crews updated the Committee stating, although the traffic count was higher than anticipated, Sunoco Corporation felt the offer was "too green". A Sunoco Vice President was going to revisit the matter with his committee as a viable site. President Crews also received feedback that Sunoco felt the entrance site was also an ideal property. Discussion ensued and Board Director Bowlin mentioned the proposed Allegiant Training Facility and proposed hotel sites that would make the entrance parcel a more desirable parcel.

12. UPDATE – SANFORD AVE/AIRPORT BLVD ENTRANCE FEATURE

President Crews stated that the plans have been re-drawn for the entrance feature and it has been difficult obtaining a bid for the request. Vice President George Speake is getting proposals from Seminole Masonry and CFBI.

13. DISCUSS IDEA OF DEVELOPING BUSINESS PLAN FOR COMMERCE PARK

In the interest of time Chairman Miller postponed this item until the next meeting.

14. OTHER BUSINESS

None

15. REMINDER TO SCHEDULE NEXT SAA ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE MEETING

Chairman Miller requested this item be discussed at the Board Meeting May 3, 2016.

16. ADJOURNMENT

There being no further business, the meeting adjourned at 11:39 a.m.

Respectfully submitted,



Diane H. Crews, A.A.E.
President & CEO

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