

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

PRESENT: Tom Green, Vice Chairman
Jennifer T. Dane, Secretary Treasurer
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Ken Wright, Airport Counsel
Commissioner Brenda Carey, County Liaison
Mayor Jeff Triplett, City Liaison

ABSENT:

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
Lori Hunt, Executive Assistant
Danette Maybin, HR Director
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator

OTHERS PRESENT: Elizabeth Brown, AWW
Sonya Brauer, South East Ramp
Steve Cornell, Kimley Horn
Kevin Dillon, Constant Aviation
Stacy Entwistle, AWW
Luke Frey, Walbridge
Jonathan Hand, Atkins
Hilary Maull, Avcon
Genean McKinnon, EHI
Karen McKinnon, CE Avionics
Yasmin Moreno, CERM
Tanisha Morris, AWW
Jeremy Owens, CPH
Paul Partyka, NAI Realvest
R. Keith Robinson, AWW

Greg Smith, MillionAir
Michelle Tatom, Rhodes & Brito Architects
Bob Turk, City of Sanford

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

Vice Chairman Green called the meeting to order at 8:31 a.m.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON OCTOBER 1, 2019

Motion by Board Director Smith, seconded by Board Director Robertson to approve the Minutes of the Regular Meeting held on October 1, 2019. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. City of Sanford

Mayor Triplett updated the Board that Board Appointments were deferred to November 18, 2019. Mayor Triplett noted Economic Development Director Bob Turk will be updating the Board regarding new legislation passed that will benefit the Airport.

Bob Turk updated the Board: City Commission passed Economic Rebate Program which will help tourism related activities, hotels and buildings that have been vacant for a long time. The CRA received a new \$300,000 state grant for a new trolley. The City will be looking to expand service to the zoo, Airport and the mall.

B. Seminole County

Chairman Carey updated the Board that the County has been discussing development around the Airport and have been asked to conduct a small area study. County staff is meeting with the City on November 19th to discuss what the boundaries of the small area study would look like.

President Crews requested that someone from the Airport be present at the meeting scheduled for November 19th. President Crews requested a meeting invite. Chairman Carey stated she would have Rebecca Hammock reach out to her.

Chairman Carey updated the Board, George Speake is the Airport representative to the Tourist Development Council and his term will expire at the end of this year. Chairman Carey stated she would be appointing someone else to represent the Airport at the December meeting.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews thanked Mayor Triplett and Chairman Carey for attending the TakeOff Event Sunday night in downtown Sanford. The conference attendees were thrilled with Sanford and had a great time. President Crews also thanked the Board Directors who attended the event.

President Crews updated the Board regarding ongoing construction projects:

- Terminal Expansion project: 61% complete – project on schedule to finish by the end of 2020.
- Welcome Center Renovation: estimated completion end of November 2019.
- Taxiway Bravo, Charlie, Lima Rehabilitation: approval of bid award to Halifax Paving was the lowest apparent bidder. FAA/FDOT Grants to be considered at the December Board meeting. Construction TBD (tentatively December 2019).
- CBP Repair Replacement Project: approval of passenger throughput reduction to 900 passengers per hour, and implementation of biometric exit.

President Crews updated the Board on the front entrance parcel owned by Safari Investments which has been discussed at numerous meetings. She is happy to report they have discussed the idea of them donating the parcel to the Airport Authority and it looks very promising. She is hoping by the December Board meeting it will be a done deal.

Don Poore presented the interim financials. Don Poore informed the Board that Rachel Walker; Finance Manager, served her notice and October 29th was her last day.

Discussion regarding insurance expense. Discussion regarding workman's compensation audit. Discussion regarding employee theft insurance.

Lauren Rowe and Tanisha Morris presented the media report, Annual Report, and TakeOff 2019 Conference. Tanisha Morris updated the Board

she and Lauren participated in Sanford Speaks the day before, which is the City of Sanford's Podcast. Lauren Rowe noted we are the official airport of Stetson University and she played a video clip featuring the Stetson football team.

Paul Partyka, NAI Realvest, updated the Board: American Building Supply is ready to start talking to us about major construction expansion on their facility. Partyka referenced a tenant event the Airport Authority held last week including a presentation led by Michelle Telfair and Al Nygren and stated this is something we need to do on a regular basis. Greg Smith from MillionAir has offered his facility for the next get together. Paul Partyka noted all the renewals are done, 100% occupancy. The next area of opportunity is to get some tenants to expand or people to come in and build.

President Crews informed the Board that lobbyist Oscar Anderson, Southern Strategy, is in Tallahassee; his report was distributed in the Board packets. President Crews updated the Board that Oscar has submitted our request to the State for a drainage project in the Commerce Park. The project would be \$750,000 from the state and \$250,000 from the Airport Authority.

