

**MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
WEDNESDAY May 18, 2016**

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

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President of Operations & COO
Don Poore, Chief Financial Officer
Al Nygren, Property Manager
Bill Stack, IT Manager
Jennifer Taylor, Project Coordinator
Thomas Fuehrer, SAPD
Lori Hunt, Administrative Assistant

OTHERS PRESENT: Frank S. Ioppolo, Jr.
Clayton D. Simmons
Stephen P. Smith
Larry Gouldthorpe
Kevin Spolski
Bob Turk

1. CALL TO ORDER

The meeting was called to order at 8:31 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 APRIL 27, 2016

Motion by Board Director Bowlin, seconded by Board Director Green to approve the minutes of the meeting held on April 27, 2016 as amended by Board Director

Green and Board Director Ioppolo Jr. Vote taken, none opposed. Motion Passed.

5. LAND EXCHANGE WITH SEMINOLE COUNTY – NO UPDATE

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

President Crews stated she met May 5th with CPH Engineer Jeremiah Owens, Kevin Spolski, Larry Gouldthorpe, different staff members and Mr. Miller. She referred to the revised drawing and the drawing formerly proposed, both of which were distributed to Committee members. Also distributed was a breakdown of proposed site costs which include an estimate on how much property this affects, almost 11,422 square feet which was provided by Mr. Spolski.

Mr. Spolski addressed the Committee and discussed the site dimensions, including the width of the entrance being 16', and the median being 10'. In response to Chairman Miller's question about the width of a standard right of way, Mr. Spolski noted that Sanford has some at 30' although they prefer 50', and for major thoroughfares, 70' is typical.

President Crews stated that Mr. Spolski has submitted the proposed plans to the City of Sanford for site plan review of the structure and the entire project showing the entrance off of Marquette Avenue, in order to move the project forward. If the Board grants the access or they come to an agreement, Mr. Spolski can amend the site plan.

Board Director Smith complimented Mr. Spolski and Mr. Gouldthorpe regarding the proposal that has been changed from two (2) acres to a quarter of an acre which demonstrated an effort on their part.

President Crews referenced the potential value the airport would receive if the request is approved, including but not limited to:

- Having an attractive entrance road that will benefit the Airport's site to be landscaped and maintained by AWW/Allegiant;
- A requirement to tie in to their gravity sewer, to be maintained by AWW/Allegiant;
- The provision of curb cuts for the Airport's development of the parcel to the north and south of the entrance road; and
- The use of Marquette Avenue for employees and deliveries.

Mr. Spolski stated that in daily conversations with Allegiant, they want to make sure their building is a showplace for people coming in to the Airport. The proposed building is 50' in height, a first class structure that will be very

impressive. Board Director Slattery questioned Mr. Spolski about the building pad touching the property line of the Airport. Mr. Spolski responded that the setbacks are 25' on any property line and 50' on the front. There are trees with heights of 30-35' tall, and the proposed building will be 50' and 35' on the plans submitted to the City of Sanford. The intention is to leave all the vegetation along Marquette Avenue in order to be user and neighbor friendly. For a visual perspective, Mr. Spolski stated the Avocet building is 72', and is the tallest building on airport property. The proposed Allegiant building is 50' which has received approval from the FAA. Mr. Spolski thanked Vice-President Speake for his assistance and guidance in the FAA study, and confirmed that the curb cuts as proposed by President Crews are possible.

Board Director Bowlin inquired if retention would affect the birds, to which Vice President Speake responded that the retention area is out of the RPZ. Mr. Bowlin then asked Mr. Spolski if it would have a 4 to 1 slope on the pond, and Mr. Spolski responded yes. Vice President George Speake stated the proposed slope then meets the requirements of the FAA.

Larry Gouldthorpe noted he has had conversations with Allegiant about the amount of publicity they will be trying to elicit from the building itself, and Allegiant actually prefers it camouflaged to blend in with the scenery not to draw public attention. This building is for their pilots and internal staff and they actually fear it might be mistaken for their reservation site, or a location to make a compliment or complaint. The visibility from the road isn't that important to them.

Chairman Miller asked about vegetation on the east side of the property. Mr. Spolski replied they are going to leave as much vegetation as they can. Board Director Green inquired if the Airport will have an architectural review of the building, since it is located at the front of the airport. Mr. Spolski replied he would be happy to provide renderings. President Crews stated the committee meeting is to determine whether to allow access, it is possible to negotiate certain requirements and that Committee approval of the design could be a requirement.

Board Director Green reminded the Committee that the process is important whenever there is value implied or involved, which there is with the easement. If this was viewed from the private sector world, you would look at what you can do with the airport land before and after, understanding there is certain value. He reiterated there is less value to the Airport than to the developer, and although it's a tremendous appeal for Allegiant, the big benefit isn't for Allegiant but for the hotel site behind it. Also, until approval is granted, that is what is driving his opinion. Board Director Green complimented Mr. Spolski for doing all that has been asked of him, and now it is up to the committee to make a recommendation.

Mr. Spolski noted another item of value that was just brought to his attention was the receptiveness for gravity flow for offsite that would save the Authority

\$75,000-\$100,000. The alternate would be \$160,000-\$180,000 for a dedicated lift station.

President Crews stated the pros and cons need to be further defined before going to the Board. Pros are we achieve an attractive feature at Airports World Wide's expense, and it is maintained at their expense while providing an entrance to our development. In conclusion, there is potential for other considerations, including monetary, which need to be addressed, For instance, an appraisal hasn't been done, which should be at Airports World Wide's expense. Cons are we are losing the ability to control a quarter acre of land and it will provide an entrance for their hotel project that will be competing with our hotel.

