

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JANUARY 5, 2021
8:30 A.M.**

PRESENT: Tom Green, Chairman
Jennifer T. Dane, Vice Chairman
Clyde H. Robertson, Jr., Secretary/Treasurer
Kenneth Bentley
Chick Gregg, Sr.
Frank S. Ioppolo, Jr.
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Commissioner Sheena Britton, City Liaison
Commissioner Jay Zembower, County Liaison

**APPEARED
TELEPHONICALLY** Brett Renton, Airport Counsel

STAFF PRESENT: Tom Nolan, 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
Julie Sawyer, Executive Assistant

**STAFF APPEARED
TELEPHONICALLY:** Marc Gilotti, SAPD Captain
Danette Maybin, Human Resources Director
Angel Nieves, Receptionist
Al Nygren, Property Manager
Lauren Rowe, Communications Director
Jennifer Taylor, Project Coordinator
Michelle Telfair, Leasing Manager

OTHERS PRESENT: Elizabeth Brown, OSI
Genean McKinnon
Paul Partyka, NAI Realvest
Craig Radzak, City of Sanford Fire Chief
Sandeep Singh, AVCON
Craig Sucich, Avcon

OTHERS APPEARED: Sonya Brauer, South East Ramp
TELEPHONICALLY Kevin Dillon, Constant Aviation
Jonathan Hand, Atkins
Karen McKinnon, CE Avionics
Yasmin Moreno
Jeremiah Owens, CPH
Keith Robinson, OSI
Tim Shea, AVCON
Gregg Smith, Million Air

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, and was conducted via UberConference, and in person with social distancing measures. Chairman Green noted for the public record no public comment regarding today's meeting had been received.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON DECEMBER 1, 2020

Motion by Board Director Smith, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on December 1, 2020. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

Chairman Green welcomed Commissioner Jay Zembower newly appointed as Seminole County liaison to the Board. Chairman Green informed the Board a conference call was held with County Manager Guillet, Commissioner Zembower, President Nolan and himself over the holidays to discuss to the FAA land and re-acquiring the land. During the conversation several issues came up: the land also encompasses the roadway which the County put significant amount of money in to, the methodology determination of pricing and the reality of the timing. A decision was made at that time pursuant to the Board's recommendation to pay the FAA and move on. Chairman Green requested Commissioner Zembower brief the Board on this discussion.

Commissioner Zembower, stated this has become a very complicated deal, the Commission will hold a Work Session where this will be discussed. This is a Commission decision, not the Commission Chairman's decision or a single Commissioner's decision. There are several aspects as mentioned with the

roadway improvements and the timing is really what it boils down to and getting the Airport what they need in a timeframe but also being able to continue to work together. The Commission has pledged to continue to work together with the Airport to find a path that is reasonable and acceptable for all parties. We've pledged to the Airport we want to be a partner with the Airport as a community partner moving forward.

Commissioner Zembower updated the Board regarding: Basin Study being conducted in the area. It came to his attention that the County was not always good stewards at staying engaged with our Airport as well as the City of Sanford. Staff directed that anything impacting the Airport or City of Sanford should include notification of those entities.

City of Sanford requested to re-open the JPA in this area. And County is working on a staff level analysis now. He has informed the current Mayor and prior Mayor that JPA be opened part of the issue is that initial JPA included private property owners at the table as well. Paul Partyka who is in the audience; has a lot of properties in this area, so those entities all need to be at the table. That his goal as the liaison with this Board is to help with transparency and information sharing across the lines.

Commissioner Zembower mentioned how Seminole County COVID vaccine appointment portal will open today at 10 a.m., and 12,000 doses received. Appointments can be made through alertseminole.org, vaccines limited to individuals 65 and older, do not be a Seminole County resident. Those lacking transportation can be serviced through the County purchased mobile unit including CVS and Walgreens going to assisted living facilities and performing vaccines.

B. City of Sanford

District 1 Commissioner Sheena Britton updated the Board: District 3 Commissioner Patrick Austin and District 4 Commissioner Patty Mahany were sworn in at the last Commission meeting, Economic Development Director Bob Turk retires today, City will be interviewing for a new Economic Development Director.

Capital Improvement Projects: Phase 3 Riverwalk project continuing the completion date tentatively late 2021, in the process of building new golf course club house and rebuilding main water plant. Redeveloped old Welcome Center on First Street it is now the Sanford Information Center which houses Community Redevelopment Agency, Main Street, Sanford Chamber and business support for small businesses. Commission approved partial incentive tax rebate for the apartments near the City of Sanford Sunrail station to jump start housing in that area and push Sunrail ridership.