President Crews referenced the property, police and fire reports.

President Crews noted Airport Rates and Charges will be deferred to the December Board meeting.

President Crews updated the Board on the advertised RFQ for Professional Engineering Services; responses were due November 1st and we received 8 responses. She stated that the committee will be reviewing those today after the meeting and reminded the Board that Director Gregg will be on that committee. If there are any questions about who submitted a response please let her know, and that information is also on our website.

President Crews noted George Speake attended the FAC Legislative Conference in Tallahassee representing the Airport regarding a particular item, and she would be bringing that back to the Board in the next month or two.

President Crews stated she had the privilege of speaking at TakeOff regarding public private partnerships. George and Don have presented the Airport Update to two MetroPlan committees and she will be presenting the Airport Update to the MetroPlan Board on November 13th.

President Crews referenced the calendar/community involvement and distributed the aerials.

7. COUNSEL'S REPORT

Ken Wright updated the Board regarding Gator Dock and Marine environmental issue.

8. AIRPORTS WORLDWIDE REPORT

Elizabeth Brown thanked the Board Directors who attended the TakeOff events. Elizabeth Brown updated the Board on October results: 5% increase for the month over October 2018, international traffic up 7% over last year, 12,000 more Allegiant passengers which was related to a few additional flights, and additional Sun Country casino charters. Year to date increase 6% in the calendar year currently at 2,766,147 passengers which is about 244,000 passengers short of 3M and she is expecting to see 3M passengers November of this year.

Elizabeth Brown presented the Board with an industry update.

Discussion regarding Max 737, and the forecasted recession.

Elizabeth Brown updated the Board that Vinci representatives attended World Roots, held in Australia. Vinci met with over 25 airlines, 9 were specifically focused on SFB.

Elizabeth Brown updated the Board regarding TakeOff Conference: 15 airlines in attendance and over 70 airports with 4 million passengers or less. She and President Crews had a meeting with the City of Laredo who would like to see Allegiant reinstate air service that they used to have between Laredo and Orlando. Eight meetings were conducted, one was with an airline who prior declined requests to meet.

Elizabeth Brown informed the Board TUI has indicated an intention to increase passengers in 2020 which has to do with the failure of Thomas Cook. If they can get more aircraft, they intend to bring more passengers to Orlando Sanford. TUI in 2021 will be adding 16-20 flights per month. She then informed the Board that we have received notice that TUI will be ending their relationship with the Airport in two years; in 2022, they are moving to Melbourne.

President Crews distributed a TUI press release that came out the previous afternoon and the agenda from the October 23rd Melbourne Authority Board meeting which has the basic terms of the agreement they considered with TUI. The contract has been signed. She noted that Vinci is taking this very seriously; we are taking this very seriously and have asked for the signed contract. She stated she is in contact with our counsel. Elizabeth Brown has made a public records request to obtain that contract. President Crews

informed the Board if they would like more information to reach out to her and she will discuss it with them.

Elizabeth Brown stated what's important here is that we have TUI for another two years, we're going to see significant growth from TUI over the next two years, and that we as an airport need to do everything we can to support them in the best matter that we can, to demonstrate to them that we are an excellent airport. It's unfortunate this decision was made outside the airline. As a reminder TUI is not just an airline; they are hotels, travel agencies, cruise ships and ground transportation transfers, everything to facilitate the airlines. We need to keep in mind the packaged travel industry is declining. Many airlines that operated here in the past are gone, they're all bankrupt or have closed operations. TUI is the last holdout.

Elizabeth Brown noted AWW is working very diligently on a strategic plan with Vinci Airports. The strategic plan is close to completion and will then be shared with the management team of the Airport Authority and Board Chair along with Vinci who will be here specifically for that purpose.

Discussion and update regarding TSA pre-check and global entry service at the Airport. Discussion regarding holding another TSA/Global Entry registration event. Discussion regarding private screening company throughput. Discussion regarding November 18th relief when two machines and another AIT are moved from Terminal A to the consolidated screening area.

Discussion regarding TUI leaving in 2022 and pressure to move more customs officers to MCO. Discussion regarding our major carrier is expected to enter international markets in the coming years.

President Crews noted that there are at least 2 other international carriers that we are actively in substantive conversations with, but two years gives us some real time to work even harder.

Discussion regarding the new parking equipment implementation slated for January 2020.

9. CHAIRMAN'S REPORT

Vice Chairman Green thanked the team regarding the Safari Investment land donation, it's a huge deal.

10. CONSENT AGENDA

A. Consider approval of and authorize President to execute "Interlocal Agreement" between Seminole County and the Cities of Altamonte Springs, Casselberry, Lake Mary, Longwood, Oviedo, Sanford, Sanford Airport Authority and Seminole County Sheriff's Office, and Seminole County Public

Schools for E911 Protocol.