Board Director Green listed the developability of our land as a con. President Crews replied the benefits outnumber and outweigh the cons. She continued that Mr. Spolski mentioned the Authority wouldn't want to go more than one story but because the parcel is so narrow it could be anticipated to go higher dependent upon the use.

Board Director Smith felt the development of the training facility and hotel property will enhance the development of the strip for restaurant pads, office or support to this facility. He concluded that this is a piece of property the Airport never would have developed if not for this project.

President Crews reported that Larry Gouldthorpe had shared with her that his mission and direction from his Board is to make sure that whatever is done compliments the airport. This proposed project could drive more development. The facility will be underway very soon and will make the rest of the Airport properties, and maybe even properties in the Commerce Park more developable.

Discussion ensued between the Committee members and Vice President Speake regarding the RPZ and future development, and the widening and/or lengthening of Runway 9R-27L. Vice President Speake responded that the runway wouldn't be lengthened but in order to make the runway available to commercial traffic the threshold would have to be moved back and approach lighting illuminated.

Board Director Dane asked how this would affect our developing the property; Vice President Speake responded he wouldn't know until their hotel has an air space study done, whether or not the FAA would say it would affect us. Board Director Dane inquired how their hotel may affect our widening the runway and having more jets. Vice President Speake responded the air space study needs to be done, after which the FAA issues a determination of hazard or no hazard. Hazard determination is strictly on if that runway can be used as it is now and if it's on our ALP in the future. The determination doesn't determine if you can or can't build the hotel, it just tells if it will affect that runway.

President Crews inquired of Vice President Speak what the future RPZ shows. Vice President Speak stated he'd have to review the ALP. Board Director Dane reiterated this is the kind of information she wants to know before making a decision. She stated the ultimate mission is to continue to run the airport. It is important to know how what we do now will affect how we run our airport in the future.

Vice President Speake replied he doesn't know the height of the hotel AWW might build there, but offered to take a conceptual drawing and have Jeremy Owens with CPH compare it with the RPZ.

Board Director Bowlin responded that the Airport has no control over what they do, the FAA has the control. Vice President Speake stated the control that an airport has over things like this being developed is in association with the counties and cities surrounding it and their zoning boards. Board Director Dane stated if we have the information then we can enter in to negotiation with them. Board Director Bowlin emphasized his point that they will do the development regardless because they've already submitted this using the Marquette Avenue. He agreed with Board Director Dane's point, and advised the Committee to keep in mind this project is moving forward. The hotel may not move forward because of the agencies that have to approve it.

Board Director Dane felt there was a lack of communication between the group and its proposed development, because the AWW hotel wasn't mentioned until three months ago. She expressed the need for more communication and realized that while you can't get a commitment, she would like to know what their plans are and how they affect the Airport. Board Director Bowlin responded we only know what they tell us.

Mr. Gouldthorpe addressed the Committee stating the hotel is very indefinite; there isn't a design or business plan, merely a concept. The details of when it will be built, how high it will be, how it will be configured, will it be built this year or in five years are all unknowns. How the land will be developed is under discussion. They believe there is a business plan for it, although they are not ready to even talk about what the building itself will look like. It is part of an ultimate plan. It is complimentary to what is done at the airport in the larger sense, and will complement the training facility, but he felt it would be misleading today to say they anticipate building a five story hotel with 300 rooms.

Board Director Green agreed with Board Director Dane that whenever making a decision, the main goal should be the Airport. When considering a longer term plan and height restrictions that could affect the Airport, it's part of the equation to go back to the process and long range plans of the Airport. A lot of information is presented prior to meetings, and afterward more information becomes available; it becomes an accountability issue and he felt the Committee wasn't ready to

vote on this item. He requested information prior to the meeting in order to properly vet the request before making decisions.

President Crews and Vice President Speake ensued in conversation regarding future FAA approval to widen the runway and the resulting RPZ, and requested one of our engineers determine the maximum height of a building in that location. Vice President Speake responded they could lay out the western most threshold compared to the RPZ and look at what height would impact something being built there. President Crews requested this as a conceptual item to include the approximate maximum height in that area to be presented to the Committee.

Board Director Green stated at the prior meeting a plan was available for the airport and asked if anybody has looked at that in relation to how it would potentially lay out. That's important. You want access at any point at the Airport's discretion because the building could be at the front or at the back. That's important discussion to know what we are going to be left with, and what our consultants and you are comfortable with. President Crews responded the engineers didn't do a layout with a more narrow entrance, although it is possible to show an idea of what can be done. Mr. Spolski had worked with the drawing although it is not a layout that maximizes the use of our property. Vice President Speake reminded the Committee that every time something is asked of the engineers it costs money. Board Director Bowlin replied it is the ALP that showed proposed buildings is what Tom is stating. We want to show where the proposed buildings fall in conjunction with the entrance so we aren't losing a building. Vice President Speake stated that a building will be lost.

President Crews referred to the ALP with conceptual buildings shown, and Board Director Miller requested the ALP be in the Board Room for future meetings as a reference. President Crews clarified the buildings shown on the ALP are only conceptual as the Airport needed to show the FAA the intent to place buildings there in order to develop the property. Also, she referred to discussion about losing a building and while there is a potential for that, an entrance is still mandatory.

Chairman Ioppolo expressed his frustration with the Board and Committee finding they are reacting rather than driving conversation when looking to make decisions. He felt they were all resisting because information is submitted piece meal. Although he has tremendous faith and confidence in staff; when it comes to operating the airport, they do a tremendous job, but they are not property developers, nor expected to become property developers. The conversation brought to a head the question of whether or not in order to advance the airport forward is there a need to outsource to a group that specializes in property development. Staff is being taxed with a lot of different things and a lot of different expansion projects.

