

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MAY 5, 2020
8:30 A.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane, Vice Chairman
Chick Gregg, Sr., Secretary Treasurer
Kenneth Bentley
Frank S. Ioppolo, Jr.
William R. Miller
Clyde H. Robertson, Jr.
Clayton D. Simmons
Stephen P. Smith
Brett Renton, 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
Radhika Jablonski, Finance Manager
Danette Maybin, Human Resources Manager
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jason Shippell, ARFF Chief
Jennifer Taylor, Project Coordinator
Michelle Telfair, Leasing Manager

OTHERS PRESENT: Oscar Anderson, Southern Group
Elizabeth Brown, OSI
Tracy Forrest, South East Ramp
Jonathan Hand, ATKINS
Joel Knopp, MSL, CPA
Hilary Maul, AVCON
Genean McKinnon, McKinnon & Assoc.
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
Keith Robinson, OSI
Doug Sanders, C & S
Sandeep Singh, AVCON
Greg Smith, Million Air

**Bob Turk, City of Sanford Economic Dir.
Grice Whiteley, Grice Group**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND OVERVIEW OF MEETING FORMAT

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

The meeting was conducted through UberConference, and Chairman Green presented an Overview of the Meeting Format. Chairman Green noted for the public record no public comment regarding today's meeting had been received by Lori Hunt. Chairman Green stated roll call attendance of the Board and roll call for all motions would be conducted by Lori Hunt under this format.

Lori Hunt conducted the roll call of Board Directors, all were present.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON APRIL 7, 2020 AND MINUTES OF THE EMERGENCY MEETING HELD ON APRIL 17, 2020

Motion by Board Director Smith, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on April 7, 2020 and the Emergency Meeting held on April 17, 2020. Roll Call Vote was taken, none opposed. Motion passed.

4. PRESENTATION OF FY 2018-2019 AUDIT

Joel Knopp, MSL presented the FY 2018-2019 Audit.

Board Director Ioppolo inquired if there were audit adjustments made. Joel Knopp responded there were no audit adjustments. There were adjustments made as they were preparing the financials, those are identified by Don Poore and his staff.

Motion by Board Director Smith, seconded by Board Director Ioppolo to approve the FY 2018-2019 Audit as presented. Roll Call Vote was taken, none opposed. Motion passed.

5. EXECUTIVE SEARCH UPDATE

Board Director Gregg referenced Grice's report that was distributed to the Board. He stated after Grice presents his update, the Board needs to decide do we want to get the short list between May 18-22 to go through and then how soon do you want to set up one on one or at least online discussions.

Grice Whiteley noted quality of candidates is outstanding, great diversity, they are all genuinely excited about the opportunity. Candidates' experience range: handful are number one at a resort airport, tremendous financial experience, and large scale nonaviation revenue development. Candidates have the vision to adapt to changing circumstances.

Grice stated he is on time tracking to deliver the short list May 18-22nd for Board action to decide the interview process considering current circumstances. He referenced steps to meet the candidates, and concerns expressed at the last board meeting as to who might leave their airport during a time of crisis. His outreach to the candidates began in December/January before Corona Virus. These candidates are not expressing disloyalty; they are committed in the long haul. They have a lot to offer and they realize it is not the first crisis to hit this airport and probably will not be the last. Pandemic situation is kind of part of the job description. Some candidates have led their airports thru 9-11 or their entire hub was de-hubbed and suddenly lost seven million passengers and had to figure out what to do.

Chairman Green noted June 4th and 5th are dates being held for interviews and he inquired of Mayor Triplett his thoughts since the City has a big interest in this decision. Mayor Triplett replied there is a good quality abundance of candidates, and he is anxious to move through the process.

Discussion regarding definition of resort airport, high number of candidates, candidates are not abandoning their post, and introduction calls with candidates.

Grice proposed using Zoom, recorded interviews or two-way introductory one-on-one calls with individual board members to narrow down the list of candidates.

Chairman Green referenced the process five years ago when there was a separate committee that narrowed down the candidates to the final 5. He noted Board Director Gregg is leading on this, and he certainly wants to be involved in helping that process; he suggested selecting another Board member for the Committee or we can collectively take it to the 10-5 candidates. Or we can all go thru the Zoom interviews with a series of questions and narrow it down from that.

Grice noted he has asked questions specifically regarding certain subject matter germane to your airport's circumstances and rates the responses to finalize the top people. Grice stated his arrangement was to bring the

top 3-5 in a short list, right now he felt he can comfortably narrow it down to top 10 plus George. He can do it on his own or with the board's input.

