

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
AUGUST 4, 2020
8:30 A.M.**

PRESENT: Jennifer T. Dane, Vice Chairman
Chick Gregg, Sr., Secretary Treasurer
Kenneth Bentley
William R. Miller
Clyde H. Robertson, Jr.
Stephen P. Smith

APPEARED TELEPHONICALLY Commissioner Brenda Carey, County Liaison
Frank S. Ioppolo, Jr.
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison

ABSENT: Tom Green, Chairman
Clayton D. Simmons

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
Lauren Rowe, Communications Director
Rick Shea, Operations Director

STAFF APPEARED TELEPHONICALLY: Kristina Gilmore, Records Manager/Asst. Lease Mgr.
Radhika Jablonski, Finance Manager
Katee Mathis, Staff Accountant
Danette Maybin, Human Resources Director
Angel Nieves, Receptionist
Al Nygren, Property Manager
Julie Sawyer, Executive Assistant
Jennifer Taylor, Contract Administrator
Michelle Telfair, Leasing Manager
Tiffany Vincent, Communications Supervisor

OTHERS PRESENT: Elizabeth Brown, OSI

OTHERS APPEARED TELEPHONICALLY: John Baer, CPH
Lydia Bowen
David Cattell
Steve Cornell
Jonathan Hand, ATKINS
Genean McKinnon

**Yasmin Moreno
Hilary Maul, Avcon
Brian Olenick
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
Keith Robinson, OSI
Tom Roda
Tim Shea, Avcon
Sandeep Singh, AVCON
Gregg Smith, Million Air
Craig Sucich, Avcon
Turner Whiting**

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, Vice Chairman Dane presented an overview of the Meeting Format. She noted for the public record that no public comment regarding today's meeting had been received by Lori Hunt. Roll call attendance of the Board and roll call for all motions would be conducted by Lori under this format.

Lori conducted the roll call of Board Directors. Board Directors Bentley, Dane, Gregg, Miller, Robertson, and Smith all were present. Board Director Ioppolo appeared telephonically and Board Directors Green and Simmons were absent.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON JULY 7, 2020

Motion by Board Director Smith, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on July 7, 2020. Roll call vote was taken, none opposed. Motion passed.

4. PRESIDENT'S REPORT

President Crews updated the Board regarding construction projects:

- Terminal Expansion Project moving forward on schedule, 90% complete, anticipating completion first quarter of 2021
- Rehabilitation of Taxiway Bravo Charlie Lima Project continuing, night work currently underway, scheduled completion date is end of September, on budget, on time, 70% complete.
- CBP Repair and Replacement Project under design, sending 30% plans out on August 14th to CBP Facilities. Estimated cost \$13M,

partial funding for design and construction obtained from the FDOT, continuing to seek additional funding.

- Planning virtual event to unveil the PV-1 Ventura and introduce the terminal renovation. A small group including the SAA Board and others will be invited to attend in person as a studio audience with event being live streamed September 15th at noon. More information to be provided at the September meeting.

President Crews reported that the Authority's lobbyist, Oscar Anderson, Southern Group, was not in attendance as he is on vacation. She noted that we have received notification of the \$150,000 Stormwater Grant and are moving forward on planning. House Bill 915 has not been acted on by the Governor. President Crews updated the Board she would be coming forward at the September meeting with a proposal regarding what we do in the future for lobbying services

Lauren Rowe updated the Board: Live stream event PV-1 unveiling to be hosted by Bob Fryer in a 30-60-minute timeframe. The PV-1 restoration team, Constant Aviation and Sherwin Williams will be honored and recognized.

Don Poore presented the interim financials.

Paul Partyka updated the Board regarding: 84 Lumber expansion, American Building Supply, Synergy Wood projects, Davis Custom 2-year extension starting 2021., renewals of Future Health Concepts on today's agenda renewing as well as GLF & Kasco. Mr. Partyka reported that the lease for The Lighthouse, a supplier of light fixtures to the building industry, will terminate on September 30th and the tenant will not be extending. He further reported that Athens Towing is interested in expanding to a potential site across the street to store cars. Further, 7-11 announced yesterday they are buying all the Speedway convenience stores, 3600 nationally.