The development of Airport property and operation of the Commerce Park could be more efficient with that expertise and the public private partnership. Chairman Ioppolo requested this be discussed under Other Business and make a decision, before presenting it to the full Board. In conclusion Chairman Ioppolo stated budget discussion is coming up which will drive the conversation and felt the Board is at a point where they need to come to grips as the Airport is not a property developer, and make some decisions to move forward.

President Crews clarified that the Committee wants more information and confirmed she will provide the effect on the overall site if the runway were to be strengthened/widened in relation to the RPZ. In addition she will provide a depiction of buildings near the entrance and the impact, and a graphical depiction of the Part 77 restrictions overlaid on the airport aerial and Mr. Spolski's plan. Further, she will continue to work with Mr. Spolski to make sure it's done accurately.

Board Director Slattery stated that the Committee has approved preliminarily the design of the curb cut, now it's time for President Crews to go negotiate the best deal possible by putting pros and cons in front of the Committee. He emphasized the importance in making decisions because the applicants are ready to proceed and shouldn't be held up anymore.

Board Director Dane took exception with Board Director Slattery's statement; she didn't feel the curb cut should be approved at this time. She felt the amended proposal reflected the Committee's request in that it changed the amount of property they were requesting; she still didn't feel there was information to say this is good or bad. President Crews had stated the applicants are moving forward in the request using Marquette Avenue either way.

President Crews confirmed that additional information will be sent to the Committee and Board Directors prior to the next meeting. The project under discussion isn't the Airport's and there's nothing incumbent on us to move the project forward as fast as possible, but we try to be sensitive to Airports World Wide and their timeline. Airports World Wide is our partner at the airport. If the Committee needs to meet again prior to the June 7 Board meeting, a meeting could be scheduled. Board Director Smith didn't feel that would be necessary, the request didn't seem as major now that the applicant has reduced the depth.

Board Director Green re-emphasized the value of the easement. Chairman Miller stated the burden of work is on President Crews based on conversation presented at this meeting. The Committee has requested, pros, cons and other information and if they propose to schedule an additional meeting before June 7th Board meeting, he would be out of town.

Board Director Dane requested that President Crews include a value in addition to the pros cons. She referred to the need of an appraisal, and inquired if that

was going to be done before next meeting, how it would be valued. President Crews agreed an appraisal would be helpful, Board Director Bowlin felt Airports World Wide should obtain the appraisal. President Crews inquired of Mr. Spolski how fast he could obtain an appraisal. Mr. Spolski felt at least thirty days. Board Director Green didn't feel that would represent a loss of value. Board Director Bowlin stated a gain in the value of the gravity sewer. Board Director Dane reiterated the necessary value and how it was derived and that it is legitimate.

Board Director Simmons addressed the Committee stating this is the value of a public hearing, when ideas are exchanged sometimes it reveals weakness in process, and weakness in product being presented, or sometimes it doesn't reveal weakness at all. Public meetings, while frustrating are the only process we have to explore these things and learn about them to answer questions. Staff shouldn't think the Committee is frustrated with them, it's the process.

Chairman Miller clarified that it is staff's responsibility, and wasn't sure staff could have done more based on previous meetings. He expressed the need to move forward, as President Crews has her direction and knows what to do, she can also ask for assistance from the Board. Chairman Miller referred to Vice President Speake's prior comment about everything depending on the cost of more money, but felt it gets to a point where if you have to do it, you have to do it. He emphasized the future of this airport and if five to twenty thousand dollars needs to be spent for a report or analysis to move us forward that the committee is satisfied they can substantiate this committee going to the Board. It falls back on the Board if more is going to be spent out of the budget than was thought of or put in to it. The Board can work with staff to amend the budget or move funds to achieve desired results. Chairman Miller urged the Committee to get positive about this, as they are all business people, and thanked Vice President Speake for bringing up funding as part of the discussion but reemphasized the Committee is here to help.

Chairman Miller asked the members of the Committee and Board to reread Avcon's "Review of Proposed Entrance Feature for Airports World Wide Off-Airport Improvements".

7. PRESIDENT'S PROPOSAL FOR SE RAMP HANGER DEVELOPMENT (TRACY FORREST) REQUEST WITHDRAWN

8. UPDATE – STATUS OF HOTEL LEASE

President Crews stated the applicants were not ready to come before the EDAC. The applicant is formalizing a letter of credit, and she hopes to bring the lease to the June 7 Board meeting unless the Committee members want it brought back to EDAC first.

Board Director Slattery reminded the Committee members that their dream of widening the runway to allow for jumbo jets will take the flight path right over the top of the airport's hotel, and questioned if the hotel would allow that. He didn't feel people want to sleep when they are trying to land a jumbo jet.

Board Director Smith replied the runway under discussion wouldn't be used for jumbo jets, and the runway isn't part of a dream; it's what's in the ALP and Master Plan. In addition he felt part of his position on the Board is to grow the airport. The development is ancillary. If development is directly affecting the growth ability of the airfield, it needs to be known. This didn't mean he as a committee member will decide for or against it, but in the future when he isn't on the board and people look back at the decisions made they need to have been made in the context of the greater plan. If something is already out there in a plan, then the committee needs to look at that in the context of development.

Board Director Simmons inquired of Vice President Speake if the current hotel will affect the RPZ, to which he replied it didn't. President Crews also responded the future RPZ won't affect it either.

In response to Chairman Miller's inquiry, Vice-President Speake advised that MD 80s and 737s are the maximum size aircraft that Runway 9R-27L can accommodate.

Vice President Speake stated there are airports with hotels and airplanes landing right over them throughout the United States. He listed Dallas and Detroit with hotels in the airport terminal. President Crews indicated it's not that this wasn't thought of, it just wasn't of concern, as it is a common place practice at airports. She said they are absolutely aware of how close the hotel is to the runway.

Chairman Miller reminded the Committee it was 2005 when the first proposed hotel on Airport Boulevard was brought up, and the proximity of both landing and takeoff with relation to the hotel. Because it didn't involve FAA regulations in any form the potential developer had no problem at that time.

President Crews restated there are two remaining outstanding issues with the lease, the guarantee and restaurant feature. She canceled the special-called Board meeting due to these items and would be discussing the lease again that afternoon.

Chairman Ioppolo briefed the Committee on the discussion he, President Crews, and Counsel had with the developer regarding Hilton's requirement for a casual dining restaurant within walking distance of the hotel, although the hotel developer has previously stated that they weren't interested in doing a restaurant, and we have stated that we don't want them doing a restaurant. Time and again the developer has gone out of their way to state they are not restaurant developers and don't want to develop a restaurant. Following

discussion at that meeting, the Chairman told the developer to tell Hilton if there is a restaurant it will be done by the Airport. He further briefed the Committee on recent conversations he has had with several restaurant developers who weren't interested because the Authority doesn't have a development plan, and to come back when there is a plan.

Following discussion, the Committee concurred to have approval of the hotel lease go straight to the Board, provided Staff and Counsel can recommend it.

Board Director Smith requested clarification on agenda item #7 [Request from Tracy Forrest]. President Crews stated that both she and Mr. Forrest's representative went back to Mr. Forrest with details of the meeting. Mr. Forrest stated he is done and he's not coming back again before the Committee. If he decides he wants to develop more property, he'll come to us for a lease of the property. This decision won't stop his future development.

Discussion ensued regarding the concerns of Board Director Slattery as to whether or not our tenant had been treated fairly; the assertion of Board Directors Ioppolo, Greene, Miller and Dane that Mr. Forrest had a right that expired and the Authority could not convey value without consideration and that he was offered a fair deal; and the acknowledgment by the Committee that Mr. Forrest has been a good partner who has invested substantially in the Airport.

Board Director Dane Board Director Dane requested as a public relations move President Crews approach Mr. Forrest one more time and see if there anything we can do as she hates to see the relationship deteriorate.

President Crews felt the relationship with Mr. Forrest is good and this decision will not keep him from continuing to develop. He is a business man.

Chairman Miller reminded the Committee that Mr. Forrest still has a lease, and has the full ability under that lease to operate that facility, develop it, improve it, and change it. Aside from that agreement he had, he's covered and can make money down there as he operates it; the market is there for him.

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

President Crews referenced the direction from the Committee at the last EDAC meeting that Staff determine the amount/cost of fill required to fill the entire property to bring it up to grade, and reported that the cost of fill would be \$1,876,567 with an onsite wet pond, and \$ 2,396,044, without a pond. These estimates include a 20% contingency. She also reported that a full wetlands assessment needed to be completed, inclusive of a proposal for wetlands mitigation. The engineer's estimate per acre to develop the property is \$200,000-

\$400,000 per acre for the wetlands mitigation. President Crews noted that the Airport-owned property is 10.5 acres with an appraised value of \$1,050,000, and the entrance parcel is 9.3 acres, with an appraised value of \$1,070,000; the LOI expired on May 14th.

Following discussion regarding the value of the parcel relative the significant costs of anticipated for fill and wetland mitigation, the consensus was reached for President Crews to contact the property owner, ask for a 30-day extension of the LOI, and a commitment to provide the necessary fill at a reduced price, before moving forward with a proposed contract.

10. UPDATE – SANFORD AVE/AIRPORT BLVD ENTRANCE FEATURE

President Crews stated she had spoken to Norton Bonaparte Jr, Sanford City Manager last week and thought she would have the contract from a contractor but there was another minor issue. She felt the contract would be available within the next week. The issue with obtaining the contract was referenced as drop off on North side of the property; there is concern about the integrity of the soil and the necessity to put in a deep footer. The Authority construction manager has worked with the engineer and contractor and they have a solution. President Crews inquired of Jennifer Taylor, Project Coordinator when she would have the contract, to which she replied by Friday.

Board Director Dane inquired if it was possible to break ground before the upcoming budget meeting, and President Crews replied it is the intent to be done by budget meeting.

11. OTHER BUSINESS

Chairman Miller stated that during his attendance at various staff and related meetings regarding the airport expansion project two weeks ago he became aware that in addition to the proposed four new gates, there was an item regarding walk on ramps from the ground level. Allegiant has proposed a doorway to stairs leading to the ground at the ramp to allow for dual boarding. Through this ramp configuration the passengers board from the ground level. The current design is a jet way, but the proposal is a door that comes out to a landing, leading to a single flight of stairs.

President Crews responded that Allegiant's purpose in this design is to reduce time because time is money. Allegiant has said it would be their preference to eliminate jet ways and use hard stands for every one of their flights. Currently Allegiant has a lot of airports using this method.

President Crews stated that she and Vice President Speake were approached at the Allegiant Airlines conference in April regarding the dual boarding concept, which had been brought up before. It allows Allegiant to board from the back entrance of the aircraft and the jet way, allowing faster boarding. President Crews' response to Allegiant has been we'd see what we can do to accommodate that. It does require more manpower on the ground, and is an expense to Airports World Wide which necessitates them going back to Allegiant to ask for more money. It is her understanding that this is applied to people who can do that, not children, not elderly people or people in a wheelchair or those having difficulty walking. Allegiant's thinking is half the people would be fine going down the stairs and walking in the back entrance versus using the jetway. Every minute means a lot to Allegiant. There is even some talk of penalizing Airports World Wide for not meeting certain time parameters, but that doesn't affect us. Larry Gouldthorpe hasn't pushed this on us at all, but Allegiant has brought this to our attention.

Board Director Bowlin replied for one it creates a safety issue and two a security issue, and felt we should be more concerned about the security of this airport and the safety of the people going to this airport then to save Allegiant 10-15 minutes on a turnaround. Chairman Miller noted that 7-10 minutes is the timeframe Larry Gouldthorpe told him.

Board Director Dane spoke of the liability and how that increases our liability where safety is concerned.

President Crews stated that what she said at the conference was that as long as our safety and security aren't being impacted, then we will do what we can.

Vice President Speake addressed the request from a safety standpoint, as having to have staff in place so passengers aren't just wandering off, or touching things they aren't supposed to touch. He said it's the same thing from the security standpoint; we require extra manpower on the ground. This is done at airports all over the county and the world for that matter, normally there is a painted walkway people follow and the appropriate supervisor or personnel in place to make sure they get from the stairs to the aircraft.

Chairman Ioppolo inquired if it is our personnel or Airports World Wide who are responsible on the ground, Vice President Speake responded it is Airports World Wide responsibility to provide the additional grounds crew.

President Crews reiterated it's a greater cost for Airports World Wide.

Chairman Miller stated he has had to use this type of dual boarding; it's a ramp so they can push the wheelchairs up, they take all the wheelchair passengers off the plane and have attendants push them up a ramp in to the airport and then they allow let the rest of the passengers to deplane.

President Crews replied that type of deplaning wouldn't occur at this airport because we have jetways. Chairman Miller stated passengers will be directed as per their abilities to either use the jetway or stairs, and questioned if that would meet favorably with Simpler Faster Better. He has also shared this opinion with Larry Gouldthorpe

Board Director Smith inquired if this accessibility is being proposed for four out of the sixteen gates, why hadn't the Board heard about it before. Vice President Speake replied that it has been known and discussed for three years. President Crews stated that Allegiant doesn't make plans for this airport. She has asked them why this need, because although we aren't seeking carriers to compete with them, we are trying to get other airlines at the airport.

Board Director Bowlin commented that 1.3 million dollars has been spent on a jet way and it appears Allegiant want us to dump passengers off outside.

Chairman Ioppolo expressed concerns that Allegiant is going around Airports World Wide. Airports World Wide is charged with this operation. He appreciates they want to open up a line of communication to us, although it seems they open that line when they don't get what they want from somebody else because there are plenty of other opportunities where they don't call. He stated he wasn't saying that should be a determiner one way or another but was concerned that we respect the agreement and relationship with Airports World Wide especially when what we're talking about is going to cost them manpower and money. He felt for certain if the situation was reversed and they were making a deal that would cost him personnel he would be upset.

President Crews replied that Thane Klingler with Allegiant contacted her and apologized afterwards. Vice President Speake noted that Mr. Klingler was present when they were approached by the Allegiant representative. President Crews stated that Larry Gouldthorpe hasn't come to her saying the Authority needs to do this, and Allegiant has been to him with the same request. And there have been some discussions regarding the dual boarding. Vice President Speake commented the process has been tested. President Crews reiterated that none of this has been done without the knowledge of Airports World Wide.

Chairman Ioppolo restated that Airports Worldwide is our partner who has the delegated authority to run this aspect of the business and they haven't asked us to do this. President Crews replied, they want us to try to do this for Allegiant. Chairman Ioppolo commented on her statement, Airports Worldwide want us to try to do this. Chairman Miller stated it's already on the engineered drawings. Vice President Speake responded none of this happening in a vacuum.

Chairman Ioppolo inquired if Airports Worldwide is asking us to do this or not. President Crews replied no, it was a joint decision between Airports Worldwide

and the Sanford Airport Authority to include it and try to facilitate dual boarding for Allegiant. Chairman Ioppolo asked if Airports Worldwide is pushing this request or are just asking, does Airports World Wide want us to do this. President Crews replied it's not a matter of them asking us to do it, we both know it's what Allegiant would like. She stated we are being asked to consider dual boarding which is done in many places and we together said we will try to facilitate it and Larry Gouldthorpe has said he appreciates us trying to facilitate it. Chairman Ioppolo stated President Crews had mentioned Airports Worldwide is pushing us to do this. She responded they did not come to her and say please do this. She merely had the conversation, it took place with Keith Robinson with Airports Worldwide standing there and Allegiant's maintenance director; Thane Klinger was there as well and didn't anticipate that this man was going to talk about the dual boarding concept and he apologized to her later. She told Mr. Klinger if it's possible to facilitate that and not compromise the safety and security of the Airport we'll look at it and try to accommodate it. Larry Gouldthorpe has stated he has had subsequent conversations with Allegiant, and he appreciates us trying to work with them but it will take 1-2 additional people per ground handling crew.

Board Director Smith restated that it is Airport Worldwide's responsibility not ours. President Crews noted that Larry Gouldthorpe will have to go back to Allegiant and ask for more money but that's between them and Allegiant, and if Allegiant says no, there won't be any dual boarding. Chairman Ioppolo stated it will come back to us if they proceed; it will reduce Airport's Worldwide's profit which means they won't hit their milestone which means we don't get money. Board Director Bowlin stated to some degree it affects us and whatever that is, is the big question mark. His concern is safety and liability and he inquired who has the liability of the passengers going down the steps. Vice President Speake responded Airports Worldwide has the insurance policy and so does the Authority, and President Crews added that the Authority is indemnified.

Chairman Ioppolo discussed the use of security doors. President Crews reiterated the need in having people present to guide the passengers, and noted there are painted lines on the tarmac comparable to those for the aircraft. She felt this option would be voluntary opposed to mandating passengers to use the stairs even if they preferred the jetway.

Director Miller felt that before they come up with another way of eliminating the word "optional" the stairs would be used. He stated the point he was trying to make was when he saw this process on the plans it was never brought forward to this Board. It bothered him because it's not part of the feel and the present policy of serving the flying public. He felt jetways were constructed to get passengers on or off the airplane. The passengers anticipate this type of boarding, they expect it and have a right to it. He felt we're being told will you please build it,, and noted it's in the engineered drawings.

Vice President Speake noted it's not in the engineered drawings; it is referenced on one sheet as exploratory as of yesterday. He stated there are a lot of things in the plans; and a presentation still needs to be made to the Board. The Committee has the basic concept, 60% of design has been completed and this was one of the discussions. President Crews added Jeremy Owens with CPH is preparing a report for the Committee. Board Director Slattery felt if this request was given to Allegiant, you'd never get it back. He felt if they are comparing us to other airports, those are smaller airports, and was opposed to passengers on the runway. Vice President Speake responded that St. Petersburg Airport is running half the flights compared to our airport and 90% of those flights are conducted as ramp boarding.

President Crews replied that as an airport, we are opposed to hard stands and felt this is a compromise that allows Allegiant to get a little more time without a critical expense to Airport. She asked the Committee to look at the request and be agreeable to review. Board Director Bowlin responded the Committee will review the request.

Chairman Miller stated on behalf of the Board while he is attending various committees he tries to listen and absorb the technical issues as they are presented. President Crews reported that the next terminal expansion presentation will take place at the June 7, 2016 Board Meeting. Chairman Miller requested an estimated length for the presentation. Board Director Dane requested to be notified also for calendaring.

President Crews replied she understands the smallest things take up the longest time. Board Director Dane felt if she knows they are getting a presentation it will help her with her calendar.

Chairman Ippolo addressed the Committee stating that as the time is approaching for the Budget meeting and Budget workshop, numerous development opportunities are continually revisited in a piece meal fashion because we don't have a plan. Collectively he felt we've talked about having a plan, and the realization that these things will cost money. He referred budget back to Board Director Dane stating we're here to run an airport. It's great that we have the Commerce Park and we have these other things including staff that is very good at running an airport. He emphasized that the Authority aren't property developers and its never more clear to him then when discussion revolves around property development issues and he hears what a real property developer does versus how we're looking at it piece meal. Then when he is confronted with it while talking to restauranters and thru the airport, their response is "you guys don't have a plan, where are the restaurant pads and the hotel pads". He stated that when he asks for a list of developable properties he only knows of 7-8 that have been identified but those aren't t all the properties.

Chairman Ioppolo felt that as a representative of the airport while meeting with for instance, Tavistock, who are accomplished developers, they said if we ever get serious about that place they'd love to talk. He advised the Committee members begin to consider at the Board level if we were to partner with a developer and turn over the responsibility of the land with an idea of having a common goal. The developer is going to invest part of the money so we don't have much of a budget impact, and allow our staff to focus with singularity on the airport and the airport operation. He felt we are growing tremendously for a second year in a row, the fastest growing airport with the most new destinations. In addition to the proposed forty million dollar expansion to the airport those are the things we should be focusing on. He expressed great concern to be hamstrung in the decision-making process because we are not able to move at the speed the rest of the world is moving at and doesn't want to lose those opportunities.

As a suggestion he felt perhaps it's time to consider something a little more drastic that allows us to maximize our commercial opportunity while there is an opportunity and to maximize the fullest resources of our staff on what they do best and what they are here to do. Even though it is a radical concept, he felt remiss bringing it up but then felt it was necessary to pose the question to his fellow Board directors.

Board Director Green agreed and expounded on the idea to look at the existing Commerce Park. He stated if it was him and his business he would consider outsourcing with a third party management company. There has been discussion about the associated fee involved but you could have a clause in the lease to allow a charge for that or the tenants pay for it out of their operating expenses or build it in to new leases. Over a period of time the leases are built to have the fees in the tenants rent and once you get the deliverable you get the burden off of our people. This allows staff to run the airport and every month you get reports.

Board Director Green further stated he has asked for reports and was told we don't have that. He has asked what we own, a listing of tenants, how big they are contractually, how much they are paying per month, when does the lease expire, what existing rights do they have in place. He felt, these are fundamental management items. And the fact that we're finding out about rights scares him and we can make mistakes. If it was him he stated he would consider these things and didn't think the airport has been at that stage, up until this time frame. There is a lot of square footage and in that side of the business it is something we should consider. He felt cost and benefits need to be discussed and that we're at that point where it would free staff up to do other things.

Board Director Green addressed Vice President Speake and stated maybe it's not something to do right now, but at the Board level he would like to have a reporting process. He felt that maybe because they don't get reports, they don't

get anything from the context as to what we own. Normally we look at each property and forecast for our budget. Look at each property, what we're going to do next year and a business plan, this is typical real estate discussion, and he realizes it's not that it can't be done, it's that staff doesn't have the time because staffing is limited.

President Crews responded that all of our properties are looked at during the budget process. She didn't recall ever being asked for a report on the properties and stated if there is data requested, we have the ability to run reports that give that information.

Board Director Green responded there is limited staff and they are doing a great job. He felt that with all that's going on right now, and there is a lot going on with development opportunities and the existing properties it might be something that is at least considered. He suggested that President Crews take a real estate piece of the noncore business and outsourcing it to a firm. There is not a big cost over time, and that can be pushed on to the tenant. He added that you won't be in the thick of it and be in the reporting stage and can focus, think strategically and can make those types of decisions.

President Crews responded that this is something that has been discussed before and something that might be considered in the future. She referenced Al Nygren, a part time employee, and Jackie, his full time assistant, who handles the leases and works with him to show properties, that this proposed concept would eliminate their positions. Board Director Green stated that they can remain a part of the proposed concept; in his business they outsource all the time and we tell them we want them to take this on.

Board Director Slattery suggested as the next step before this drastic step is to elevate a position underneath President Crews to manage this massive process that is starting to grow and not put it on her. He felt it would be possible to find someone with the skills to answer these questions, prepare these presentations, come to these meetings and then start to interact with the outsource potential. He felt it is a big part of our business to manage that process that has nothing to do with aviation. He suggested adding it into the upcoming budget and beginning this outsourcing where you'd have one person responsible to answer these questions.

Board Director Bowlin responded that he wasn't sure the airport is at that point although he realizes we're close and rapidly approaching that point. He recalled we had look at some people and asked them to give us quotes on doing this type job and we're perceived in the industry that we aren't that large of a client at this time, that's why he thought we haven't had any big players or people jumping onboard to respond.

Board Director Green replied if you get someone to market your site you can get them to take this on with a management company. Board Director Bowlin responded by stating he thought it would take more than this Board to decide how to have these properties developed along with staff. He didn't think we've ever engaged in the conversation and details of bringing all the properties together and developing a plan that we could present to a management company, or to revise the plan or redo the plan, but felt we should have some concept of what we want before we go to someone to market it for us.

President Crews summarized what Chairman Ioppolo stated was we need somebody do the plan; he thinks it should be someone on the outside to do the plan.

Chairman Ioppolo clarified that he wants somebody to absorb the cost and he doesn't want to have to come up with a wonderful plan in the next real estate recession. He felt we need to speed to market, because things are happening now. He added we've had two years of success on the growth of this airport and questioned if we'd have a third year as fastest growing airport. He feels it would be better to market when it can be said we're one of the most recent fastest growing airports then when it was two years ago. There are limited resources which we're going to come to find out in our budget meeting, and he looked forward to hearing Airports World Wide input as to how our growth feeds in to our profitability.

Chairman Ioppolo stated as we've seen this growth, we haven't as an authority seen that geometric increase on the amount of money we take off the table. He felt the ability to have someone who's willing to invest some hard dollars and do some of this planning, willing to pay us for the ability to develop some of this land now, take some money off the table and share on the back end. There's a lot of different ways to do this but felt we're at the point we need to get things done. We can plan ourselves into a recession; we need to move forward.

Chairman Ioppolo went on to state that he is watching the demand placed on our staff to do things that are outside of their core function. Although they are very good at their core function, he wants them to expand how good they are at their core function. To the extent of adding people into the equation, he wants to expand into the core function because one day we may have enough passengers and be at the end of a management contract. He felt at that time we're then going to be looking at the people running the day to day operations via a third party. He referred back to Board Director Slattery's suggestion and was in agreement in terms of not flipping the switch and this would be a gradual transition. He stated his intention isn't to talk about revolution it was his intention to talk about evolution, because it was a combination of this meeting and thinking ahead to our budget meeting. Everything we talk about has a budget implication, therefore rather than spring it on people and because of the Sunshine Law, he isn't permitted to contact his fellow Board members individually. Because part of

the board was currently present at this meeting, he could generate discussion so they can be thinking about this proposal. During the budget process some good ideas can be exchanged. He apologized in advance to President Crews because normally this would have been discussed before it was brought up at this meeting, but it just happened to develop that way. He felt he was pushing the envelope in a lot of different things, but he has the benefit of a lot of smart people on the Board.

Chairman Miller stated that he has had the opportunity to work with President Crews regarding requests that have been generated and he acknowledged that what she has to do and who she has to go thru to do that in addition to monitoring the requests followed by bringing it back to the Board, that those requests have increased. He stated with his past experience he knows what she is capable of and what she's accomplished. He felt we are at a new level that won't go downward, but will continue to go up. In the past Chairman Ioppolo asked if this committee would take over the Commerce Park and find someone to develop a business plan and he stated that he is searching for organizations to talk to and bring back to this committee. His intent is to find three organizations to bring to President Crews. He inquired if any of his fellow board members know of any organization or entity that does this they could bring them to his attention. He expressed because of travel needs he had missed one meeting with a potential entity or individual organization. The intention is to find somebody that can to produce a business plan for the Commerce Park because it is a large tract of land.

Board Director Dane commented she really liked Board Director Slattery's thought to bring in someone that President Crews can manage but can perform the type of work we're requiring her to do. She acknowledged that President Crews can do the work but it's taking her away from other things, and also she would still be managing that person. She expressed her gratitude to Chairman Miller in seeking out other companies and stated she didn't know of other board members who have that kind of time. She felt there is a need for somebody in that role who can go out and seek these people and get the development and talk to restaurant developers. There is a perception when Board members go out on their own that they are undermining the Authority. She felt that responsibility is what President Crews is charged with and questioned how it might appear in the public sector. She approved of Board Director Slattery's suggestion to have someone with a lot of experience, but acknowledged there will be a cost to get somebody to do what we require and her reply to Board Director Slattery is that it's something we should at least consider. The reason people outsource is because you get the benefit of an organization and the cost versus hiring internally. Comparing the cost to outsource and what are we going to get in return; it will still be a single source of contact in that company. What is the deliverable and the source of contact versus hiring somebody and what's that cost going to be and the deliverable.

Chairman Ioppolo stated President Crews will still be supervising that person if they are an employee or outsourced. If it's an outsource we receive the benefit of an entire organization. With an employee they can do something although you are drawing on the same set of limited resources that are within the airport already doing airport functions that aren't experienced to do those functions. As opposed to outsourcing where they are asked to do something and they go to a whole group of people who are doing 50 other developments who are working with those relationship resources to bring back to President Crews who is their boss.

President Crews stated her point, with all due respect, was that if we hired somebody, the Board would not respect their expertise. She acknowledged when you outsource you have a large organization with more resources. She stated she is currently working with two men but had yet to sign an agreement, and was going to discontinue that because it's not what the Board wants. She felt there was no point in considering them now or have them investing any time or money. If we outsource and get a company in here that everyone feels confident in, yes it would still involve her and Vice President Speake because they will still be working with those people. They would be under their oversight and take direction based on the policy set by the Board. She expressed her appreciation for the Board and felt this option would alleviate the Board being involved in the day to day items because that's not what they are here to do. They are here to set policy and make major decisions. She further stated that when it comes down to recommendations, that takes the Board out of the equation if we have companies.

Vice President Speake reminded the Committee that this will cost money and we have employees that we need to take care of that we've had to put off for years because of the recession and we thought we'd be at a point where we could help them with their pay. He questioned the cost of an organization to come in and manage all of the 106 rental properties.

President Crews replied that she believes Chairman Ioppolo is saying there are other ways. And when she was meeting with other companies, she told them they needed to come up with something that works for them because we don't have funds, and she brought up the management aspect as a component where they could recoup their cost for doing the development.

Board Director Green stated that these are two different items, the operational side of the business and those managing your existing assets and leasing those assets. He replied to Vice President Speake's comment and stated if fees are built in to a lease over time, the tenant that operates that business would pay the management fee, 2-3% of the revenue as fee. In the operational side of the business, the leasing, and development, he stated he wouldn't change that just have a different component. Board Director Green felt it would be hard to find a company that is a developer and operator, and suggested going to a broker,

most broker managers aren't but they can help you value those parcels and give you thoughts of heights and best use, and you may go to other developers to help put a development plan in process.

President Crews commented she really liked the idea of someone coming in to invest as Chairman Ioppolo suggested, because we don't have the money to do that.

Board Director Dane expressed confusion to President Crews; she thought that was the function of the two consultants previously approved. President Crews replied those consultants were going to market our properties not manage, just market and bring in tenants for the outparcels. Board Director Dane inquired if it was the properties in the Commerce Park or all properties. President Crews responded all of our properties until Chairman Miller had the idea of a business plan for the Commerce Park; that's been a recent conversation that took that out of it.

President Crews stated that although we haven't budgeted the money to do this, the Committee is right; the situation has overtaxed our resources. We are coming to a point where we don't have the resources to do what the Board is asking. Even at EDAC that's a huge undertaking because it involves most of staff, another agenda, notice, minutes to put it all together. We need to think smarter. She stated she has been talking with Al Nygren about starting a CAM to recover costs or implement some type of management fee, and how we'd have to transition that over time and with new leases. She doesn't want to do anything with the two men she originally chose because even though she felt they would do a great job, it's not what this Board wants and at the end of the day she answers to the Board. She stated she is trying to do what the Board wants and believes the Board wants somebody who can come in with the expertise to develop it. They will still answer to her and she will have control but won't be doing the actual work.

Chairman Miller stated they've been remiss over the years, and accepted a budget presentation, talked about it a little bit and voted to do it. President Crews is thinking how do generate additional revenue, outside aviation, which will take money to accomplish this and this budget session will be a wonderful experience for the Board to express their thoughts.

President Crews commented that all airports deal with these issues, this airport is so small we wear more hats, different hats, and we're growing, making it necessary to look and balance the budget against time and resources. She stated she will be meeting with department directors to look at staffing needs and balancing the budget.

Chairman Miller referred to all the meetings he has attended regarding Hill Dermaceuticals, and what they went through from day one when Jerry Roth first

brought it up. At this point in time, it's a fascinating process. He stated he is not suggesting that we take that away from President Crews and doesn't know how that works, but he stated that's not airport operations, that's a real estate development income operation and this is what this airport has its history in, the staff doing all of that work. Chairman Ioppolo and Board Director Slattery want us to separate and keep staff involved. He is not ready to take that away from President Crews because it's enlightening, to sit in on those meetings and hear them layout the issues that they have to answer to and get it done.

Vice President Speake stated to the Committee they have to keep in mind that we are still at an airport. It's not like picking a piece of property out of a cornfield because you still have all the FAA requirements, and there are not as many companies, if any, that specialize in developing an airport only.

President Crews felt she doesn't look at this as alleviating all of our work; it's just putting us out there without us doing all the leg work and our staff. Vice President Speake mentioned the engineers all cost us something every time we go to them, and President Crews added that our group of engineers, all three of them, have done so much for us in the past seven months without charging us and have been amazing with quick turnaround.

12. REMINDER TO SCHEDULE NEXT SAA ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
13. ADJOURNMENT

There being no further business, the meeting adjourned at 11:24 a.m.

Respectfully submitted,

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

/lh