

**MINUTES OF THE
SANFORD AIRPORT AUTHORITY
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING
THURSDAY, SEPTEMBER 19, 2019
3:30 P.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane (appeared via phone 3:37 p.m.)
Frank Ioppolo, Jr. (arrived 3:32 p.m.)
William R. Miller
Stephen P. Smith

ABSENT:

OTHER BOARD

DIRECTORS PRESENT: Tim M. Slattery

STAFF PRESENT: Diane Crews, President & CEO
Don Poore, Chief Financial Officer
Tom Fuehrer, SAAPD Chief
Tommy Gentry, IT Director
Lori Hunt, Executive Assistant
Brett Renton, Shutts & Bowen (appeared via phone)
Kyle Stevens, Shutts & Bowen (appeared via phone)

OTHERS PRESENT: Jeremy Owens, CPH Engineers
Paul Partyka, NAI Realvest

1. CALL TO ORDER

The meeting was called to order at 3:30 p.m. by Chairman Green.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. COMMENTS FROM THE PUBLIC

None.

4. APPROVAL OF THE MINUTES OF THE MEETING HELD ON APRIL 30, 2019

Chairman Green noted the approval of the minutes would be deferred.

5. PROPOSED LAND EXCHANGE WITH SAFARI INVESTMENTS

President Crews updated the Committee and provided additional information and noted that Jeremy Owens with CPH Engineers will be making a presentation. President Crews referenced the Letter of Intent (LOI) which was from Safari Investments and clarified that Safari Investments has not seen this draft version. Safari presented us with an LOI the last time, which we took it to our attorneys who approved it, followed by approval by the Board. She explained that she took the previous document, massaged it, sent it to Counsel which is the form presented today. Attorneys Brett Renton and Kyle Stevens are appearing telephonically today to answer questions. The idea is if everyone agrees with the draft LOI, she will get it to Safari and tell them we need an LOI by October 1st.

Board Director Miller pointed out the document presented today needs to be marked Draft so that nobody can ever get confused down the road. Chairman Green agreed this document needs to be marked Draft. He noted that the ownership has changed as Safari has transferred this property to a land trust.

Jeremy Owens displayed a site plan for the subject 9.31-acre parcel and referenced the conservation easement. The airport's parcel on Marquette was also identified. Discussion ensued regarding the properties being contiguous at a narrow point that is 20 feet wide.

Discussion ensued regarding the roadway, platted road between the two parcels, and the dump site next door, noting that the Florida Department of Environmental Protection (FDEP) has done their review and told the property owner to take out all their monitoring wells. The property is developable within a certain set of standards that the FDEP has for developing on an old dump.

Further discussion ensued regarding the topography of the site and Davis Road, which is owned by the County. Discussion regarding there being 2-4 feet of muck, the property elevation differential on Red Cleveland Boulevard and Lake Mary Boulevard, and the elevation needing to be taken to grade on Red Cleveland Boulevard. Mr. Owens explained that Sanford Building Code requires the finished floor of the building be 16" above the crown of the road. Discussion regarding the concept plan retention pond, mitigation path, timeframe, and cost to get wetland area buildable. Board Director Ioppolo inquired if the Airport has property available that we could utilize to mitigate this property. President Crews inquired of Counsel and it was determined that Ken Wright would be the one to consult.

Discussion regarding comparison of their 3.55 acres of buildable property to our 9.2 acres, long term value, and location. It was noted that the appraiser used the full size of the Safari property, and that the Airport property is located across the street from an incoming Publix shopping center.

Discussion ensued regarding the cost 10-20 years from now to further develop the Safari parcel. Discussion regarding lease value of properties per square foot versus selling price. President Crews referenced her memo with pros and cons

and stated the importance of the Safari parcel with 845' of frontage on E. Lake Mary Blvd. versus our parcel with 518' of frontage. President Crews discussed the platted road next to the Safari parcel, limiting curb cuts on E. Lake Mary Blvd. and Red Cleveland Blvd. Discussion regarding wetlands on our property located on Marquette and potentially utilizing that land to offset the wetlands on Safari lot.

The Committee discussed how the cost to make the other 6 acres of the Safari parcel into something developable could decrease over time because we could use the fill we create from natural development. The challenge is being able to justify a trade for what is 3.50 or 4.3 acres of developable property versus 9 acres of developable property. The 3.50 acres is not up to grade it needs to be. The Airport parcel becomes more valuable as time goes on, but the entrance to the Airport is going to have more value, intangible value of allowing us to control our entrance and it's the first step to controlling a possible issue with an access road if we're able to acquire the second piece to the east.

President Crews noted she has had preliminary conversations with the FDOT to obtain a 50/50 grant to purchase the property adjacent to Safari Investments lot.

Discussion ensued regarding the legal requirement for lot grade. President Crews pointed out that the site plan Jeremy Owens is referring to, was engineered for a reason, and as engineered, this will only work for grass, the retention pond would have to change dramatically. Jeremy Owens stated you would have to re-permit and possibly add dry pretreatment. President Crews stated that Safari did this plan to get them where they needed to be with the City of Sanford and St. Johns River Water Management District (SJRWMD).

Discussion the 4.3 acres would have to be brought up to 39' grade to be developable and we'd have to change the stormwater drainage. President Crews clarified the pond shown on the site plan is improper for real development. Jeremy Owens noted it is designed for impervious and no nutrient loads. Right now, it is designed for a grass field. As soon as you go to build a commercial development on it the loading rate changes. Discussion regarding conceptual drawing and how much more acreage would be lost for additional stormwater retainage. It was noted that Safari does not have their SJRWMD permit yet.

Board Director Dane felt this is one of the most valuable pieces of property for the Airport to own at the front of the Airport. The cost benefit analysis of our nine acres, she would rather own the lot and not have it paved and flattened. We do not have a plan for it yet.

Board Director Smith stated he understood, but the thing is we are using the opportunity to get this property brought up to a useable elevation as part of the whole deal. If we just took it as wetlands as it is and left it natural, then the two properties are not equal value. Board Director Green stated then it becomes cost prohibitive. Board Director Ioppolo stated our mandate is if we are going to do a

property exchange with a private property owner, we must demonstrate roughly equal fair market value given the two parcels.

Brett Renton noted regarding this deal the Airport will have to get the approval from the FAA, the justification you'll have to get an appraiser that says the two parcels are of equivalent value with whatever condition they come up with.

Chairman Slattery stated he would like to see us land upon a number that it will cost to get an amount of useable commercial development. Whatever that is, maybe it is \$1M, then if the owner gives us \$1M, we exchange the land and then we develop how we want to develop it. That way it stays as pristine as it is today, we have \$1M and we figure out a plan for the long term.

Board Director Smith did not think we could do that. Board Director Ioppolo deferred to Counsel if from the FAA perspective we take the \$1M plus the property.

President Crews replied the FAA does not mind if it works in our favor.

Brett Renton clarified for purposes of the legal analysis you need to get FAA approval for any land swap. He inquired of President Crews how the Airport's land was acquired, was it with Grant money. President Crews responded FAA grant money from one of our runway extensions.

Brett Renton stated we need due diligence under the rules at the time you received the grant monies. Regarding Board Director Ioppolo's question he noted the first check point is will the FAA look at the deal being presented to it for a land swap, believe that it is a fair and equivalent valuation, and approve the swap in order to understand the importance of controlling the entrance to your Airport. Then instead of having to go get a sizeable grant to purchase this property, you can swap it for other properties that you can put the appropriate conditions etc. that will protect you and ensure that you're not going to have somebody come along and build a giant building that will interfere with the flight path. It really comes down to will the FAA approve it in analyzing the deal for the valuations that they are looking at on equivalent land exchange.

Board Director Green stated there are a lot of unanswered questions here. When looking at deals like this, there is what can we truly do on our site. Looking at that 3.5-acre piece, he saw 2 development opportunities. That is something that needs to be evaluated, along with bringing the elevation up to a point where it's comfortable to the Airport and that's 39' in his opinion. On the other piece, I will not know how far their value is off, but this piece unlocks a lot for them. Like our piece unlocks value for us, theirs unlocks value for them.

Discussion fill amounts, cost of bringing 3.55 acres up to a developable state, modifying the LOI, equivalencies and values

Board Director Smith thought we had the property under contract before. President Crews replied not under contract but under an LOI and extended it a couple of times for due diligence.

Discussion regarding frontage footage, and green areas as developable or undevelopable.

Discussion different types of use the Committee considered for the property, plotting uses that would fit and assess value.

Paul Partyka stated when we did the valuation of land, we used multi-family or hospitality at \$9 a foot as valuation which equates to .90 a foot for a ground lease. Paul Partyka discussed usability, wetlands analysis, muck, due diligence, and fill cost.

Board Director Green requested by the Board meeting estimate the due diligence cost for the Board to consider.

Discussion cost of fill dirt, elevation 34' or 38', lack of information, property as developable is worth more. Discussion propose a joint development agreement.

Board Director Miller noted we must have all the documentation as to the cost that we are going to leave for future boards. It is not fair for us as a Board to approve something when you really do not have it all there and you are going to leave it to somebody else.

Chairman Green reminded the Committee the recommendation is subject to the Board's approval. He said he sees two paths 1) if we are interested, do not have the information, do not enter in to a contract, take the time for due diligence. 2) Go forward and figure out during due diligence then try to say it is not worth it, or we got a good deal we are comfortable with it, those are the two choices to pursue it. Board Director Smith expressed concerns of determining cost to nail down information. He stated everything we do is obviously public so all the information we compile is public, we are feeding somebody a lot of valuable information.

Paul Partyka recommended putting the property under contract.

President Crews requested of Jeremy Owens in order to quantify this we need the cost to build, bring property up to buildable grade and additional costs.

Board Director Dane stated that she is unclear as to what information we want to gather other than the fill cost and asked if it is the fill cost and then also the value of our property? President Crews responded we don't have a topo, you have what bio-tech provided us with the borings, which they said was a very good estimate, but it wasn't the official study, so she needs to know if we want to tighten things down.

Discussion biggest piece of the puzzle is to get the true calculation based on impervious surface as opposed to grass. Discussion making sure we know we can develop on the 3.55. Discussion estimate on the remaining acreage what it's going to take to get it from undevelopable to developable over time.

Jeremy Owens stated to determine the cost to develop the property there is a path: comp plan change, re-zone, engineering aspect, and then permit aspect. The challenge is going to be the planning cost which is going to depend on who is the governor at that time. Wetland cost, muck mitigation cost in the last six years they have tripled in Lake Jessup basin.

Discussion regarding cost to bring lot to grade. Discussion is there a way we can do this without a swap. Owner does not want to sell it outright. Discussion is there another buyer out there that will go through this, is there demand for that corner with all these issues right now. Discussion the opposite corner that is owned by the County is of more value.

Board Director Smith felt as this corridor starts building the interest is going to build on every piece of property along the corridor.

President Crews clarified the property we're talking about swapping did not cost us but maybe 5% of the value, we still need FAA approval, but we didn't have to make a capital outlay of very much to get that property to start with.

Discussion the need to establish value.

Discussion proposed plan was a quick plan put together for the purpose of showing something to get the resource protection lifted. Discussion part of our due diligence analysis must be what is the best way to develop that piece of property because it may very well be that it is 5 acres of developable property not 3.5 acres. Jeremy Owens discussed access.

Discussion regarding frontage on Lake Mary Blvd. or Red Cleveland Blvd., amount of fill required, and wetlands.

President Crews informed the Committee our parcel to the North may not be quite as large as we thought it was. The 9.7 acres may not be as large as that, it may be 7 acres. The survey says 7 acres, Jeremy's calculations do not show that being 7 acres, and that is what was used in the calculations. The Property Appraiser's site shows 7 acres and we are taxed on 7 acres.

Jeremy Owens referenced the survey with legal description which says 7-acre parcel. President Crews stated it is 2 acres that do not belong to us or don't exist and bears a conversation. Visually we own the land, we just want to make sure the measurements are correct and may need to have a new survey done.

The Committee agreed a new survey is necessary.

Motion by Board Director Smith, seconded by Board Director Ioppolo to move forward to the Board to recommend the owner submit an LOI, with a 90-day due diligence. Vote taken, none opposed. Motion Passed.

6. OTHER BUSINESS

7. ADJOURNMENT

Chairman Green entertained a motion to adjourn.

There being no further business, the meeting adjourned at 5:06 p.m.

Respectfully submitted,

Diane H. Crews, A.A.E.
President & CEO
/lh