Discussion ensued regarding final interviews in person versus the video type approach of top 10 to arrive at some type of consensus to get to the top 5.

Commissioner Carey referenced the ease of using Zoom for their County Commission meetings, noting it is a very effective approach, user friendly. Having a virtual meeting with a candidate, you will be able to see the candidates, and body language is important during the interview process.

Discussion ensued about the very cumbersome process of nine Board Directors conversing with individual candidates. Discussion proposal from Chairman Green, that he and Board Directors Dane and Gregg conduct introductory call with candidates to narrow down 10 candidates to 5.

Brett Renton clarified Sunshine Law, the contract with Grice, number of candidates, accepting or rejecting the list from Grice, transparency, public meeting, public record, and public comment.

Discussion regarding the number of candidates the Board wants presented from Grice. The consensus of the Board was that Grice bring 5-6 candidates back to the Board.

Chairman Green discussed timing, June 2nd Board meeting, June 4th and 5th set aside for interviews, the Board's preference to conduct in-person interviews. Mayor Triplett requested being part of the in-person interview process.

6. CHAIRMAN'S REPORT

Chairman Green updated the Board we have been spending a lot of time on COVID-19. Approaching budget season and in contrast to prior years, he suggested we take a more conservative approach on the budgeting side, especially the revenue. They feel it will probably be multiyear comeback revenue-wise at the airport and we want to be sensitive to that.

7. PRESIDENT'S REPORT

President Crews updated the Board regarding construction projects:

- Terminal expansion: 82% complete, project on time and on schedule.
- Taxiway Bravo, Charlie, Lima Rehabilitation: 40% complete, project on schedule, anticipated completion is September 18, 2020.
- CBP Repair/Replacement Project: planning phase 15% plans have been completed. Just received comments back again from CBP facilities on April 24th. The current area of improvement in the FIS

is 73% of the facility, that is 44,000 square feet of the entire 60,000 square foot facility. Some of the areas they are currently using will be returned to us; it is technically a more efficient use of the space coming out of this.

- Phase II is moving forward, more information in June.

Don Poore presented the interim financials.

Lauren Rowe updated the Board: moved past crisis communication phase, a lot of questions lately about the Air Show so they are changing the script for answering system and update that information more often. Working on positive messages such as "we can't wait until you're flying with us again", to get people excited about travel again. The next phase is to get people excited about the terminal expansion, start highlighting new areas in the terminal, and eventually talk about how clean we have kept the airport to make it safe to travel again.

Mayor Triplett informed Lauren that the City has a lot of great video regarding downtown Sanford and the things to do, including the zoo, and they would be happy to send the video.

Paul Partyka updated the Board that they are not receiving a lot of calls on space as the real estate industry is on pause. Offsite storage has been common interest. The industrial market is holding firm. Expansions are on pause everywhere, the retail market stinks and until we get past the 25% to 50% occupancy for restaurants, there will still be a lot of restaurants that won't open for 25% capacity, they can't make any money. All the construction projects around the Airport, i.e. new homes, Galileo school, and the 7-11 construction, is continuing. He felt this is a good sign as construction is moving forward, people will eventually move in, and that is good for the entire area.

George Speake updated the Board on two events: Salvation Army provided 35 lunches for SAA and OSI essential workers last Wednesday; And a blood drive was conducted through One Blood on Friday, May 1, at Lake Golden. One Blood brought out two buses and collected 30 units of blood which is equivalent of saving 90 lives. He stated that the SAA plans to make this a routine event.

George Speake referenced House Bill 915/Senate Bill 1258 which passed this year, amends Chapter 332 and requires of Airports increased transparency in the procurement process. The level of transparency prior to COVID 19 was not necessarily a burden but now it adds quite a bit of expense to many airports to acquire certain things, with the RFP statutory cap being reduced from \$200,000 to \$65,000. Sealed bid process is required for anything over \$65,000; you have to advertise, come up with the RFP, respond to questions, hold a meeting to open the bids, have someone review them to make sure they were all properly responsive and come up with a selection. FAC, along with SFB, is saying right now this

may require airports to add personnel to their staff. Additionally, there are new requirements to adding and maintaining data on websites. FAC is asking that the Governor veto this bill in light of the fact that it will add costs to airports in a point in time where we're trying to cut costs because we aren't seeing the revenue and passenger traffic that we have in the past.

Oscar Anderson, Southern Group, updated the Board: The Governor has not moved on any of the bills yet. He moved on a handful of bills right before session ended and since then has been fully focused on COVID response. Southern Group has been working with FAC, got a copy of the veto letter they sent and is trying to find some allies to help bolster the argument that this isn't a bad idea, it's just not the right time.

President Crews referenced the police, fire, and property reports, as well as the COVID-19 update that was prepared by Chief Fuehrer.

President Crews referenced the CARES Act Funding Plan and highlighted the basics with the Board. SFB was allocated \$22.7M from the CARES Act; criteria is we must draw down within four years. The funding was distributed to Airports to prevent, prepare for and respond to the impacts of the COVID-19 public health emergency. The funding is to be used for anything related to Airport operations, maintenance, and debt service. It cannot be used for development unless we go back and follow development procurement procedures. The primary assumption is that the duration of recovery is uncertain, so we must prepare for both worse and best-case scenarios. The funding may have to sustain us for 3-5 years, although at this point, we are thinking 3 years is more accurate.

President Crews outlined the plan of action and discussed the draw schedule.

President Crews reiterated the purpose of the funding was distributed to airports to prevent, prepare for and respond to the impacts of the COVID-19 virus. She is putting together our airport restoration plan much like the Governor has put together his restoration plan. Cleanliness is one of the primary components of the restoration plan and preventing the spread of the virus. Elizabeth had shared with her that Vinci airports was looking at getting masks inside their airports. George followed up on that and it his recommendation to her, and she recommended through our Chairman that we go ahead and pay for those masks. The masks are being distributed in the Airport for all our passengers and visitors who want them, 100,000 masks at a cost of \$80,000. They have been ordered, will be here mid-May, and will be made available at our information booth and at the ticket counters. This is something visible and means a lot as we restore consumer confidence.

President Crews reported that the SAA's "Return to Work Phase I" has been implemented. All Department Directors have returned to work in the

office, while administrative staff who can telecommute are still doing that and coming in when necessary. Maintenance has returned fulltime other than a few at-risk employees. We are gradually moving back to having all onsite employees, but they are being provided a mask to be worn voluntarily unless they are going to businesses and residences and in those cases, they are required to wear them.

Budget schedule: Budget process has started, meeting with department directors. Draft budget will be received on May 28th and it will be forwarded to Directors along with the Agenda for the June 2nd meeting.

President Crews discussed having separate dates for the Budget Work Session or having the Work Session after the Regular Meeting on June 2. Chairman Green stated his preference if the June agenda is not large to hold the Work Session afterwards; however, if we are not conducting a live meeting, it would be better to wait.

President Crews outlined the budget approval process: July it goes to the Board for approval, then it's sent to the City by August 1st and August 24th is the date the City has given us to have our joint meeting.

President Crews informed the Board the FAC Conference has been officially canceled.

8. LIAISON REPORTS

A. Seminole County

Commissioner Carey updated the Board that Seminole County is following the Governor's lead. Chairman Zembower just sent a letter to the Governor asking him to open the State Parks. All County trails were open all along. They are looking at putting staff back in the office as well. The County lobby will be open next week and looking at opening some of the libraries which have been closed; one will remain closed as it's being used for childcare. Altamonte Mall is closed until May 12th and remains a test site. She mentioned the County's pop-up community test sites, Jury Duty is canceled thru May 29th, and the Tax Collector operating at about 50%. There is a lot of information on prepareseminole.org it is updated several times a day to provide information for not only the County but other agencies; the Airport is providing information as well. Commissioner Carey updated the Board on the County COVID-19 statistics, and noted that for recovery, they have asked the Governor to open certain personnel services.

She felt the fact that Lauren has received inquiries regarding the air show probably has a lot to do with national news coverage where the Blue Angels and Thunderbirds are flying over major cities and that's brought back the spirit of our country. The Expressway Authority has been impacted by the Corona Virus, revenues down 19% in March and 53% in April which equals \$21M. They are starting to see an uptick the first few days in May. Hopefully, they will

continue to see an uptick, people will start to return to work, and start to fly again.

B. City of Sanford

Mayor Triplett stated the City and County leaders are spending a lot of time together. Sanford follows the path of Seminole County, who's done a great job, great partnership, the conversations, and meetings and keeping us on the municipal side understanding and knowing some of the decisions they are making. He noted that these are unprecedented times and thanked Chairman Zembower and County Manager Nicole Guillet. He apologized for not reaching out to Commissioner Carey to say thank you for her support going through this also and stated that she has done a great job.