Board Director Robertson inquired of Commissioner Britton regarding the Mayfair Country Club is there a timeline as to when the old club house would be demolished? Board Director Robertson also inquired if the property across from

the Golf Course was sold and was it sold to a company or individual? Commissioner Britton responded she would have to get back to him with that information.

5. COMMENTS FROM THE PUBLIC

Chairman Green determined there were no requests for comments from the public at this time.

6. PRESIDENT'S REPORT

President Nolan referenced the power point presentation shown on the wall screen for everyone in attendance to view and visible to those joining the meeting virtually.

President Nolan provided a thorough update to the Board regarding:

- Terminal Expansion Project: 96% completion overall project and on schedule, remaining canopy work, temporary air-conditioning in administrative offices being installed, Red Cleveland repave not started.
- Taxiway B, C & L Reconstruction Project: phase II underway, start of construction field work/taxiway closures – January 4, 2021. Phase II expected to continue into 2021 and weather will dictate project's schedule.
- CBP FIS Facility Renovation: progressing toward 90% plan set, awaiting CBP comments from the 60% plan review, cost estimator should complete the 60% review the week of 1/4/2021, financing plans under development for construction phase.

Elizabeth Brown, President OSI Inc. referenced power point slides on the wall screen and provided a report to the Board regarding:

- Year-end passenger count 1.5M down 54% from 2019.
- Industry average down +60%, we are fortunate we are leisure based with a strong airline Allegiant.
- Holiday parking review: 50% decrease, Garage and Long Term reached capacity, approximately 2,000 vehicles were parked, overflow parking was not necessary.
- 737 Max: American Airlines started flying under new certification December 29, 2020.
- World Wide passenger levels for 2020 were 6B less than previous year 2019, down 64.2%. Europe and the middle east were worst hit by COVID crisis. Asia not as badly effected down 59%. Airport industry down \$112B US dollars worldwide, 65% decline total revenues.
- ACI Airports Health Accreditation Program Update: health accreditation executed mid-December. Working with VINCI Airports has accreditation through Veritas, ACI and Veritas work together provides combined shared certification in terms of COVID prevention.
- Social Media/Marketing: while playing holiday music, over 250 passengers received SFB's annual holiday ornament which was COVID themed.

Discussion regarding two stops on Allegiant's route which occurs on occasion when two routes are combined due to low load factors, there is not a connecting airline in their

model. Discussion regarding video created to attract airlines and how many places it was sent to and responses. Twenty-five international airlines were sent the video, seven responded. The video will be sent out a second time. Board Director Ioppolo requested from President Nolan a monthly update on this item.

Don Poore presented the November Interim Financials.

Paul Partyka, NAI Realvest updated the Board regarding:

- Renewals up to date; next batch occurs second half of this year.
- No lost tenants at service level or lease rates.
- Hotel, hospitality, and restaurants still suffering from COVID passenger decline.
- Area around the Airport continues to grow aggressively.
- Board Work Shop planning to share valuations, vision, and future plans.
- Continue overall strategy discussion with President.

President Nolan provided updates and information on the following topics:

- He responded to Orlando Economic Partnership query for industrial parks.
- Airlines post \$11.8B loss in the first quarter, airlines are still struggling, and we are going to try to capitalize on that by offering a low-cost alternative to MCO.
- Grounded 737 Max finally resumes flying.
- Maintenance of facilities, unplanned expenditures, hiring of new Maintenance Director.
- Master Plan update.
- T-hangar utilization: several t-hangars are not being used for aircraft; goal is to convert these units to aircraft storage to generate more revenue, pump fuel and create aircraft operations that drive up the tower counts.
- CARES Act possible second round could result in additional \$4M, we will use for capital projects.

Discussion regarding t-hangars, grant assurance, any airside property must be used for aeronautical. George Speake was asked to update the Board regarding t-hangars and current waiting list. When preparing the budget last year there wasn't a waiting list, therefore some hangars are used for storage, the Board previously approved that. Now we have a waiting list, but we didn't budget for the renovation of any of the existing storage units. Discussed whether that would happen in the next budget or do a budget adjustment and renovate some of those hangars. The renovation is necessary because the 3-needing renovation are from 1974. George reported there are 25 out of 106 are unable to accommodate an aircraft.

Discussion continued regarding the detailed of tenant maintenance report.

Board Director Dane inquired if terminating t-hangar lease has a clause? George replied yes. Board Director Simmons inquired on the line item for the Sheriff's Department office is that \$13,000 every month? George replied that was just for this month the fans had to be replaced.

President Nolan updated the Board currently there is an H-vac system we need to replace for tenant Global One and a door for Constant Aviation the cost is estimated \$300,000-

\$400,000. Chairman Green updated the Board this goes back to conversations about whose obligation it is in these lease documents and transforming the whole situation to transfer it to the tenant in future leases.