- B. Consider approval of Addendum C to Lease No. 2016-34 with GLF CONSTRUCTION CORP. for Building No. 650 located at 28th St. and Carrier Ave., Sanford (Land).
- C. Consider approval of Addendum N to Lease No. 2001-44 with VERTICAL AVIATION TECHNOLOGIES, INC. for Building No. 332, located at 1609 Hangar Rd. (Commercial Bldg.).
- D. Consider approval of Addendum E to Lease No. 2014-27 with RICHARD MEEKS and KRISTY MEEKS for Building No. 527, located at 3880 Moore's Station Rd., (Residential).
- E. Consider approval of Addendum B to Lease No. 2013-12 with AMERICAN BUILDERS SUPPLY, INC. for Buildings 433,434 and 435, including 10.6 acres of land, located at 2901 Aileron Circle, Sanford and Buildings 99,100 and 420 and 9 acres of land, located at 2721 E. 26th Place, Sanford.
- F. Consider approval of Addendum L to Lease 2007-27 with KATCO DISTRIBUTORS for Building No. 515-1 located at 2848 South Mellonville Ave., Sanford (Building).
- G. Consider approval of Addendum C to Lease No. 2009-14 with AVOCET CAPITAL, LLC. for Demolition Pad, located at Don Knight Lane, Sanford, FL 32773.
- H. Consider approval of Addendum J to Lease No. 2009-47 with AVOCET CAPITAL, LLC. for one half of Building No. 550-MOU, located at 550 Don Knight Lane, Sanford, FL (MOU).

Board Director Smith made a motion, seconded by Board Director Dane to approve Consent Agenda items A-H. Vote taken. None opposed. Motion passed.

11. DISCUSSION AGENDA

- A. Consider purchase of 2.65 acres of property and dwelling located at 3103 Ohio Avenue.

President Crews stated this item is regarding the proposed purchase of 2.65 acres of property located at 3103 Ohio Avenue. The owner is a long-time tenant at the Airport, and he owns this house and resides there. There is an easement that brings you back to the property. The property is contiguous with our property Lake Golden Park. She felt this property could be an important part of our future development as we look at developing the area around the lake. The idea is that someone might want to develop a commercial use there like a hotel or some sort of recreational use.

President Crews stated initially the owner was asking \$355,000, he had listed it at \$410,000 and purchased it for \$290,000 two years ago. She has informed the owner she can't pay anything more than fair market value. An inspection was done, given to the appraiser prior to the appraisal, and the appraisal came back \$325,000. The owner put in a bid for a piece of property and house in

Osteen; he needs the money so that he can close on his deal, time is a constraint for him. He agreed provided we pay closing costs and provide him 6 months free rent while he is getting his Osteen property ready to move into. President Crews informed him that if the Board approves this that we would be interested in doing 2 months not 6 months free rent. There is also a trailer on the property that needs to be moved along with any tenants before closing.

This is a viable residence that could be a source of income. Based on information received from a realtor through Al Nygren, \$1625-\$1650 per month is approximately what you could charge in today's market. We'd be getting income until we developed the property.

President Crews referenced the pros and cons in her agenda memo. President Crews distributed a spreadsheet prepared by Don Poore regarding proposed costs the SAA would incur regarding the property purchase.

Discussion regarding rent values. Discussion square footage of the house. Discussion 5% calculator on valuation.

Board Director Ioppolo made a motion, seconded by Board Director Dane to approve the purchase of 2.65 acres of property and the dwelling located at 3103 Ohio Avenue for \$325,000, including payment of all closing costs and providing the owner with two months of free rent at the premises.

Discussion:

Board Director Miller noted the appraised price of \$325,000, direct sale to us, there is no realtor cost your saving \$20,000. He asked the Board to think about our fiduciary responsibility to the City and to this Authority when we look at this sort of thing. He noted there is an ingress easement for access to the property otherwise it's land locked.

Board Director Miller stated he inquired of President Crews about the easement, and at this point she doesn't have any information on it. He expressed concerns we don't know whether it has a joint easement or who else is involved. He felt we need to see that agreement and any subsequent agreements over the years. Since this is a 1954 buildout, that would be proper for us and our responsibility to know and see that.

He thought a title search with a specific reference to documentation of the easement and any subsequent agreements relative to that included as well as the utility easements. They have potable city water, there is overhead power lines, is there gas there, that is critical in a title search as well to know what we are getting into or not.

Ken Wright responded to Board Director Miller, any purchase is going to necessitate a title policy and the policy would be issued based upon the search by the title company and there would be a schedule B of exception discovery.

Board Director Miller agreed with Ken Wright although noted in his experience there's been title searches that have missed some very important things and he wants to make sure it's referenced in the contract or some form to the title company that they have a discipline on this ingress egress as well as the utility easements so we fully know.

