

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
AUGUST 13, 2019
8:30 A.M.**

PRESENT: Tim M. Slattery, Chairman
Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer (appeared via phone)
Chick Gregg, Sr.
Frank S. Ioppolo, Jr. (arrived 8:47 a.m.)
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Mayor Jeff Triplett, City Liaison

ABSENT: Clyde H. Robertson, Jr.
Commissioner Brenda Carey, County Liaison

STAFF PRESENT: Diane Crews, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Tom Fuehrer, SAPD Chief
Tommy Gentry, IT Director
Michelle Gioielli, Leasing Manager
Lori Hunt, Executive Assistant
Danette Maybin, HR Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator
Rachel Walker, Finance Manager

OTHERS PRESENT: Oscar Anderson, Southern Strategy
Sonya Brauer, South East Ramp
Elizabeth Brown, AWW
Jason Clemen, Atkins
Kevin Dillon, Constant Aviation
Luke Frey, Walbridge
Jonathan Hand, Atkins
Karen McKinnon, CE Avionics
Jeremy Owens, CPH
Paul Partyka, NAI Realvest
Keith Robinson, AWW
Rick Russi, Tony Russi Insurance
Tim Shea, Avcon
Greg Smith, MillionAir
Bob Turk, City of Sanford Economic Dev. Director

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

Chairman Slattery called the meeting to order at 8:30 a.m. followed by a moment of silence for Kevin Spolski.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JULY 9, 2019

Motion by Board Director Smith, seconded by Board Director Dane to approve the Minutes of the Regular Meeting held on July 9, 2019. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. City of Sanford

Mayor Triplett stated he had nothing to report and would defer to Bob Turk, Economic Development Director or Paul Partyka, NAI Realvest regarding property approved at last night's Commission Meeting.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews introduced the Board to Danette Maybin, new HR Manager who relocated from Texas. President Crews introduced Michelle Gioielli, long time employee who was recently promoted to Leasing Manager/DBE Liaison/Title VI Coordinator.

President Crews updated the Board regarding ongoing construction projects:

- Terminal Expansion project: proceeding on time, over 51% complete, start of tile replacement in terminal.
- Welcome Center Renovation: demolition work commenced.
- Taxiway Bravo, Charlie, Lima Rehabilitation: \$10M FAA Supplemental Grant obtained; Airport is one of only three airports in Florida selected to receive this grant funding. Out to bid on July

28th, bid opening August 27th, submittal of formal grant application, construction scheduled to begin November 2019.

- CBP Repair/Replacement Project: finalized conceptual drawings, conference call scheduled with CBP facilities office August 28th, preliminary discussions with FDOT to provide 50/50 grant for funding the project.

Don Poore presented the financials.

Discussion ensued regarding net income, expenses and revenue stream review with AWW.

Don Poore referenced Management Reserve line item in the budget and requested permission of the Board to move \$275,000 from management reserve to professional contract services. Professional contractual services cover surveys, gate needs study, auditing and contractual labor. Don Poore noted we had two audits this year and will have two audits next year because of our contractual obligations.

Motion by Board Director Smith, seconded by Board Director Dane to approve moving \$275,000 from Management Reserve to Professional Contractual Services. Vote was taken, none opposed. Motion passed.

Don Poore reminded the Board the Joint Meeting with City of Sanford is August 26th at 4 p.m.

Lauren Rowe updated the Board regarding:

- Monthly feature destination blogs being written by Tanisha Morris and herself.
- Possibly contracting with outside agency to assist with social media marketing.
- Attraction Express official launch, Universal characters in the terminal next to Universal signage. Preview coverage on the morning shows prior to actual event.
- Major announcement about the Air Show will occur next Monday afternoon.
- Lake Mary Life, Oviedo Life and Winter Springs Life magazine Lauren has quarterly blogs in these publications which focus on family travel. This month featured traveling on wheels via bikes, scooters and Segway's.

NAI Realvest, Paul Partyka, distributed handouts and updated the Board regarding:

- Various projects surrounding Orlando Sanford Airport, start and completion dates of highlighted projects.
- Kings Crossing - located at SR 46 and E. Lake Mary Boulevard, 2500 acres, major supermarket, convenience store. The City of

Sanford has completed the first reading regarding annexation and first reading for zoning.

