

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MARCH 5, 2019
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer
Frank S. Ioppolo, Jr. (arrived at 8:41 a.m.)
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel

ABSENT: Chick Gregg, Sr.
Commissioner Brenda Carey, County Liaison
Mayor Jeff Triplett, City Liaison

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Jerry Crocker, IT Director
Tommy Gentry, IT
Lori Hunt, Executive Assistant
Captain Marc Gilotti, SAPD
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator

OTHERS PRESENT: Owusu Amaning, GCI
Elizabeth Brown, AWW
Krysty Carr, Sanford Chamber of Commerce
Steve Cornell, Kimley-Horn
Kevin Dillon, Constant Aviation
Justin Edwards, Gale Associates, Inc.
Scott Freeman, MillionAir
Mark Galvin, Hilltop Securities
Doug Hambrecht, ICE Consulting & Engineering
Jonathan Hand, Atkins
Nizar Jetha, ICE Consulting & Engineering
Stephen Maiden, Constant Aviation

**Bill McGrew
Hillary Maul, AVCON
Zach Nelson, McFarland Johnson
Sarah Nemes, Southern Strategy
Jeremy Owens, CPH
Paul Partyka, NAI Realvest
Keith Robinson, AWW
Tim Shea, AVCON
Angela Singleton, Hilltop Securities
Gregg Smith, MillionAir
Kevin Spolski, Spolski Construction
Bob Turk, City of Sanford Economic Development Director
Steven Zucker, Shutts & Bowen**

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

The meeting was called to order at 8:31 a.m. followed by the Pledge of Allegiance and introduction of guests.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 5, 2019

Motion by Board Director Smith, seconded by Board Director Miller, to approve the Minutes of the Regular Meeting held on February 5, 2019. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. City of Sanford

Mayor Triplett was absent.

B. Seminole County

Commissioner Carey was absent.

5. COMMITTEE REPORTS

A. MetroPlan

Board Director Smith updated the Board regarding MetroPlan: recognition of new FDOT Secretary Kevin Thibault and the new Federal Highway Administration administrator nominee Nicole Mason. Report presented on Orlando being #1 on pedestrian deaths and how to fix it. Discussion regarding high turnover on the MetroPlan Board of Directors with 5 new replacement members. Tomorrow "All Aboard Florida" will be having a board meeting at MCO regarding financing construction of the "All Aboard Florida" project, trying to get All Aboard Florida into the new intermodal transportation facility.

6. COMMENTS FROM THE PUBLIC

None.

7. PRESIDENT'S REPORT

President Crews updated the Board regarding: terminal expansion project 30% complete, PFC#5, and Runway Incursion Mitigation (RIM) Project scheduled to be complete March 18. Welcome Center Renovations Project bid opening was held February 27, and the recommendation will be brought forward at the April Board meeting for the award of contract.

Don Poore updated the Board regarding: financials, PFC#5, terminal expansion loan, audit to be presented at the April board meeting, and current revenues versus budget. Discussion ensued regarding the L3 lease. Board Director Green suggested a time frame be placed on L3 and then go into double rent.

Lauren Rowe demonstrated a launch of the Airport's new website "flysfb.com" which launched yesterday afternoon, created by Big Vision with an emphasis on mobile user. Board Director Ioppolo inquired regarding SEO (search engine optimization), modernization of site and strategic partnerships. Lauren Rowe responded we have a digital marketing contract right now for a certain campaign and will work on this campaign first. Board Director Ioppolo stated the site is very modern and sets up great on his phone, great job. Lauren Rowe encouraged the Board Directors to view the website.

Lauren Rowe noted the installation of the PV-1 Ventura in the terminal is scheduled for next week, weather pending, on Tuesday or Wednesday. She stated her intern Kaysona Jones is a video intern, and they are planning a Facebook Live coverage of the installation. President Crews said the Board Directors would be contacted with further details to view the installation from the top of the parking garage.

Elizabeth Brown complimented Lauren Rowe on the website since she led the project. The website project was done in partnership with AWW, with both organizations sharing in the project equally.

Paul Partyka stated in terms of Lauren Rowe's presentation of the new website, it's good for all of us as any reference to the airport is important. Paul Partyka noted proposed new development in the area and updated the Board on upcoming lease renewals. Duchess Distribution, a major supplier for the Ultimate I4 project, has expressed an interest in a major staging area and looking to lease 20 acres of land for 5 years. Gator Dock and Marine and Toro lease renewals are progressing, waiting for them to sign.

Paul Partyka stated he and President Crews met with Thaddeus Seymour in his position as VP of UCF, that he was impressed with the Airport and noted that Mr. Seymour was recently appointed acting President of UCF.

Board Director Green inquired of Paul Partyka when the Gator Dock and Marine lease expires. Paul Partyka replied they had options, the second one-year option is May 31st and they even have one more year, they hope to have this signed over the next couple of months.

President Crews updated the Board that she and Paul Partyka have been in discussion regarding the interest shown in using our property to do a ground lease for storage, they will return to the Board if this turns out to be a legitimate serious interest.

President Crews reported that Southern Strategy was unable to attend today but will be in attendance next month. The legislative session has begun, the Airport has one bill in place, House Bill 3475 for the Orlando Sanford International Airport Area Ground Transportation Study (\$64,500).

President Crews thanked Steve Maiden, Constant Aviation and Scott Freeman, MillionAir for their roles in Aviation Day.

President Crews referenced Police and ARFF reports.

President Crews updated the Board on her and Chairman Slattery's experience through the USN Distinguished Visitor Embark Program aboard the USS Abraham Lincoln. Chairman Slattery stated it was the experience of a lifetime to see these young men and women working tireless hours at a job. His most memorable moment was standing on the flight deck next to an F-18 as it catapulted off the deck.

President Crews referenced community outreach events.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding two disputes: GOAA and a t-hangar tenant.

9. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown reported to the Board that February statistics are slightly ahead of February last year. As a reminder, as we went through the fleet transition with Allegiant, we knew they were going to be slow taking control of new aircraft and some of the aircraft would be smaller in capacity than the MD80's. In February, we started to trend slightly above the previous February results, and we hope that continues throughout the rest of the year. Our expectation in our conversations with Allegiant have led us to believe we will continue to track and expect to see results 5% over last year.

Elizabeth Brown referenced a new line item in the AWW report called Ground Handling OTP, reflecting the on-time performance of aircraft as they depart.

Elizabeth Brown referenced air service development and stated Jason Terreri, Acting Director of Air Service Development, recently attended Routes America in Quebec City with 11 scheduled meetings and instead, came away with 27 meetings with airlines. Vinci Airports has been very instrumental with European carriers assisting us with getting our foot in the door as Vinci has a relationship with these carriers in many of their other airports.

Board Director Robertson inquired of Elizabeth Brown why an airline that flies out of MCO is not allowed to fly in to SFB, and asked if there is a signatory agreement. Elizabeth Brown responded she didn't believe there are any regulatory reasons why they could not, there might be a relationship with the other airport that is contractual, that we can't comment on. The airline is always going to be looking at what is their best proposition in terms to capture the traffic that they need to be able to get the fare that they need and what the cost structure is. In terms of operating here and at the other airport, it is very costly for any airline to have two sets of operations in the same metropolitan area. She herself has a lot of personal experience with two airports in a metropolitan area which ended up competing against each other. It can become very challenging for airlines to feel they need to be at both.

President Crews requested Elizabeth Brown update the Board on the new KPI report that AWW put together.

10. CHAIRMAN'S REPORT

Chairman Slattery challenged staff to research and purchase an agenda app or program that the Board Directors can use on their own device opposed to the software presently being used. Chairman Slattery stated he would represent the Board at an airport meeting later today; he'll go in with a positive attitude and come out with a positive outcome.

11. CONSENT AGENDA

- A. Consider approval of Lease No. 2018-005 with JULIE WALKER for Building No. 531, located at 3575 Marquette Ave., Sanford, FL (Residential).
- B. Consider approval of and authorize President to execute amendments between the Sanford Airport Authority, Orlando Sanford International, Inc. and the Airport's concessionaires.
- C. Consider adoption/amendment of resolutions for the approval of a Grant Anticipation Series 2019 Note for "Taxiways Bravo, Charlie and Lima".
- D. Consider approval and authorization to execute FDOT PTGA FM#442489-1-94-01, and Resolution Number 2019-04 for the Design of the Rehabilitation of Taxiway's Bravo, Charlie and Lima.
- E. Consider approval of Addendum H to Lease No. 2011-08 with REAL DEAL STEEL, LLC for Building No. 410, located at 1220 30th Street, Sanford, FL (Commercial).
- F. Consider approval of Lease No. 2019-003 with CONSTANT AVIATION, LLC INC., for Bldg. 439 (Commercial).

Motion by Board Director Robertson, seconded by Board Director Smith to approve Consent Agenda items A through F. Vote taken, none opposed. Motion passed.

12. DISCUSSION AGENDA

- A. Consider approval to transfer the fuel farm ground lease from Constant Aviation to Million Air.

President Crews presented background on Constant Aviation. Our Airport was their first foray in running an FBO in addition to their MRO business. They have plenty of business and their MRO business has taken off. There are two shifts, their workforce has increased substantially, and they have found that they are using space for the FBO that really could result in a higher yield if they used it for their MRO business.

The real dilemma is it would be better for them financially to operate as an MRO rather than as an FBO. It is Constant's idea to cease being an FBO and concentrate on their MRO business. They are asking to be taken out of their fuel farm lease and allow MillionAir under Freeman Holdings to take over the lease. The only thing Constant wants to maintain is the ability to fuel their own customers, which comes under the proposed change to the Minimum Standards in the next agenda item.

President Crews explained that the Constant fuel farm is approximately 11,305 square feet and is included in Lease No. 2000-06 currently at \$.24 per square foot. She is asking the Board to remove that amount of land from Ground Lease No. 2000-06 and allow her to lease it at the same rate and terms to Freeman Holdings.

Discussion ensued regarding would this action limit the Airport from having another FBO. President Crews explained that per her discussions with the FAA, there is no exclusivity regarding FBOs at the Airport, but another FBO would have to invest as much as Freeman Holdings.

Motion by Board Director Robertson, seconded by Board Director Dane to approve the 1) removal of the fuel farm ground lease from Lease No. 2000-06; and 2) a new lease with Freeman Holdings of Orlando, LLC for the fuel farm ground lease at the current rate of \$.24 per sf.

Discussion regarding the parameters of the Minimum Standards. A request was made regarding the Update of the Master Plan to reference potential locations of future FBOs. Discussion regarding re-assignment of lease, release of Constant, terms, and being co-terminus with Freeman Holdings (MillionAir) other leases. Discussion regarding Million Air's access to the fuel farm, fuel truck agreement with Constant, use of access road, and the number of fuel farms at the Airport. Discussion regarding competitive fuel fees.

Steve Maiden, Constant Aviation stated they are trying to push the retail business away as they need to focus on their main business. Constant has added 60-70 people and doubled their staff quicker than they anticipated; the retail fuel business is a distraction to them growing their core business. Discussion regarding placing fuel prices on the website.

Board Director Ioppolo called the question.

Brett Renton clarified we agreed outside of the motion, you want this document to be coterminous regarding the terms.

Board Director Robertson accepted the friendly amendment, seconded by Board Director Dane to approve the 1) removal of the fuel farm ground lease from Lease No. 2000-06; and 2) a new lease with Freeman Holdings of Orlando, LLC for the fuel farm ground lease at the current rate of \$.24 per sf. and the document be coterminous regarding the terms. Vote taken, none opposed. Motion passed.

B. Consider minimum standards update and revision.

George Speake stated the Minimum Standards had included items that existed before we had commercial service at the Airport. There was no table of contents, revision page or definition section, and now, all those items have been added. This makes it a much more reasonable document to read.

The meat of the minimum standards is not something the FAA likes to see changed frequently or at all. All the numbers for land requirements and office sizes are the same as what they were before. Major change was to accommodate this request from our two tenants in Discussion Agenda A and added modernizations we had planned to change anyway. He noted that the Airport's Rules and Regulations will be updated and brought to the Board for approval soon and those will tie into the Minimum Standards, which have not changed since 1996.

Board Director Green requested in the Master Plan Update to make sure that when the market supports a second FBO we have a location designated.

Motion by Board Director Simmons, seconded by Board Director Smith to approve the new Revised Minimum Standards. Vote taken, none opposed. Motion passed.

Scott Freeman, MillionAir, addressed the Board, and stated he appreciates the Board's support, knows it is a thankless job volunteering on a Board. You have done a great job at this airport. He said they see a lot of boards across the country and you guys are doing an excellent job here. You have a great team and he sees this as a win win, allows both of us to focus on core competency.

Chairman Slattery thanked Steve Maiden and Chris Freeman for reaching out to each other and making this a win win for all.

Steve Maiden, Constant Aviation, remembered being in a different room March of 2017 and he made a commitment that they wanted to make this a secondary home because their primary facility and home was in Cleveland Ohio. He's proud to let the Board know that including fulltime employees and contractors, their SFB operation mirrors the size of their Cleveland

operation. Big accomplishment for Kevin Dillon and the group here but because of the partnership we have with the Board and Diane, you guys have been phenomenal to work with, even when we've brought a couple of different challenges, you've absolutely helped us and bent over backwards and he's forever grateful.