Mayor Triplett thanked President Crews and her executive team, all the Board Directors and Elizabeth Brown, and noted they have been working so hard with the budgetary situation they had to put together and endure, especially going through the construction project. Mayor Triplett stated if there's ever anything you need from me please don't hesitate to reach out. He noted that the Chairman has been wonderful about reaching out to him and having conversations. To the Board Directors, he stated he would be more than happy to sit down and help in any form or fashion personally and from the City side.

Mayor Triplett informed the Board they issued an executive order last night extending patio permits for the downtown corridor which would also extend into the full City of Sanford. This allows the restaurants to extend their outdoor area which means closing out parking spots in front of their business to extend their patio out. Marketing focus on supporting local. Sanford received a \$300,000 CDBG grant and found an additional \$100,000 in the budget, and they are going to do some very extensive marketing. They changed some of the criteria for CDBG funds to open that funding stream up to help small businesses and are looking into matching grants with Seminole County.

Memorial Day parade was canceled. Looking to do something for July 4th and need to consider upwards of 300,000 coming through here. The Mayor informed the Board he has started a live Facebook thread "Thursday Morning with the Mayor" and has had the Chief of Police and Supervisor of Elections on, done every Thursday from the Chamber building. He stated he would love to have someone from the Airport. From the Chamber side, pushing a whole lot of information, trying to keep the businesses going thru the PPE program, changes through the Welcome Center where Chamber and the Small Business Development Group will turn it into a small business service center, a one stop shop instead of a retail outlet it is now. More to come with that. He is writing a report for the City to make some changes and will be happy to share that with the Board when it gets a little closer. The Mayor concluded by asking everyone to "Support Local", and to let them know if the Airport needs anything.

9. COMMENTS FROM THE PUBLIC

Chairman Green inquired of Lori if there were any comments from the public. Lori responded none.

10. COUNSEL'S REPORT

Brett Renton updated the Board regarding: GOAA litigation, monitoring of Melbourne vs. GOAA lawsuit, and TURO.

11. ORLANDO SANFORD INTERNATIONAL, INC. REPORT

Elizabeth Brown gave a special thank you to the management team at the airport, she has been working very hard with them. Expenses incurred from additional work and making sure the terminal building is being maintained according to the new guidance and standards recommended by the Airport industry experts as well as CDC. Elizabeth thanked the County and agreed the county website is a very useful website, that the Airport has been using it and really appreciates the work the County has done. She thanked the City of Sanford, we are looking forward to it being open again, she is a big advocate of supporting our local businesses, looks forward to the light at the end of the tunnel.

Traffic Forecast: 380,000 passengers for the month of April compared to March 178,910 compared to April last year 300,000. YTD 654,000 passengers, this time last year we had over 1M which is 39% off, expecting low numbers will continue although starting to see a few more passengers. As other states start to open, there will be pent up demand to visit family. Airport is seeing 2-5 flights per day from Allegiant, international services have been suspended and will remain in that regard until the borders open again by Presidential order.

Elizabeth Brown discussed recovery and presented an industry update.

12. CONSENT AGENDA

- A. Consider approval of Addendum E to Lease No. 2005-22 with ENTERPRISE LEASING COMPANY OF ORLANDO, LLC. for Building No. 452, located at 2101 E Airport Blvd. (Commercial Bldg./Land).
- B. Consider approval of Addendum C to Lease No. 2015-017 with AIRLINE TRAINING AND LEASING CORP. for Building No. 148, located at 1711 Hangar Rd. (Commercial).
- C. Consider approval of Addendum C to Lease No. 2017-038 with AIRLINE TRAINING AND LEASING CORP. for Building No. 149, located 1673 Hangar Rd. (Commercial).
- D. Consider approval of Lease No. 2020-013 with LARRY A. DALE AND DANIELLE DALE for Building No. 531, located at 3573 Marquette Ave. (Residential).

Board Director Robertson made a motion, seconded by Board Director Simmons to approve Consent Agenda items A-D. Roll call vote taken. None opposed. Motion passed.

13. DISCUSSION AGENDA

A. Consider approval of Addendum F to Lease No. 2003-08 with The Orlando Sanford Airport Southeast Ramp Hangar Development Inc.

President Crews updated the Board that the Orlando Sanford Airport Southeast Ramp Hangar Development Inc. is Tracy Forrest's company. Last year the Board was presented with Addendum E for the addition of three phases of property to be added to the Southeast Ramp lease. Addendum E allowed for the addition of Phases II, III, and IV. The commencement of payment was spelled out in Addendum E; each phase would be taken down and there was a date certain by which construction was to begin or they needed to start paying - October 10, 2019 for Phase II, Phase III, July 10, 2020 and Phase IV, July 10, 2021. Tracy has not yet begun construction but started paying on October 10, 2019 for Phase II. He has worked with staff in the intervening months and is moving forward with Phase III which is a building that is going to be constructed for a government agency but there are various things that have happened that slowed that down and now we have the COVID-19 situation. Addendum E did allow for approved extensions for delays beyond the Lessee's control, and at this point she's asking for an extension for the time frames for Phase III and Phase IV, with the timeline for Phase III to be extended from July 10, 2020 to January 1, 2021; and for phase IV to be extended from July 10, 2021 to January 1, 2022. This will give him time to solidify the contracts he was looking at for construction. In addition, Addendum E includes the specific square footage amounts for the buildings to be constructed. She believes that was added in because he was proposing certain sized buildings and Counsel just put it in there because that was included. She explained that we don't typically include that information in the leases and no other addendum of Tracy's includes this specific size and therefore, she recommended removing that requirement. She also recommended removing the provision for extensions for delays beyond the lessee's control because if you approve this addendum you will have authorized an extension and there would no longer be a need for that in this lease.

Board Director Miller made a motion, seconded by Board Director Gregg to approve. Roll call vote taken. None opposed. Motion passed.

B. Consider approval of COVID-19 cash flow relief for Allegiant Air, through a three-month deferment of the Participating Airport Use Agreement Fees and Building Rents.

President Crews stated last month we brought forward the recommendation to approve a plan for cash flow relief for our terminal concessions and our rental car facilities as well as aviation tenants, and the board approved the plan unanimously. We have since then issued those deferments. She noted that at

that time, they didn't bring anything forward from the air carriers, but now has a request from Allegiant Air. Allegiant Air is a different bucket as Brett explained last month and can be treated differently as long as you are consistent within those different categories of tenants or airport users. Allegiant Air asked for 3 months of cash flow relief, this is just a deferment. She stated she and Elizabeth had discussions with Allegiant, they feel pretty optimistic about the future although they are being cautious, and this 3 month deferment is in keeping with the nature of why we allow cash flow relief for our other requestors. President Crews recommended that the SAA grant the 3-month deferment, that would be March, April & May. It would be structured much the same way as the agreements we did for the other tenants and concessionaires last month, including a six-month repayment period in six equal installments from the month of July through the end of December.

President Crews informed the Board the total deferment amount with the addition of Allegiant's to date is \$1, 973,040 through May of 2020.

Board Director Smith made a motion, seconded by Board Director Simmons to approve . Roll call vote taken. None opposed. Motion passed.

C. Consider approval of Addendum A to Lease No. 2017-021; Addendum A to Lease No. 2017-022; and Addendum A to Lease No. 2019-003 with Constant Aviation, LLC.

President Crews stated Constant Aviation is the company that purchased Starport FBO, and they are now operating as an MRO on the north side of the field. When they purchased Starport, there were two ground leases, and since then, they have also entered in to leases for other properties on the airport. They were one of the companies that asked for a deferment, and we gave cash flow relief in the form of the deferment. Constant is very appreciative of that, but in order to do that, we needed to make sure that their existing leases were in effect until at least through the repayment period. They have stated that they would like to extend three of their leases, so they are running concurrently. Of the four leases that were outside the initial acquisition of Starport, one was expiring July 31, 2022 for building 130 in the Commerce Park. Another one was expiring October 2020, one expiring February 28, 2023 and the fourth one was expiring August 31, 2028. It is their intent to try to get them all to August 31, 2028 eventually so that everything comes due at the same time. In order to get us down the road, Constant asked that we extend the first one from July 31, 2022 to August 31, 2023; extend the next one from October 31, 2020 to August 31, 2023; extend the third one which is already expiring in February 2023 just five months to August 31, 2023. All three of those would then have a five-year option to get them to the end date of August 31, 2028. Michelle and Al have worked very hard on all of these deferments, agreements and lease extensions to get all of this taken care of, and this request includes a 3% annual increase. President Crews stated that Constant Aviation has proven themselves to be an excellent tenant in good standing with the airport, and it is her recommendation to extend all these leases as requested.

Board Director Smith made a motion, seconded by Board Director Chick to approve Discussion Agenda C as stated. Roll call vote taken. None opposed. Motion passed.

14. COMMENTS FROM THE PUBLIC

Chairman Green inquired of Lori were there any public comments. Lori replied none.

15. OTHER BUSINESS

None.

16. REMINDER OF REGULAR BOARD MEETING ON (JUNE 2, 2020)

17. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:37 a.m.

Respectfully submitted,



Diane H. Crews, President & CEO

/lh