George Speake updated the Board regarding pending legislation being considered in the House and Senate regarding additional Covid-19 funding. The \$3 Trillion House Bill (Hero's Act) does not include direct money for airports it does include money for State Department and Transportation which includes transit agencies. While it does not include money directly for Airports, it does include \$75M for the FAA. It also mandates that airlines during the Covid-19 are to provide airline employees with PPE and require flight crew and passengers to wear face coverings while aboard airlines. Most airlines currently require facial coverings, but it is not mandated by the Federal Government. The Senate Act is the Heals Act, \$1T in funding, with \$10B to go to Airports and available for use until Sept 2025 at 100% Federal cost share; the formula is based on enplanements to determine how much airports receive and is to be used for capital projects, O&M and planning activities that are approved by the FAA. President Crews noted we are hopeful for this

funding as it would be used for infrastructure to fund the FIS. She stated we have other projects as well that were identified early on when we were contacted by AAAE and ACI as part of their lobbying efforts to get relief from Covid-19.

Board Director Smith inquired if Covid-19 has changed the mandate on the FIS project, changed the date or extent of what we must do? President Crews responded that no, it does affect any of that, although this may give us some other options for funding.

President Crews referenced the police, fire, and property reports.

President Crews referenced the Anna Aero article that was distributed to the Board and noted that SFB was named #1 in growth since 2010 among the top 100 US airports.

President Crews requested an EDAC meeting to be held next week to discuss: Commerce Park Infrastructure Development and discuss a ground lease for Avocet. Avocet wants to expand as they have been given a contract for conversion of 4 aircraft every three months and employing 300 additional people, wage \$26-\$28 an hour. Their proposed expansion consists of a 95,000 sq.ft. facility. They have a lender and have chosen McKee as their construction company. President Crews asked EDAC to look at suitable incentives for Avocet, this project will bring a wonderful asset to our airfield, jobs, and opportunities for the community.

Elizabeth Brown updated the Board regarding Avocet. One year ago, Vinci came down and we were looking at MRO's. She stressed that how important it is to have these types of organizations here at the airport from an air service development perspective. Asset development is extremely important, what they are doing as far as the conversion of those aircraft is very rare and to have something of that notoriety here at our airport is very significant. Underlines the significance of this airport to people when we are talking to airlines, even if they are commercial passenger airlines because of the capability that we have here at this airport. It is an excellent opportunity to see this development.

President Crews added frequently when we are talking to air carriers and they are talking about specific aircraft, we reach out to Avocet to see if they have the certificate to work on that specific aircraft. Avocet is quick to assure us if they do not already have the certificate, they are able to get it within a couple of months. There is great value to what they do for us by their presence on the field.

EDAC meeting to be scheduled for Wednesday August 12th at 10:00 a.m.

President Crews distributed the aerials.

5. LIAISON REPORTS

A. Seminole County

Commissioner Carey updated the Board that the County started the survey for the East Lake Mary Boulevard Small Area Study done in conjunction with the City of Sanford. The business survey will be received by the Airport and Commissioner Carey asked that it be filled out and returned as soon as possible. The area the study covers is the five mile stretch from Mellonville to SR46, the purpose is to examine a broad range of development and planning related issues to help create a program strategy policy that will guide growth in that area for development.

The County signed a new agreement with Perfect Games, premier provider of amateur baseball of the worlds largest scouting service for college and major league baseball scouts. Perfect Games guaranteed 3000 room nights per year we are currently at 2300 prior to Covid timing. They are anticipating 100,000 visitors every year and approximately \$25M in economic impact. The County will continue to operate the facility as local teams and others will have opportunities to also play at Boombah Sports Complex. Since opening the complex has been a great success story, over 200,000 tournaments, 500,000 visitors including coaches and players, spectators, generated over 58,000 room nights and \$80M economic impact to our community.

County is rolling out Seminole Cares website www.seminolecares.com; portal will open Wednesday August 18th at 10 a.m. for small business grant applications. Wednesday August 25th portal opens for individual grants.

Covid update: hospitalizations and positive case numbers are decreasing, 10% rate of positive cases, better numbers then Orange and Osceola counties. Update regarding citizen hotline calls, distribution of PPE to help care facilities, delivery of gift baskets to individuals who are quarantined in their homes.

President Crews thanked the County for the follow up calls the County is making to self-quarantined individuals. One of our employees received these services and President Crews was unaware of this assistance and she stated it was very much appreciated.

B. City of Sanford

Mayor Woodruff updated the Board regarding the City business grants, a long slow process, noting that out of 150 applicants, only 10 met the requirements and submitted documentation. The Mayor noted that they are going to go back through the applications and send them over to the County to apply for Seminole Cares. The 3 blocks downtown mixed-use development Catalyst Site has received staff approval for site plan. The

project will be going to presentation before Historic Preservation, Planning and Zoning, and City Commission within the next 2-3 months. Commissioner Wiggins has organized after school programs in conjunction with Sanford Police and Fire Departments, Seminole County Sheriff, Seminole State College and Seminole County Public Schools, to take place a Mellonville site and West Side Community Center beginning August 17th.

Board Director Robertson inquired of Mayor Woodruff the site address for the Catalyst Site. Mayor Woodruff responded two of the three blocks of planned development are specifically located north of 1st street, between Sanford Ave on the east and Palmetto Ave on the West, and South of E. Seminole Blvd. The other block is located north of Commercial St, between Hood Ave and Palmetto Ave, south of E. Seminole Blvd. Mayor Woodruff also stated parking numbers were increased, and within the parameters of development decreased retail space, adjusted residential although close to what was approved in the development order.

President Crews updated the Board and Mayor Woodruff that the City Clerk had contacted Lori this week to inform us that the August 24th Joint Board Meeting time has been moved to 3 p.m. This will be an in-person meeting.

6. COMMENTS FROM THE PUBLIC

Vice Chairman Dane inquired of Lori were there any comments from the public at this time. Lori responded none.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: GOAA litigation.

8. ORLANDO SANFORD INTERNATIONAL, INC. REPORT

Elizabeth Brown distributed Vinci Airports activity report. Elizabeth updated the Board: July traffic down 63% year over year, resurgence of Covid-19 had a negative impact on load factors, travel intention and competence of the consumer to travel. July typically busiest month with over 300,000 and unfortunately this July we had 137,000 passengers, and she expect to see this continuing through the end of the year. No international flights right now, European flights in UK starting to open, but there is no flying to the US except essential travel. TUI is not flying and is not expected to return before the end of the year' we do expect them to return in March, and they are selling seats for our season next year.

Ms. Brown reported that OSI is talking to two new startup airlines and one we have been talking to for quite some time. They are financed and are expected to be able to start flying by next year. New airline coming out of Brazil that we have been in discussions with, they are working on their financing and plan, but

are hoping to enter into the US market sometime next year. Brazil remains a very strong market for Orlando as a destination, big shopping destination for Brazilians and the attractions. There is a new RFP opportunity we are working on from an air service development perspective. An airline that has flown into Orlando before, but they are now working for optimal airports for services. They are an ultralow cost carrier, looking specifically for secondary airports. We think there is a good opportunity the RFP is due next week. Elizabeth noted RFP's are starting to become much more common with airlines, where they are active in looking for price sensitive airports that have their cost very low and getting airports to actively compete for their service and their business.

Operations update: worked with the SAA preparing for the hurricane, a good practice run. Expected to be an active season. Have a Covid team in janitorial group, all they do is sanitization of the terminal building and actively doing deep cleaning of the bathrooms every night, and TSA checkpoint, using a special Covid code to track expenses that were not anticipated.

Elizabeth stated she did not know how much the Board appreciates the Airport Management team led by President Crews who has been dealing with grants. Grants received and those President Crews is actively trying to get now are very helpful , just for the airport but for the entire organization. As a private company, TBI/OSI is not eligible for grants. Grants offset increased expenses from enhanced responsibilities coming out of the crisis.

August through October looking to be tough. Airlines are actively looking at rationalization of their seat capacity against demand. Demand has declined, resurgence has had an impact on load factors, saw them go from a high of 52-53% early in the month of July down to a low of 38%. Rationalization seat capacity by all airlines across all the US, and because the CARES Act restrictions which told airlines if you are taking CARES Act money you must maintain your employment levels until the end of September. Some airlines like United have announced as many as 35,000 will be laid off. Expected to be industry wide. Airlines are announcing what their revenues were for their second quarter and sending out warn letters about the massive layoffs that we are going to see in the industry. Looking at about a three-year recovery, we are hopeful it will be three years.

Happily, Allegiant is probably the best among the worst, operating margin is 80% down and that is much better compared to Jet Blue which is 332% down. Allegiant is nimble, responsive and they have a particular traveler that is traveling right now. Allegiant conducted a survey to demonstrate their passengers have money to travel, they are traveling domestically for leisure and many of their destinations are growing in outbound. More people from our region are flying out to places like the national parks, places that do not have a lot of crowds, hoping that trend continues.

Industry update: Boeing and Airbus starting to do a lot more reducing their production, 747 has now officially been retired from production.

Commercial development: talking with all commercial partners, we will be talking about Clear Channel and a change we want to make for their contract. Important that we all appreciate that our commercial partners are suffering, and they have not been eligible for Cares Act as it has not been included in any of the federal funding that has come forward. A good example is SSP, our biggest food and beverage partner, has gone from 9000 employees to 160 and one of those employees is our manager at SFB. They are committed to us although they have closed at other airports. HSM has indicated that they will be trying to exit this airport, we are working with them to find a buyer of their contract for the two Starbucks that are operating here. Hopefully, we have somebody who may be of interest and find a solution for that. HMS looking critically at their operation across the country, causing us to talk to all partners about the commercial redevelopment. We were excited to present to the Board January of this year with Vinci, a lot of great plans of commercial, that was predicated on their ability to put capital funds in for investment areas at SFB. We are now hearing from those commercial partners they will not likely be in that cash flow position for 18-24 months. Trying to find out ways we can continue to improve the commercial program and be patient as they get their cash flow in a position where they can actively make an investment in SFB.

Board Director Miller inquired about Allegiant discontinuing service, asking if that list has been shared with us. Elizabeth updated the Board that other than the cities we saw initially discontinued in April, they have not made any changes to destinations and have not confirmed what they might do post September 30th. What we are seeing more is a reduction of frequencies opposed to a loss of destinations. She noted that Allegiant introduced a new destination, Albuquerque NM.

Board Director Robertson inquired of Elizabeth the tweaking of arrival and departure times from quite so early in the morning and late at night, and how that effects the noise complaints. Elizabeth responded airlines make decisions not only on demand and convenience for their passengers/our customers but how they are applying their aircraft utilization in the network. Many of those aircraft might go from here three hours away, bring the aircraft back after the turn and try to make another turn in the day. That is how they make their money and how they make the investment they have made in that aircraft that they still owe money on, to make it profitable.

George Speake responded to the noise complaint portion of Director Robertson's question. George stated we get noise complaints no matter what time of day they fly, but with the quieter engines of the airbus and changes the FAA has made, the complaints are down. Board Director Smith noted we don't have engine runups anymore from the MD80's.

Board Director Robertson asked Keith Robinson for the update on cost per enplanement last year per passenger versus this year that he requested last month. Keith replied it is roughly the same amount from last year.

9. CHAIRMAN'S REPORT

Vice Chairman Dane noted Chairman Green is not able to be here today, he had two items on his agenda to discuss. First was President Crews' bonus. Based on the numbers from the Board Directors review, his recommendation is to give her the entire 15% which is the maximum amount that can be given this year. He noted there were a lot of unpredictable and unmeasurable items this year that occurred whereby Diane demonstrated her unwavering commitment and effort to finish the right way; she has been an outstanding example for the airport and he didn't feel that anyone in the room or on the phone would disagree.

Second item Chairman Greens is working with President Crews on a transition period between new leadership and old leadership. A thirty-day transition period. Tom Nolan's start date is August 19th.

10. CONSENT AGENDA

- A. Consider approval of Lease No. 2020-06 with MIKILANA PHURROUGH for Building No. 300-N, located at 3104 Rudder Circle, Sanford, FL 32773. (Residential).
- B. Consider approval of Lease No. 2017-29 with SEMINOLE COUNTY SHERIFF'S OFFICE for Building No. 515-6, located at 2818 Mellonville Ave. and Building 515-7 located at 2812 Mellonville Ave. (Commercial Bldg.).
- C. Consider Aviation Noise Abatement Committee (SANAC) Appointments.
- D. Consider approval of the First Amendment to Agreement for Operations of Taxicab Services with Yellow Cab Company of Orlando, LLC.
- E. Consider approval of Addendum F to Lease No. 2003-032 with FUTURE HEALTH CONCEPTS, INC. for Buildings 24 and 418, located at 1211 E. 29th St. and 1211 E. 30th St., Sanford, FL 32773. (Warehouse).

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

11. DISCUSSION AGENDA

- A. Consider approval of the 2nd Amendment to the Second Amended and Restated Inflight Services Concession Agreement by and among Orlando Sanford International, Inc., Sanford Airport Authority, and Alpha Inflight US, LLC.

President Crews noted both discussion agenda items are a result of the pandemic and are being brought forth separately because they are unique to themselves and they have a unique situation so the assistance we are

providing is unique to them. As Brett said before as long as we are consistent among the categories, we can provide relief.

Board Director Robertson stated he read about TUI but thought they are leaving. President Crews clarified TUI is not leaving yet, they will return next year and afterwards they plan to go to another airport. They have announced they are launching their air to sea program from here. We are going to provide them the very best service we can.

Elizabeth Brown noted inflight catering is a declining part of our industry because many airlines do not put inflight catering on a domestic airline. However, when you fly a wide body aircraft to an international destination as TUI does it is essential that you have an inflight caterer on property that is able to provide that service. When talking to other airlines as she did earlier, a Brazilian airline, we need to have an inflight caterer. We talked about WAMOS and their intentions of flying next year to Madrid Spain and part of their criteria when they accept SFB as a destination airport was that we have an inflight caterer here on airport property. This vendor has no business and will have no business until TUI returns next year March, it is important we work with them as a partner.

Vice Chairman Dane summarized what Elizabeth is trying to say if we lose them, we have to replace them, and it may be more difficult to replace them and having them here attracts airlines for international which we want to continue to attract international so we don't lose our GBP. President Crews clarified they have been faithful despite our declining international and now what little they did have is gone most likely until next year, so it is unreasonable to expect them to stay here at the higher rent.

Board Director Gregg made a motion, seconded by Board Director Miller to approve Discussion Agenda item A as presented. Roll call vote taken. None opposed. Motion passed.

B. Consider approval of 1st Amendment to "Amended and Restated License and Concession Agreement to Manage Advertising Program" by and among Sanford Airport Authority, Orlando Sanford International, Inc., and InTer-Space Services Inc., d/b/a Clear Channel Airports.

Board Director Robertson felt there will be 40 companies come out to try and get this business as soon as things get back. People right now are making companies to get ready to replace the people that are going under. He inquired what is the specific capital investment as stated in the agenda memo.

Elizabeth responded its before her time as the contract is five years old, noting at the time of the contract they needed to make an investment for all the advertising spaces which includes digital and static advertisement made throughout the terminal building. Board Director Robertson asked what the significant investment is.

President Crews replied everything you see that's advertisement here is a result of their efforts. Several years ago, we were not extremely pleased with their performance. Elizabeth changed that around I give her credit for that. I was at a conference with her and she had a "come to Jesus" meeting with them and they did a turnaround. Since then, they brought Universal to us, that is one of the most significant changes I have seen in this airport since I have been here, and they expanded that even further. Last year was one of their best years, they grew, the revenue here significantly and then the bottom fell out. People were signed on to advertise are no longer going to be able to that, because it is dollars they can cut. Maybe not wisely but regardless, some of these people that were advertising are no longer going to be doing advertising. Universal is not one of those. We can't go out for an RFP right now because it would be disastrous. We are asking you to extend them for one year and give time for recovery. Then when you do go out it will be like you said we have significant competition but in addition we need to reduce their Mag. We have looked at every segment of our structure here, our tenants, our concessionaires, the rental cars, we looked to see where we can assist them. We got significant assistance from the Federal Government. It is the right thing to do. We are not giving them what they requested, they asked for us to eliminate it entirely, and we found a compromise. Elizabeth and her team worked to find a compromise. I think it is a good recommendation that I'm bringing forward to approve this.

Board Director Smith made a motion, seconded by Board Director Gregg to approve Discussion Agenda item B as presented. Roll call vote taken. None opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

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

13. OTHER BUSINESS

President Crews thanked the Board for the recommendation for her bonus, she stated it has been a pleasure being here for nineteen years. She noted that there must be a motion and vote on the bonus according to Counsel.

Board Director Smith made a motion, seconded by Board Director Bentley to approve Chairman Green's recommendation of 15% bonus to President Crews. Roll call vote taken. None opposed. Motion passed.

Board Director Robertson stated he'd like to see during the transition period the meetings a week later so we can have the financials from the month before, certainly during these times of uncertainty, can we move our meetings one Tuesday back? Vice Chairman Dane replied she would forward that request to Chairman Green. Don Poore noted he does not get terminal revenues or parking revenues for CFC's until the 25th of the following month thereafter. The numbers for July are not received until the 25th of August. Board Director

Robertson questioned in this computer age, as that should only take two minutes to find that. Don Poore noted he is tied to the contract for that information plus they are tied to the contract to the rental cars, and rental car people do not provide that information until the 28th.

Vice Chairman Dane inquired has the contract been circulated amongst the Board in a while, or has it ever been circulated and inquired of the Board if they would like a copy of the contract? The Board responded no.

Board Director Miller referenced to President Crews the Small Area Study item mentioned this morning by Commissioner Carey, that he was very upset with what did not happen. He noted things have happened that we get informed of after the fact. We have gone through a couple of things in recent years where the County did something involving us and then we become aware of it. Here we have a study that impacts this airport and because of the area that's included in that and we as the Airport Authority are not one of the two that should be one of three entities that are involved in that study so that we know as an authority what is going on in the study and what can come out of it rather than being told at the end what we have to live with perhaps. He suggested that we request to be an equal member on that committee or group.

President Crews responded that back in November, Commissioner Carey did bring forward this Small Area Study that was just in its infancy, they had not even had their first meeting. She asked to be included in the first meeting and was included in the first meeting. The initial meeting laid the ground work for what they would be looking to accomplish. Commissioner Carey can address this if she is still on the line as far as to where they are right now, but they did include us at her request. Currently although we are not at the table at present, she felt confident that we are going to be kept informed as we go this process. Commissioner Carey just now informed us of the survey that is going to be coming to us for our tenants.

Board Director Miller stated he respected President Crews' words, but he stands by what he said that he thinks that it should be made in the form of whatever. But she is the last word and knows the situation inside that he does not. He just felt on behalf of this Airport Authority that what has happened in the past could have some serious impacts on us.

14. REMINDER OF REGULAR BOARD MEETING ON (SEPTEMBER 1, 2020) AND JOINT BOARD MEETING WITH THE CITY OF SANFORD (AUGUST 24, 2020)
15. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:07 a.m.

Respectfully submitted,

Diane Crews

Diane H. Crews, President & CEO
/lh