- New Comfort Inn - located east of Boombah at the corner of Sipes and Lake Mary Blvd.
- Hampton Inn - located at Airport entrance off Marquette.
- Galileo Elementary School - located south of Boombah Sports Complex on Skyway and Kentucky.
- Housing units under construction or forthcoming total 3,842, resulting in daily car count of 38,000 at completion affecting traffic on two major roads. Traffic count drives commercial which drives employers and employees.

Chairman Slattery requested of Paul Partyka an estimate on absorption of all land when this area is built out making the Airport's ground-leasable land valuable. Chairman Slattery inquired if all the people buying these properties, they realize they are locating next to one of the fastest growing airports. George Speake updated the Board, that there is an avigation easement in place which the developer is aware of from day one and he'll pass it on to the buyer. The buyer doesn't know until closing day, and they aren't likely to back out that day, which means we are still going to get noise complaints. Chairman Slattery discussed implementing a possible surcharge to fund a future "hush house".

Paul Partyka updated the Board regarding the Ace Aviation pilot student housing project in conjunction with L3.

Board Director Green requested an update regarding the L3 lease. President Crews stated L3 lease has not been signed. They have tried up from a year ago, paying monthly rent per new terms and making improvements investing in the property.

George Speake updated the Board regarding:

- Seminole County Public Schools nomination of the Orlando Sanford International Airport as partner of the schools to further education; subsequently, the Education Commissioner's Business Recognition Award 2019 was presented to the Airport.
- Noise complaints, engine runups, online noise complaint process.

Mayor Triplett noted a future "hush house" is important to the community.

Southern Strategy, Oscar Anderson updated the Board regarding:

- July 30th meeting with Florida Turnpike regarding the challenges of the 417 and Lake Mary Boulevard.
- Changes to signage by Florida Turnpike and Seminole County.
- Second follow up meeting to be scheduled with Turnpike Transportation Development Director Christina Colon regarding

Aloma Avenue north past Lake Jessup which would include our interchange.

- Committee meetings will begin in September.
- Appropriations request needs to be made before the end of October, meeting with SAA to be scheduled prior.
- Several legislators have visited the Airport and expressed support.

Discussion regarding the Airport funding the \$65,000 study to expedite. Discussion grant funding to pay for study. Discussion proposed changes to Lake Mary Boulevard might affect Airport Boulevard requested changes.

President Crews referenced the property, police and fire reports.

President Crews discussed the FAC Conference, that she and George are on the planning committee for next year's conference, to be hosted by the Orlando airports. Planning committee is considering changing the event day to Sunday morning due to rain and lightening affecting the golf and fishing. Discussing moving some committee meetings. FAC 2020 scheduled for July 19-22 at the Hyatt Regency Grand Cypress Orlando.

President Crews noted Community Involvement in the President's report.

President Crews updated the Board regarding the City of Sanford Fire Station: approval of FAA has been secured to lease airport owned property for in kind services to the City of Sanford; currently working on the lease, once finalized will be given to City Attorney Lonnie Groot, proposed to be presented at Joint Meeting with the City.

President Crews updated the Board regarding the proposed land exchange with Safari Investment: appraisal sent to Board Directors, not prepared for decision to be made today, awaiting confirmation of mitigation of wetlands which was received yesterday. Safari Investment has paid for the mitigation of the 4.13 acres of the wetlands. There was 3.55 acres that were re-zoned by the City of Sanford from Resource Protection to MI, of which 3.55 acres is developable, .58 acres is transition. Owner is awaiting approval of final numbers for mitigation which should be 60-90 days. Safari went to St. Johns River Water Management District (SJRWMD), paid to have conservation easement lifted, applied to mitigate wetlands of the 4.13 acres and of that .58 is transition. Next step is a letter of intent will be presented to the property owner. Chairman Slattery cautioned the Board needs to be careful of the word "road grade" and who will do the work to get this property developable. He expressed concerns there are a ton of uncertainties on the property as far as muck, the depth of the muck and expense to make it buildable. If the owner is willing to do the work, he suggested the Board let them do the work.

President Crews distributed the aerials.

7. COUNSEL'S REPORT

Brett Renton thanked the Board for allowing he and his family to attend the FAC Conference. Brett Renton updated the Board regarding: 1) GOAA dispute over trademarking of logo, and Orlando Sanford International Airport name. 2) Gator Dock and Marine site, residential restriction, Site Rehabilitation Completion Order (SRCO), engineering controls, \$100,000 in escrow account to pay for any legal costs or consultant needed to have the Airport change their SRCO, Airport approval to proceed with getting the restrictive covenant residential language put in place now, followed by replacement of restriction with engineering controls.

Discussion ensued regarding the pending 5-year lease extension for Gator Dock and Marine LLC, and their existing one-year lease option. Gator has expressed to all parties a desire to stay, they don't want the Authority to re-locate them if they invest in the 5-year lease extension.

President Crews clarified she told Paul Partyka the re-location clause could be struck from the lease if that is preventing Gator from signing the 5-year lease extension.

Brett Renton clarified he is not negotiating a lease renewal and has not been involved in that, Paul Partyka has been dealing entirely with Gator Dock and Marine LLC. He and President Crews got together with Paul last night because he became aware for the first time that they were not signing the new 5-year lease but have extended the one-year option.

Discussion regarding waiving the ability to re-locate versus a 5-year lease with a known tenant. Discussion regarding expenses of expanding the drainage pond being paid, allowing us to develop other areas in the Commerce Park more immediately and at no cost to the Airport for stormwater. We can close out the environmental issue, re-open that with \$100,000 from our tenant to remove the restriction over time with engineering controls.

Brett Renton discussed timing difficulty with the Crane Group of companies closure by the end of the year. Otherwise the \$100,000 is gone, they have no desire to pay for any engineering they want to shift all those costs and have a much different discussion.

Discussion regarding risk, tenant obligation, safeguards, direct recourse against the right entities.

Brett Renton noted a vote is not necessary today, just discussion. The

expectation is that FDEP will approve this, you will have both an agreement and a document for ultimate approval on that restrictive covenant at your joint meeting with the City.

8. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown updated the Board: July was a record month, 14% over July of last year, 374,769 passengers, year to date 2,081,858 which is 8% over this time last year. Tracking to be well above 3M again with 31,000 more passengers this year than this time last year July. Growth is coming from a boost from Suriname and Sun Country Charters and Allegiant growth. Parking was in the overflow lots for almost all of July.

Elizabeth Brown informed the Board of the upcoming Take Off Conference being hosted by the Airport on October 27-30th. The conference is only available to airports with 4M passengers or less in the US or Canada.

Elizabeth Brown provided the Board with an industry update regarding the 737 Max grounding.

Vinci update: continued Vinci presence, proposed November 18th Board to Board meeting as part of the contract commitment. Vinci will be making a presentation.

9. CHAIRMAN'S REPORT

Chairman Slattery stated he has decided not to ask for another term, it is coming to the end of his 8 years and it is time for him to spend more time in DC and Tallahassee lobbying for the banking industry. He stated he has enjoyed his 8 years.

Chairman Slattery thanked Chief Fuehrer for the noticeable police presence on the curb directing traffic and making sure people were not getting run over.

Chairman Slattery and President Crews presented George Speake with a plaque and t-shirt from AAAE for obtaining his Accredited Airport Executive (A.A.E.) certification.

Chairman Slattery informed the Board it is time for the President's Evaluation. George Speake will be distributing the forms to the Board Directors. Chairman Slattery requested the Board return their evaluations to George Speake by the end of the month. Afterwards he will meet with President Crews prior to the September Board meeting to discuss her bonus and a recommendation will be made to the Board September 10th. Chairman Slattery requested the Board spend some time on this, as it is the one opportunity to give President Crews some constructive input.

Chairman Slattery requested an update on the Executive Search Committee. Board Director Gregg updated the Board the committee is going to meet this week to go over the job description. If there are any changes to be made, they will be brought back to the Board. Planning to go out with an RFP for national search firms again.