- C. **Add-on** Consider approval of Addendum E to Lease No. 2001-05 with HAZARD SERVICES INTERNATIONAL, INC. for Bldg. 60/Airfield. (Bunker).

President Crews updated the Board this item is extending the lease for Hazard Services International. We have several bunkers, underground facilities left over by the US Navy. When she started here, we were leasing these out to three separate private entities inside the airfield to allow them access and we decided to start limiting that. Two of the bunkers are now being used instead by the Airport Police Department and Sheriff's department for storage of training aids. The one that remains is leased to Hazard International, a company that stores fireworks, and this is an extension of that lease.

Motion by Board Director Ioppolo, seconded by Board Director Smith to approve Discussion Agenda item C. Vote taken, none opposed. Motion passed.

- D. **Add-on** Consider approval of Addendum C to Lease No. 2003-17 with SEMINOLE COUNTY (SUPERVISOR OF ELECTIONS), for Bldg. 533. (Commercial).

President Crews stated this is the approval of addendum C to Lease No. 2003-17 with Seminole County. This is the building for the Supervisor of Elections. President Crews presented the background information on this item. In 2003, the Supervisor of Elections, Sandra Goard, came to the Airport with then County Chairman Daryl McLain looking for a new location as they were in an old building in downtown Sanford. Following negotiations with the County, they signed a lease for the Airport to construct a build to suit for them. The lease took effect in 2004 when the Certificate of Occupancy was issued.

This is a beautiful building that is specific to their operation, built by Spolski Construction. There is a ten-year lease with two five-year options, and this represents the last five-year option. Their renewal includes an increase each year according to the CPI very specific as to which charts to use and that is why you see an increase equal to the CPI. At first, the lease said 3% increases; that changed in 2014 when they exercised their first right of refusal and the Board approved them to have either CPI or 3% whichever is less. She knows the Board is not in favor of the CPI, but this is one we inherited.

Board Director Green inquired so they are exercising their second renewal or option in accordance with the lease, as amended. President Crews replied as amended, and further explained that there is another aspect of this lease; the Airport provides more services for them than they do for other leaseholds: cleaning three times a week, more landscaping than what is provided at other facilities and pest control which amounts to \$2.17 per square foot.

Motion by Board Director Smith, seconded by Board Director Simmons to approve Discussion Agenda item D. Vote taken, none opposed. Motion passed.

13. COMMENTS FROM THE PUBLIC

None.

14. OTHER BUSINESS

Board Director Ioppolo raised an issue that was brought up several months ago, that we are coming up on twenty months from the expiration of President Crews' contract. We are supposed to plan what the transition looks like, and Chairman Slattery was going to sit down and come back to the Board with a plan. He stated having done this within a six-month basis was a tremendous amount of time and stress on the staff and Board; that doesn't need to happen. He requested at the next Board meeting, to know what the plan is going forward. Who are we going to hire? Are we going to have time to transition those people? There's a lot to consider.

Chairman Slattery replied that President Crews and I have had discussions. We have not made any concrete schedule yet, but certainly we will continue to have those discussions and report back what we have decided as soon as we can.

Board Director Green requested some type of timetable be given. Chairman Slattery stated he prefer the Board leave that to President Crews and himself. Board Director Green replied time is getting tighter. President Crews clarified she has not wavered from her decision to retire.

Board Director Miller stated (to the Chairman) Board Director Ioppolo brought this up several months ago and received the same answer that you are not ready to discuss it; this item has come up and another Board Director has commented and requested a timetable. Having sat through and participated in the previous President's retirement and knowing the opportunities that we faced at that time, he understands where Frank is coming from and shares with him the importance of you communicating

with us the reason as to why you won't or can't set a date. He thought they are asking for a date. Chairman Slattery responded fair enough. Board Director Dane stated the sooner the better we can get the ball rolling would be her preference. And she thought it would be nice to have a transition period with Diane here if that person is not here already and she remembers the last go around.

Chairman Slattery responded at the next Board meeting he would present a potential timeline.

15. REMINDER OF NEXT BOARD MEETING (APRIL 2, 2019)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:04 a.m.

Respectfully submitted,

Diane H. Crews

Diane H. Crews, President & CEO

/lh