Chairman Green stated further discussion is needed regarding real estate in terms of the budgeted real estate position. He noted we are lacking a list of the buildings, who the tenants are what the rate is.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding: GOAA and PFAS litigation.

9. CHAIRMAN'S REPORT

Chairman Green referenced the upcoming Work Shop and queried the Board Members about the Agenda of which a draft was displayed on the overhead slide presentation. Chairman Green noted: Board level policies, upcoming Air Show suggestions and recommendations, Real Estate update, Goals for 2021.

Chairman Green noted in reference to Goals of 2021 we want to go back to our Budget this year, this was kind of a transformation year with changes in leadership. Permanent financing is coming up there's a lot of financial issues.

The following input was provided:

Board Director Ioppolo: Additional positions need to be funded as it relates to real estate, Air Service Development, within the Real Estate update revenue in non-aviation, Office/Commerce Park, Maintenance Facility.

Board Director Miller: Master Plan update.

Chairman Green: Commerce Park, Airport land, County land potential opportunities.

Board Director Simmons: Hotel update.

Board Director Smith: Road improvement, Airport Boulevard, Slip Ramp.

Elizabeth Brown reported OSI/TBI has real estate where the Allegiant Training Center is located, there are 27 acres left to build and VINCI Airports indicated a willingness to develop that land to make an investment with the Airport.

10. CONSENT AGENDA

- A. Consider approval of Budget interfund transfer out of Management Reserves.
- B. Consider approval of Addendum B to Lease No. 2018-002 with JASON DAVIS DBA DAVIS CUSTOMS for Building No. 515-5, located at 2824 S. Mellonville Ave. A Proposed Three (3) year extension of the current agreement. (Commercial one of 9 units in the incubator building).
- C. Consider approval to Terminate Lease No. 2015-023 with WIN4AUTISM, INC for Building No. 139, located at 2776 Navigator Ave. (Commercial Bldg.). Requested termination by tenant due to a negative impact on the business from COVID-19.
- D. Consider approval of new Lease No. 2020-043 with ORLANDO FLYING

CLUB for Building No. 421, located at 1920 Airport Blvd. A proposed one (1) year lease agreement. (Aviation – Box Hangar).

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

11. COMMENTS FROM THE PUBLIC

Chairman Green determined there were not any public comments.

12. DISCUSSION AGENDA

A. Request for Proposals: Financing for OSIA Capital Improvements.

President Nolan briefed the Board regarding financing funding for the Terminal Building CBP Remodel. CFO Don Poore was asked to explain our current arrangement for proposed funding the main Terminal Expansion underway which is a short-term arrangement and why we must identify a new plan.

Don Poore explained the current line of credit for the Terminal Expansion is \$60.5B, we are currently \$39M into that. This line agreement expires end of March 2021. Considering one of two different scenarios, either an extension of that line of credit for a longer period in which one of the terms will change to a certain extent. Second consideration is the \$60M would probably be the top of it so we draw down all \$60M when we are done. He explained several variations in potential options of funding. One we need to look at is it a credit facility moving forward, is it a maturity of this and possibly another credit facility with moving from a construction loan per say to a long-term financing. There are several different things up in the air on this thing because one you're looking at do you want to finance now which is very good rates. We can put out an RFP out shortly because the facility matures on March 2021, we're running out of time to move forward with that.

Don Poore summarized we are asking the Board for the ability to put an RFP out should we need to exercise that option.

Don Poore gave a history of how we got to work with our current Banks. RFP was done three years ago, four banks responded. Ranking was done of responses: #1 was 5th/3rd, #2 BB&T, #3 Valley National, and #4 Bank United. Valley National is our current lender.

President Nolan clarified our intent and we are asking the Board allow us to replicate that RFP if needed.

Chairman Green requested clarification: we get the RFP, you're going to go out we've got financing we need, we've got a line that is expiring in March, but exactly what are we financing what is the total cost, what are we taking out, the recommendation etc. Board level we did a \$60-70M renovation, we've got \$60M out do we take the \$60M out and pay it back or do we replace that with long term financing or do we try to go for a grant for some of that.

President Nolan summarized if the Board would approve today proceeding the assemblance of an RFP for those purposes it is likely we won't meet the March 1st deadline and we'll have

to extend that short term financing for a month or two. The RFP is essential to the loan for financial planning if it is required.

Board Director Smith made a motion, seconded by Board Director Robertson to proceed with the RFP.

Discussion:

Timing is essential cutting it close to March 1st deadline. Are we required to go back out with an RFP? We are not required to go back out with an RFP, we are talking with our current lenders. Discussion regarding the process we are likely going to have to extend the short-term facility for a month or two as this RFP on the broader scale is taken care of. Extension needs to be done quickly.

Negotiations continue with the current lenders to assess possibilities. Question: if we send an RFP out does that require us to go with one of the people that submit an application, reply yes.

County Liaison Commissioner Zembower suggested consideration of piggybacking on a current county RFP. Commissioner Zembower referenced the current County Five Points Project and suggested the Airport look at that deal it may be a time savings option.

President Nolan thanked Commissioner Zembower for the suggestion and noted the Florida State Statutes allows reciprocity with other municipalities.

Brett Renton clarified it's okay to use County RFP that's out there. That if we an RFP, contain language that allows us to terminate the RFP process at any time.

Board Director Robertson stated he seconded the motion to just get discussion and is not in favor of even doing an RFP. He requested at the February meeting the Board have the numbers and it should all be done. We don't need to have banks bid on this we can look at Seminole County's to get some ideas, but banks want our money, we are good creditors.

Commissioner Zembower cautioned every time you turn on the news they're talking about, people aren't flying, and Airports are struggling, so when you go talk to your bank, they think your that. Their advisors and their loan board get all this information, just because you have a relationship with a bank right now, I wouldn't hedge your bets that's going to be a good deal.

Chairman Green noted we have a motion and second on the table anymore discussion? Board Director Ioppolo called the question.

Board Director Smith made a motion, seconded by Board Director Robertson to proceed with the RFP. No comments from the public. Vote taken. Board Directors Dane and opposed. Motion passed 5-2.

B. Consider approval of finalizing Ground Lease with the City of Sanford for the purpose of the construction and operation of a Fire Station.

President Nolan referenced Discussion Agenda Memo B and introduced Fire Chief Craig Radzak from the City of Sanford. President Nolan gave a brief history that well over a year ago a dialogue occurred between the City of Sanford and Sanford Airport Authority with regards to leasing approximately 3 acres of property for the purpose of building a structural fire station. President Nolan requested Chief Radzak explain the initiative by the City what is the purpose.

Chief Radzak updated the Board the City has been working on this for over a year and have a ground lease and the City is now ready to proceed with the Ground Lease once the Board approves it. Chief Radzak referenced the property approximately 3-3.5 acres on Marquette & Sipes Avenues will provide quicker services to the Airport particularly the terminal. That Sanford runs a lot of EMS calls and support ARFF operations to the Airport as well. Now with all the growth on E. Lake Mary Boulevard, which is going to continue over the next 2-3 years, and the addition also of Kings Landing a fire station is warranted. The City of Sanford held a recent goals Work Session, and this fire station was identified as a priority by the City. We do have some funding for professional services dedicated to us, to start design work and professional services although we don't have dedicated funding for construction or staffing yet that's a big-ticket item. There is a design firm onboard.

President Nolan referenced the location of the future Fire Station on the slide presentation on the wall for the audience and those not in physical attendance to see.

George Speake updated the Board initially the City was planning to buy a piece of property on site. The Board had talked about what we could do to help the City. George noted this is a compatible use for the property saves the City \$200,000-\$250,000 and put it on Airport property. He referenced a ditch to the left side of the proposed property, which can't be used for aviation purposes. That it also helps the Airport out because medical calls come up from station 32 on Airport Boulevard this will save maybe 3 minutes on the run time. Chief Radzak noted this property is less than a mile away to the terminal.

Board Director Robertson made a motion, seconded by Board Director Smith to approve finalizing Ground Lease with the City of Sanford term of 25 years with two (5) year extensions for a total of 35 years. From time of lease execution, the City would be allowed up to three (3) years to activate the commencement of the lease by occupancy of the building. The rent for approximately 3 acres of unimproved land begins with a base rate of \$50,965 (\$.39/square foot per annum) but will offset entirely each year by comprehensive firefighting services rendered by the City to the Airport. Arrangement contingent upon final approval from the Federal Aviation Administration. No comments from the public. Vote taken. None opposed. Motion passed 7-0.

13. COMMENTS FROM THE PUBLIC

Chairman Green determined there were not any public comment requests.

14. OTHER BUSINESS

Board Director Robertson inquired of Don Poore regarding the loans coming due and we have the money on the FDOT loans and we're making money because they aren't charging us anything, are we set up to start paying them back June 30th. Don Poore concurred.

Commissioner Britton updated Board Director Robertson regarding the Mayfair Country Club she reached out to City Manager Norton Bonaparte and the club house has not been torn down they were waiting for the asbestos, that has been received and they are planning to tear it down. The front parcel was sold to Zach Miller for \$480,000 and they are planning to build residential housing.

15. NEXT BOARD MEETING AND WORK SHOP (FEBRUARY 2, 2021)

16. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 10:14 a.m.

Submitted,by:



Thomas Nolan, A.A.E.

President & CEO

/lh