Ken Wright responded to Board Director Miller that direction can be made but rest assured that if the title company didn't pick up some defect in the title that's why they call it title insurance.

Board Director Miller referenced the inspection report and expressed concerns of safety if we temporarily used the property as a residential rental property. He questioned is this a proper purchase for this authority against all the other opportunities we have with the Commerce Park and other properties around the airport and with the potential for development and maybe some massive development. Board Director Miller stated he's not against the purchase but thought we did not have enough discussion on some of the specifics to move ahead, and he offered a friendly amendment: purchase price to be \$300,000, month to month lease whatever months you settle on and at the end of that it automatically goes to \$1500 per month until he closes on his own property, that there should be a statement within the contract or on the record here that we are going to request on the title company the discipline of these easements that are in question and a due diligence element. And he suggested we put a statement in there regarding a closing date on or before December 31st.

Board Director Ioppolo addressed the friendly amendment. He expressed his appreciation to Board Director Miller for the points he raised but explained that he sees it differently. He looks at it as picking up an adjoining piece of property that is going to be added to the overall footprint of the Airport, that will ultimately be part of a broader development scheme. As Attorney Ken Wright pointed out, the due diligence and other items mentioned are part of the ordinary and customary things that would happen. He appreciates the amendment, but is going to decline it and would like to have his motion voted on; if it votes down, then we can take on a different topic

Discussion ensued regarding use of an FDOT grant, that FDOT grants aren't reimbursable, and the owner's time constraint of closing prior to November 23rd. Discussion ensued about useable acreage being 1 acre, an estimated \$10,000 for repairs, evidence of termite damage, and rezoning the property to Restricted Industrial to match the rest of our land.

Vote taken. Board Director Miller voting in opposition. Motion passed.

B. Consider CEO Search Firm recommendation presented by Board Director Gregg.

President Crews stated the next item is the presentation by Board Director Gregg regarding his recommendation to the Board for the executive search to be used for the President/CEO replacement.

Board Director Gregg stated we had 4 responses this last time, out of that we interviewed 2 via video conference. After the video conference, it was obvious, and we all agreed Grice was the top pick. The next day we had an email from the other submittal saying we don't believe we are the best fit. He was very impressed with Grice, and we had good references including a couple of people who used to work for him. Their charge is in line with everybody else, 30% of the annual earnings. Board Director Gregg recommended we approve Grice. President Crews informed the Board 12-20 weeks. Board Director Gregg inquired of the Board when they would want to kick this off.

After further discussion the Board felt sooner rather than later makes sense, if we wind up with an internal candidate then we must hire to replace George. If it's an external candidate, we need them to work with the existing team for transition. President Crews' last day is September 30th the estimated cost is \$60,000-\$75,000 or 30% of the first year's salary.

Board Director Miller made a motion, seconded by Board Director Robertson to approve the recommendation as submitted by the Committee Chairman. Vote taken. None opposed. Motion passed.

After further discussion and advice from Counsel, there was consensus to authorize the President to execute the contract based upon a favorable review by counsel.

12. COMMENTS FROM THE PUBLIC

Mayor Triplett requested a copy of job description the search firm is going to use. After further discussion, it was determined the job description should come back to the Board at the December meeting since the Board is hiring the President and this is a description of the duties that we are going to hold them to.

13. ELECTION OF OFFICERS

Chairman Green noted this election of officers is atypical because our Chairman isn't present, and we don't have all the members. He inquired if the Board members wanted to proceed with the election. The Board Directors requested to proceed with elections.

Chairman Green passed the gavel to Counsel. Ken Wright noted the gavel has been passed and opened the floor for nominations.

Motion by Board Director Ioppolo, seconded by Board Director Dane to nominate Tom Green to serve as Chairman. There were no other nominations and the floor was closed. Vote taken. By acclamation, Board Director Green was elected Chairman.

Counsel relinquished the floor to Chairman Green for the election of Vice Chairman. Motion by Board Director Smith seconded by Board Director Robertson to nominate Board Director Dane to serve as Vice Chairman. There were no other nominations. Vote taken. By acclamation, Board Director Dane was elected Vice Chairman.

Chairman Green opened the floor for the election of Secretary/Treasurer. Motion by Board Director Ioppolo, seconded by Board Director Smith to nominate Board Director Gregg for Secretary/Treasurer. There were no other nominations. Vote taken. By acclamation, Board Director Gregg was elected Secretary/Treasurer.

14. OTHER BUSINESS

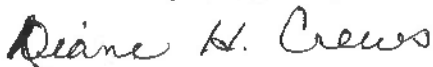
None.

15. REMINDER OF REGULAR BOARD MEETING ON (DECEMBER 3, 2019)

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:31 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh