

**MINUTES OF THE WORK SESSION MEETING OF THE
SANFORD AIRPORT AUTHORITY
JANUARY 10, 2019
12:30 P.M.**

PRESENT: Tim M. Slattery, Chairman (arrived at 12:58 p.m.)
Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller (arrived at 1:00 p.m.)
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Ken Wright, Airport Counsel

ABSENT:

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Lori Hunt, Executive Assistant
Jackie Lauterbach, Leasing Manager
Al Nygren, Property Manager
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager

OTHERS PRESENT: David Gierach, CPH
Hilary Maull, Avcon
Jeremy Owens, CPH
Paul Partyka, NAI Realvest
Rachel Saunders, NAI Realvest
Sandeep Singh, Avcon
Angela Singleton, Hilltop Securities

**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION
OF GUESTS**

Vice Chairman Green called the meeting to order at 12:37 p.m. followed by the Pledge of Allegiance.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. COMMENTS FROM THE PUBLIC

None.

4. PROCUREMENT POLICY

▪ CCNA PROCESS

Brett Renton stated procurement is regulated by Federal statutes and rules, state statutes and rules, local ordinances and rules. SAA has procurement rules that follow the rules imposed on it by grants but hasn't adopted a set of procurement rules or policies as its own set of codified documents.

Brett Renton presented a high-level overview of CCNA, Consultants Competitive Negotiation Act. The CCNA applies only to architecture, engineering and registered surveying and mapping.

Discussion ensued regarding competitive element, continuing contracts, bidding projects of a certain threshold through an RFP process, FAA independent fee estimates, project management, the idea of hiring an independent project manager going forward for any project of size, and the roles of staff project coordinator and staff construction manager.

5. BOARD AGENDA STRUCTURE

CONSENT vs DISCUSSION CRITERIA

Brett Renton presented a brief overview of meeting agendas as these apply to meetings, work-shops and subcommittees, and the rules as adopted by the Florida Administrative Code. Mr. Renton referenced SAA Resolution 2013-09 which substantially provides the rules.

Discussion ensued regarding comment cards, three-minute time limit for public comment speakers.

Brett Renton referenced Resolution 2015-01 regarding placement of media cameras during Board meetings.

Brett Renton discussed Consent versus Discussion Agenda items.

Discussion ensued regarding establishing a dollar threshold or time commitment for items being placed on Discussion Agenda versus Consent Agenda.

President Crews stated she would go back to staff regarding leases to determine a threshold for years and dollar amount and would bring back a recommendation to the Board.

Board Director Ioppolo requested that any add-on or agenda item submitted after the Agenda has been distributed to automatically be placed under Discussion Agenda.

6. LEASING

▪ LEASE RATES/LAND VALUATION

Board Director Green stated this item would be presented first because Paul Partyka, NAI Realvest had a prior engagement.

Paul Partyka distributed copies of an NAI Realvest flyer and presented a comparable area boundary which borders SR 46, E. Lake Mary Blvd., and Highway 17/92. Mr. Partyka referenced the traffic study and provided information on permitted/proposed projects in the immediate area. He discussed the market, listings, land valuations, lease rates, hospitality market and multifamily, and distributed documentation on potential listings and sales graphs with land use, commercial, industrial, and residential.

Board Director Green requested NAI Realvest conduct an updated market comparison. Paul Partyka informed the Board he has done a market analysis for this area of office, commercial and industrial space which includes twelve properties.

Discussion ensued regarding buying or leasing property around the Airport, airport occupancy rate, rent increases and spec building construction. Following discussion, Board Director Green requested of NAI Realvest to provide documentation showing Airport has increased rent, two years ago, this year and next year.

▪ LEGAL ASPECTS/LEASE TEMPLATES

Brett Renton distributed a power point presentation on the legal aspects of lease templates and provided a high-level presentation to the Board. Discussion ensued regarding non-discrimination language, length of leases, grant assurances and lease templates as well as aviation, commercial and residential leases.

Board Director Green stated valuations are the biggest driver in his opinion, and with aviation land, to make sure the numbers are in tune with competitive airports to this airport.

Discussion ensued regarding exclusive rights, fee in rental structure and revenue diversion.

Discussion ensued regarding delegation to staff to execute residential lease templates. Chairman Slattery was in favor of residential leases being moved to staff level for approval.

Brett Renton stated the lease templates will be going before EDAC.

Discussion regarding volume discounts.

Discussion ensued regarding the feasibility of counsel reviewing every lease that is executed. The arrangement with Shutts & Bowen is they only engage in items they are asked to engage in. They are available to assist. For major leases or large negotiations that President Crews brings to Board Meetings, Shutts is consulted. There has been a financial concern in the past over the dollars that were available to spend on having lawyers look at every document signed by the Board. By standardizing the documents in the future, the Board will have the comfort that the lease templates will have been reviewed by Counsel. The plan is a "red line" addendum for each lease with the provisions that were changed on the template lease, and the Board can focus on the changes.

Paul Partyka stated NAI Realvest has created a new amendment for renewals with clauses approved by legal. The only true new lease was Gator Dock and Marine which was approved by legal and staff. When existing tenants renew, the template will be used and checked by staff.

President Crews clarified that in the past, for the standard leases with nothing unusual in them, the same templates were used, making sure the necessary clauses were in them as required. Staff has worked with Counsel to make sure the new templates are also including the federal references, and requirements.

Discussion ensued regarding Counsel's recommendation for frequency of review of the templates to ensure that any new provisions or grant

assurances are incorporated. Brett Renton recommended a review at the end of each legislation session and for continued vigilance regarding the FAA advisory circulars. He noted that the Airport lobbyist should be providing a breakdown of the bills that were passed that could affect you as an organization.

President Crews distributed: 1) General Aviation Airport Summary conducted by Slack Johnston and Magenheimer 2) Excerpt from GOAA Rent Study 2017.

Discussion ensued Board Director Green requested an independent third-party appraisal for valuation.

Board Director Green requested a survey of airports that are more comparable to Orlando Sanford International Airport.

Discussion ensued regarding identifying airports with similar demographics for a more realistic comparison. Following discussion, President Crews stated that Property Manager Al Nygren will put together the requested information.

7. ETHICAL ISSUES

- F.S. CHAPTER 112 CODE OF ETHICS FOR PUBLIC OFFICERS AND EMPLOYEES
 - VOTING CONFLICTS
 - GIFTS
 - TRAVEL
- CHAPTER 286 PUBLIC BUSINESS: MISCELLANEOUS PROVISIONS
 - GOVERNMENT IN THE SUNSHINE

Discussion regarding Board Director Ethics course requirement. Ken Wright presented an overview of ethics, voting conflicts and gifts to the Board.

8. ZYSCOVICH BUSINESS PLAN

9. OTHER BUSINESS

10. REMINDER OF NEXT BOARD MEETING (FEBRUARY 5, 2019)

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:24 p.m.

Respectfully submitted,

Diane H. Crews

Diane H. Crews, President & CEO

/lh