10. CONSENT AGENDA

- A. Consider approval and authorize President to execute contract between the Sanford Airport Authority and Axios Construction Services, LLC.
- B. Consider approval of Addendum B to Lease No. 2015-017 with AIRLINE TRAINING AND LEASING CORP. for Building No. 148, located at 1711 Hangar Rd., Sanford FL (Commercial).
- C. Consider approval of Addendum J to Lease No. 2009-12 with FLORIDA CLAY ART, CO. for Building No. 256, located at 1645 Hangar Rd., Sanford FL (Commercial).
- D. Consider approval of Addendum I to Lease No. 2011-11 with RANDY DYKES for Building No. 513, located at 3905 Moore's Station Rd., Sanford FL (Residential).
- E. Consider approval of Addendum B to Lease No. 2017-10 with SKIMMER SKIFFS, LLC. for Bldg. 262, located at 2751 Flightline Ave., Sanford FL (Commercial).
- F. Consider approval of Addendum A to Lease Agreement 2016-02 with RP SALES AND LEASING, INC. for Building 333A, located at 1620 Hangar Rd., Sanford FL (Commercial).
- G. Consider approval of Addendum B to Lease No. 2017-25 with MIKILANA PHURROUGH for Building No. 300-N, located at 3104 Rudder Cr., Sanford FL (Residential).
- H. Consider approval of Addendum F to Lease No. 2002-13 with THE TORO COMPANY d/b/a TORO AG for Buildings No. 422 and 438, located at 3000 S. Mellonville Avenue, Sanford FL (Warehouse).
- I. Consider approval of Addendum C to Lease No. 2013-03 with the TORO COMPANY d/b/a TORO AG for Building No. 437, located at 1210 East 29th Street, Sanford FL (Warehouse).
- J. Consider lease termination to Lease No. 2015-24 with THE BRANTLY CORPORATION, for Building No. 132, located at 2805 Carrier Ave., Sanford FL (Commercial).
- K. Consider approval of Addendum A to Lease No. 2014-23 with ATHENS TOWING & RECOVERY, INC., for Building No. 140, located at 2773 Navigator Ave., Sanford FL (Commercial).

Board Director Ioppolo made a motion, seconded by Board Director Smith to approve Consent Agenda items A through K. Vote taken. None opposed. Motion passed.

11. DISCUSSION AGENDA

A. Discuss continued use of Don Knight Park at Lake Golden.

President Crews noted Rick Russi, our insurance broker, is present today. Since last month's meeting she has met with the City of Sanford per Commissioner Woodruff's request. After reviewing the City special event permit application, she noted they have all the criteria for their rentals, and they showed no variation of the required \$1M liability policy. President Crews stated her recommendation in her memo was to follow the City policy and require a generator for inflatables. However, she spoke with the Recreation Department Director who told her they don't enforce the liability insurance for individuals.

President Crews stated there is a significant increase to the liability when you have inflatables.

Rick Russi informed the Board he recommends to President Crews that groups leasing Lake Golden should provide a certificate of insurance and name the SAA and the City as additional insured.

Board Director Gregg made a motion, seconded by Board Director Dane to continue to lease Don Knight Park at Lake Golden with a requirement of liability insurance in the amount of \$1 Million and name the SAA and the City of Sanford as additional insured and not allow any inflatables or trampolines. Vote taken. None opposed. Motion passed.

B. (Add-On) Consider approval of Lease No. 2019-017 with AVIONICS TECHNICAL ASSOCIATION OF ORLANDO for Building No. 132 located at 2764 Navigator Ave., Sanford FL (Commercial).

President Crews noted on the Consent Agenda the Board approved the termination of a lease with The Brantly Corporation for Building 132 a small building in the Commerce Park. Brantly has been there several years and they wanted out of their lease which expires in January. They had someone who wanted to go in, so there would be no loss to the Airport. Brantly talked to AI about this, brought the prospective tenant to him. Avionics Technical Association trains technicians in avionics, this is a great benefit for our aviation career program, great for C.E. Avionics, provides them with technicians and they are associated with UCF. AI was able to negotiate an increase in the lease price of \$1 per sq. ft. She noted that this changes the use of the building from commercial to aviation use. The reason it is on the Discussion Agenda is that we didn't have a signed lease back in time.

Board Director Smith made a motion, seconded by Board Director Gregg to approve Discussion Agenda item B lease with Avionics Technician Association of Orlando. Vote taken. None opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

None.

13. OTHER BUSINESS

Board Director Simmons stated one year ago we retained NAI Realvest to market our properties and manage our rental properties, and he asked staff if anyone had done an analysis. When we retained NAI Realvest the consensus was we would try that and remain revenue neutral or revenue plus. Because of the hour he didn't want to discuss this today. Staff has done an analysis as he requested, and Board Director Simmons requested this item be placed on the next agenda. Chairman Slattery asked that this item be placed on the September Agenda. Board Director Miller requested a copy of the analysis from Board Director Simmons.

14. REMINDER OF JOINT BOARD MEETING (AUGUST 26, 2019) AND
REGULAR BOARD MEETING ON (SEPTEMBER 10, 2019)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh