

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MARCH 3, 2020
8:30 A.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane, Vice Chairman
Kenneth Bentley
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Ken Wright, Airport Counsel
Commissioner Brenda Carey, County Liaison
Commissioner Art Woodruff, City Liaison

ABSENT: Chick Gregg, Sr., Secretary Treasurer
Mayor Jeff Triplett, City 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
Marc Gilotti, SAPD Captain
Lori Hunt, Executive Assistant
Radhika Jablonski, Finance Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator

OTHERS PRESENT: Sonya Brauer, South East Ramp
Elizabeth Brown, AWW
Brady Lessard, CPH Engineers
Genean McKinnon, McKinnon Assoc.
Paul Partyka, NAI Realvest
Tim Shea, Avcon
Greg Smith, Million Air
Michelle Tatom, Rhodes & Brito Architects
Bob Turk, City of Sanford Economic Development Dir.

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

The meeting was called to order at 8:30 a.m. followed by the Pledge of Allegiance.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 4, 2020

Motion by Board Director Dane, seconded by Board Director Smith to approve the Minutes of the Regular Meeting held on February 4, 2020. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

Commissioner Carey thanked everyone who attended the State of County and noted that the County Manager's Annual Report was distributed to the Board. She also thanked those who attended the Seminole State College Dream Gala which provides scholarships to students. Commissioner Carey thanked the Board Directors for serving on the Board.

B. City of Sanford

Commissioner Woodruff congratulated the Airport on Aerospace and Aviation Day; it was a phenomenal event, kudos to everyone. Commissioner Woodruff updated the Board that at the last City Commission meeting, he brought up and suggested that the City start preliminary designs for the new fire station at the airport. He stated they didn't want to wait until the land was ready to start designing and wanted to be able to start construction once the land was chosen.

Commissioner Woodruff stated the City set up a second tax rebate program that goes beyond the jobs rebate program. They have their first project which will be a mixed-use residential retail building at Second Street and Sanford Avenue and will be the first new commercial construction in downtown Sanford in quite a while.

Board Director Ioppolo inquired about the successor to Russ Gibson. Commissioner Woodruff replied they should know within the next couple of weeks. Board Director Robertson inquired regarding the timeframe for building demolition at the Mayfair Golf Course. Commissioner Woodruff replied they have done the contract for demolition and prepared the site for the temporary building.

5. COMMENTS FROM THE PUBLIC

None.

6. PRESIDENT'S REPORT

President Crews updated the Board regarding construction projects:

- Terminal expansion: 76% complete, project on schedule. The project will be extended beyond the original timeline due to the addition of the canopy section that the Board approved. The PV-1 is now obscured behind black drapes which gives an aura of mystery to the terminal. Looking forward to having an event this summer when we unveil the PV-1 and introduce the public to the entire expansion area.
- Taxiway Bravo, Charlie, Lima Rehabilitation: receipt of FAA grant December 2019, FDOT Grant on January 7 agenda. Notice to proceed issued December 2019. Construction began on Work Area 1 on January 27, 2020. Project is on schedule anticipated completion is September 18, 2020. As of February 29th, we are on contract date 76. The project involves a lot of night work, takes a lot of coordination with the Air Traffic Control Tower, Allegiant and L3 Harris.
- CBP Repair Replacement Project: continues to move forward. Continued feedback from the CBP facilities division. Currently at 15% design phase.

Don Poore presented the interim financials.

Discussion regarding terminal revenue and landing fees being down with passenger numbers anticipated to continue to grow. Mr. Poore noted that revenue numbers are below budget projection and explained that international passengers are down, and they pay 100% landing fee, whereas Allegiant, a participating carrier, pays 25% landing fees. President Crews clarified passengers up 10% January over last January. President Crews explained that landing fees are waived for 6 months for new destinations, and Allegiant still has some destinations that are part of that. Traverse City will soon end their six-month waiver period and the Airport will then realize the full import of their landing fees.

Board Director Ioppolo requested further review at next month's meeting. Board Director Robertson noted our budget was very aggressive. Discussion ensued regarding incentives offered to Wamos Air. Board Director Simmons noted Allegiant's A320 is more fuel efficient than the old MD80's and therefore we would be making less revenue on fuel flow.

George Speake presented an update on Coronavirus: with regards to US industry, domestic airlines are seeing 90%, not a lot of cancellations in the US now. No reported cases in Seminole County, but ARFF Chief Jason Shippell continues to monitor through Seminole County Emergency Management Medical Director, Dr. Husty. He stressed that the best advice is to wash your hands, and don't shake hands; China has started touching feet instead of shaking hands. The fire department has masks on hand, has ordered more that are on backorder. They do have eye protection, hand sanitizer, bio-hazard bags, and gloves, and they could respond to something coming in on an airplane. The airport has a communicable disease plan that was developed 6-7 years ago based on Ebola. He stated agencies are cleaning bathrooms more frequently and wiping down handrails.

Commissioner Carey stated there are 2 confirmed cases in the State of Florida. Alan Harris, Seminole County Emergency Management Director, is putting together a situation report, expected to come out today. George Speake noted the Airport badging department is conducting additional cleaning of touch screens, key boards and headsets. Discussion regarding L3Harris and how this is affecting them since their student base is primarily Asian. President Crews will obtain an update.

George Speake presented an update on Lockheed Martin: a visit is planned on March 13th with their Sr. VP of Communications here to tour the Airport and meet with Board Chairman, Mayor Triplett, County Chairman Jay Zembower, Commissioner Carey and Jason Brodeur. There will also be a tour of Southeast Ramp which will host the Thursday night Lockheed Martin Friends and Family evening event.

Lauren Rowe presented the marketing report, highlighting George Speake's interview on Drones, Thunderbird jet tour of airport in anticipation of Lockheed Martin Air Show, and Daytona Speedway Allegiant commercial aired on the jumbotrons twice a day during entire speed week.

President Crews referenced the police and fire reports, plus the calendar/community involvement.

President Crews informed the Board she is requesting a financial audit of OSI. The contract required when it went into effect, we have an audit at the beginning for the year prior to the onset of the contract that would have been 2016/2017. The contract requires a financial audit once every three years. President Crews noted she has been in this position for four years and will be leaving the end of September and when she was interviewed for the job one of the things she said that needed to be done was a financial audit during her first year. She stated she didn't want to wait until next year which would be the third year; it would be good timing and lay to rest some of their concerns with the revenue streams, just good timing all the way around. Once we know when the audit will take place

she will get with Elizabeth Brown, the cost of the audit is fully funded by SAA and estimated to be between \$50,000-\$100,000.

Paul Partyka presented the Property Report: Gator Dock and Marine lease, American Builder Supply and Synergy Wood. Paul Partyka updated the Board regarding Amazon and complimentary companies working for Amazon, these companies will be needing warehouse space and he has been contacted. Paul Partyka advised the Board to start thinking about building warehouses. Paul Partyka updated the Board last year there were 3,700 homes coming in at various stages, as of today 4,300 new homes. Last year this time there were 120 new homes occupied, today 800 new homes occupied, and he reiterated residential drives commercial. Paul Partyka noted Kings Crossing the new shopping center is on target for construction. Chairman Green referenced next year the rollover analysis and he requested next month a breakdown of the annual revenue impact. Paul Partyka noted they don't foresee losing any tenants next year.

President Crews updated the Board she had received an update from Dan Peterson, Director of Aerosim Academy L3Harris. He referenced their corporate protocol and that there is a mandatory travel restriction right now to certain countries and his team is meeting today to firm up any additional precautions to take. He further noted that they have a mandatory 2-week self-quarantine before coming on site.

President Crews updated the Board that Jason Brodeur will be at the Airport on Wednesday to perform volunteer tasks. He will be mowing, painting the airfield, and conducting an airfield inspection and wildlife control.

President Crews noted on March 10th & 11th Mindy Price, Direct Solutions will be conducting a Leadership Seminar for management employees. Further, on Thursday March 12th County Chairman Jay Zembower will be at the Airport for a tour along with Board Director Smith and George Speake.

President Crews distributed the aerials.

7. COUNSEL'S REPORT

Chairman Green thanked the group from Shutts & Bowen especially Ken Wright and Mark Thomson for their involvement in a specific issue, a lot of additional time on their part for consults and meetings.

Brett Renton updated the Board regarding: Gator Dock and Marine, Via Airlines, GOAA litigation, and tenant issues.

8. ORLANDO SANFORD INTL. INC. REPORT

Elizabeth Brown updated the Board: passenger count the month of February up 9% over last year, this was attributed to increases from Allegiant and Sun Country. Looking forward to seeing changes in Allegiant's schedule for April & May; they don't fully understand these changes which may result in a dip. Further discussions will be held with Allegiant in the next week. Air service development met with operations group from Wamos and performed a complete review of terminal, security, stakeholders, ground handling. Wamos representatives feel very happy and confident they chose us over other airports they had considered. Lauren & Tanisha are working on a Wamos announcement and are bringing flamenco dancers into the terminal as part of that. Elizabeth Brown stated they attended Roots American conference after the last Board meeting. Because they are now part of Vinci and a coordinated effort, Vinci hosted a reception and conducted one on one conversations with 6-7 Airlines. Thirteen meetings were scheduled, of those six are new they hadn't met with before. Some of this is coming from the leverage of Vinci, one is a new start up Airline from the Dominican Republic who has us as their top target. New Air Service Development Director will be at next month's Board meeting. Business Traveler Passenger Survey highlights were included Board agendas, rates Airport in all areas including stakeholders.

Industry update: coronavirus International Air Transport Association is estimating a loss in revenue worldwide \$29.3B to airlines this year. Italy, China and other Asian countries affected at the forefront. In comparison SARS saw \$7.1B loss in 2003 worldwide.

Board Director Smith requested an update on the 737 Max. Elizabeth Brown replied rumors are that they now may be grounded until next year. George Speake stated they have found problems with the actual plane FOD in fuel systems, it's not just software problems. The longer the planes sit, the longer it will take to get them back in service. Elizabeth Brown noted combined with Coronavirus, Boeing is not doing well, their share prices are down, the 777 and 787 are not selling well.

9. CHAIRMAN'S REPORT

Chairman Green updated the Board regarding Grice Whitely. Last month the executive search timeline was distributed, and President Crews distributed the Executive Search packet. Chairman Green stated Grice has been searching for 3-4 weeks, he has another month to obtain responses. Chairman Green noted the Board needs to be available the end of May beginning of June for candidate interviews. Grice suggested a couple days be reserved for interviews. Discussion ensued regarding dates for interviews and a special board meeting. After further discussion June 4th & 5th the Board determined for candidate interviews and June 16th at 10 a.m. with lunch available for the Special Board meeting. The regular June Board meeting is scheduled for June 2nd. The interviews will be conducted at the Marriott, schedule TBD.

10. CONSENT AGENDA

- A. Consider approval of and authorize President to execute Restrictive Covenant Gator Dock and Marine, Inc.
- B. Consider approval of Addendum F to Lease No. 2014-02 with AIRCRAFT SERVICE INTERNATIONAL GROUP BY MENZIES AVIATION, INC. (USA) for Building 317, located at 1690 Hangar Rd., Sanford, FL (Commercial Building).
- C. Consider approval of Addendum F to Lease 2014-03 with COTY SMITH for Building No. 298-S, located at 3107 Rudder Circle (Residential).
- D. Consider approval of Addendum I to Lease No. 2011-08 with REAL DEAL STEEL, LLC for Building No. 410, located at 1220-30th Street, (Commercial Building).

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

11. COMMENTS FROM THE PUBLIC

None.

12. OTHER BUSINESS

None.

13. REMINDER OF REGULAR BOARD MEETING ON (APRIL 7, 2020)

14. ADJOURN FOR EXECUTIVE SESSION – SAA vs.

The regular meeting was adjourned at 9:47 a.m. for the Executive Session.

15. RECONVENE SAA REGULAR BOARD MEETING

The regular meeting reconvened at 10:54 a.m.

16. ADJOURN SAA REGULAR BOARD MEETING

There being no further business, the regular meeting was adjourned at 10:55 a.m.

Respectfully submitted,

Diane H. Crews, President & CEO
/lh