

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
FEBRUARY 2, 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. (arrived 8:34 a.m.)
William R. Miller
Clayton D. Simmons
Stephen P. Smith
Brett Renton, Airport Counsel
Commissioner Sheena Britton, City Liaison (arrived 8:39 a.m.)
Commissioner Jay Zembower, County Liaison

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
Al Nygren, Property Manager
Lauren Rowe, Communications Director

STAFF APPEARED TELEPHONICALLY: Kristina Gilmore, Records Specialist
Radhika Jablonski, Finance Manager
Katee Mathis, Staff Accountant
Danette Maybin, Human Resources Director
Angel Nieves, Receptionist
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator
Michelle Telfair, Leasing Manager
Tiffany Vincent, Communications Manager

OTHERS PRESENT: Javier Amaya, NAI Realvest
Elizabeth Brown, OSI
Mark Galvin, Hilltop Securities
Jonathan Hand, Atkins
Jim Kriss, AVCON
Genean McKinnon
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
Tim Shea, AVCON
Sandeep Singh, AVCON
Keith Robinson, OSI

OTHERS APPEARED: Sonya Brauer, South East Ramp
TELEPHONICALLY Karen McKinnon, CE Avionics
Gregg Smith, Million Air
John Spolski, Spolski Construction
Grice Whitley, 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, 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 JANUARY 5, 2021 AND MINUTES OF THE EMERGENCY BOARD MEETING HELD ON JANUARY 15, 2021

Motion by Board Director Smith, seconded by Board Director Gregg to approve the Minutes of the Regular Meeting held on January 5, 2021 and Minutes of the Emergency Board Meeting held on January 15, 2021. Vote was taken, none opposed. Motion passed.

George Speake updated the Board, last week President Biden issued an Executive Order for safety in domestic and international travel. It requires masks to be worn in and on airports on commercial aircraft and various modes of surface transportation, including requiring everyone to wear a mask at all times unless you are eating or drinking. Letters have been sent to all employees, contractors, and tenants. President Nolan noted ACI and AAAE are working diligently on behalf of Airports to do something more reasonable.

4. LIAISON REPORTS

A. Seminole County

County Liaison Commissioner Zembower updated the Board Seminole County is gradually bringing majority of staff back in to the County Services Building. County received 2,000 doses of vaccine yesterday which will be rolled out at 10 a.m. this morning. Criteria has been expanded from the 65 and over to frontline healthcare workers and County has declined to join the State of Florida Reservation System. CARES money continues to be distributed throughout the community and working with legal aid for additional funding for those unemployed and can't pay their rent or mortgage. That they are pop up sites for vaccinations and Governors order requiring proof of Florida residency for vaccinations.

rent or mortgage. Chairman Zembower discussed pop up sites for vaccinations and Governors order requiring proof of Florida residency for vaccinations.

B. City of Sanford

Commissioner Britton updated the Board the City selected Tom Tomerlin as new Economic Development Director.

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 on the following topics.

Terminal Expansion Project: on schedule overall. Remaining: interior wayfinding, passenger boarding bridges, ramp/taxiway tie-ins and FIS Canopy. Red Cleveland repave not started.

- Taxiway B, C & L Reconstruction Project: phase II underway. Work complete to date: milling of existing asphalt, stabilization of subbase for shoulder along north side of Taxiway C, demo of existing taxiway edge lights and installation of new junction cans, placement base course for shoulders, paving of asphalt leveling course.
- CBP FIS Facility Renovation: received 60% design comments from CBP. 90% design commencing cost estimates remain at \$15M-\$18M.

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

- Industry update: all airlines releasing results from end of 2020 which includes the 4th quarter. Collectively US airline industry lost over \$35B in 2020. Major Airlines posted losses: American Airlines \$8.9B, Southwest \$3.1B their first loss since 1972, Jet Blue \$1.36B. Allegiant results will be released tomorrow.
- Increased restrictions from countries regarding international travel. Potential domestic testing for US travel.
- Airline capacity down 45% nationwide.
- Alaska Airlines merged with Virgin America is retiring all Virgin America A320's. Allegiant relies on the A320 for their future growth.
- Routes Americas regional airline conference will be held in Orlando May 2021.
- SFB January passenger count 101,000 down 54% from January 2020.
- Social Media Marketing: new destination Key West starting June.
- Advertising Concessionaire Clear Channel has exited, OSI is managing these contracts.

Paul Partyka, NAI Realvest updated the Board regarding prospects and existing tenants.

- Prospect Baily Power Systems, hydrogen powered rental cars.
- 84 Lumber expanding in Plant City not at SFB.
- Prospect Nexgen Aero, interested in a proposed 50,000-70,000 sq.ft. warehouse with airside access.
- Current tenant Synergy Wood on hold.
- Development in the general area continues to grow. Planned fast food operator at SR 415 and 46, Publix shopping center continues to move forward, continued interest in new homes.

President Nolan provided updates and information on the following topics:

- Tenant Lease Updates, several tenants electing to exercise their option for lease.
- Allegiant leased additional space for storage that will have a domino effect opening up hangars for GA aircraft waiting list.
- Other topics: FAA ARFF Triennial exercise February 16th. New Maintenance Director has been hired.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding: City of Sanford Fire Station lease, Interlocal Agreement between City of Sanford/Seminole County, GOAA vs. Orlando Melbourne International Airport prospective settlement on trademark name.

9. CHAIRMAN'S REPORT

Chairman Green referenced last month's meeting where the Board was briefed on current line of credit for the Terminal Expansion. He noted he has had conversations with our financial planner Mark Galvin, President Nolan and Don Poore.

Mark Galvin, Hilltop Securities briefed the Board, two years ago we went with a line of credit because of uncertainty on the final dollar amount needing to borrow. That we needed to project additional PFC's coming in between now and the time the terminal was finished. When the line expired, we may be able to go long term and know amortization. Don and I have been working closely and realized it would take about a year after the Pandemic to determine financing.

That we started having conversations with the local banks to gauge interest and determine what options were available. Because of COVID your revenues were down, and PFC's down the plan was to go back to the original bank and negotiate an extension. The plan now is to move ahead with Fifth Third and negotiate the interest rate, with basically the same covenant terms associated in the prior arrangement and extending it another 2.5 years. The benefit of that is it allows us to finish the terminal, and hopefully move past this COVID situation with more stability and then long-term financing. The terms right now are basically same covenant terms and must now finalize the actual interest rate.

Chairman Green noted for the record, the expiration date of the extension will be April 20, 2023 and clarified the plan is for the Board to approve this officially at the March Board Meeting.

Discussion ensued are we gambling by not turning this into a permanent loan now and extending it out 28 months and hoping interest rates will stay the same, are we taking a chance that interest rates increase. Mark Galvin responded your not in a position right now with COVID and the current market and transportation nationally. The aviation industry is down, you are a one carrier Airport with Allegiant. What we need to do is set ourselves up even if interest rates go up to be able to know exactly how much we are going to borrow, how long we are going to go out for and also be able to get as much other competition from the local banks. There is some risk there and based on discussions with banks long term is not going to happen.

A. Consider Extension of Line of Credit with 5/3 Fifth Third Bank for Capital Improvements.

Motion by Board Director Smith, seconded by Board Director Robertson to approve and authorize the Chief Financial Officer and President to prepare the necessary documents to extend the line of credit per the attached term sheet. Vote was taken, none opposed. Motion passed.

President Nolan informed the Board one other item related to the extension of the line of credit with Fifth Third Bank, that is the contract option with Hilltop Securities Mark Galvin a contract extension. Chairman Green inquired of President Nolan does that require Board action. Brett Renton, Counsel stated yes this goes to process for how this Board has entered a contract directly with Hilltop Securities and under that contract the Authority maintains two options to exercise. You can extend for one year each under that option. Since that agreement is with the Board, we need a vote by this Board to proceed and authorize the President to extend. We are not changing any terms you are just agreeing to extend that relationship for another year.

Discussion what is the existing expiration date? Brett Renton responded it expired in October of 2020.

Chairman Green entertained a motion.

Motion by Board Director Robertson, seconded by Board Director Miller to approve.

Brett Renton stated by course of conduct Mark Galvin has proceeded to continue to be engaged with the Airport with the understanding that de facto this was being extended by the Authority.

Chairman Green inquired regarding the terms of the agreement. Brett Renton updated the Board it went before the Board three years ago at the time it was approved.

Discussion regarding change of the terms. Brett Renton confirmed terms are not changing.

Board Director Ioppolo inquired the reason this had to be approved today, he had a problem voting for something he hasn't read in three years.

Discussion regarding how long the original agreement was for. Brett Renton replied the agreement is three years with two one-year options which is the maximum. Board Director Dane requested to see the original agreement before voting on the extension. Chairman Green agreed and apologized to the Board he pulled this item and didn't realize this issue was going to come up like this or it definitely would have been distributed.

Discussion extending agreement from October to October, already 4-5 months into the extension. Extension would be retroactive. The base term three years expired in October; two one-year options are available. Exercising the first of two options to merely extend it get through the Terminal Expansion. The note is set to be paid off in two months, this was going to come to a conclusion is the theory or was going to be extended through some other means as we went out for other financing full financing different rate structures. This is a consulting basis that he is providing the financial consultations on for this authority.

Discussion no change in fees, identical to what the Board previously approved, product of an RFP competitive process the stated fees will not change.

Board Director Dane expressed her concerns over last minute items added to the Agenda and doesn't appreciate having to decide without all the information.

Chairman Green concurred.

Board Director Ioppolo restated he's not going to vote for something he hasn't read in three years.

Mark Galvin noted under MSRB Rules, The Municipal Rule Making Board he is required to have a contract with the Authority before making a recommendation and working on a transaction. Hilltop Securities continued this out of the need and timing to move forward. His concern is if we're talking about coming up in front of the Board next month and he's already done all this work, not the money but he doesn't have a contract and he's making recommendations therefore he's in violation of MSRB Rules.

Board Director Robertson called the question.

Motion by Board Director Robertson, seconded by Board Director Miller to extend the contract for the one year we have an option available for starting back in October 2020. Vote was taken, Board Director Ioppolo voting in opposition. Motion passed 8-1.

10. CONSENT AGENDA

- A. Consider approval of Addendum B to Lease No. 2019-006 with MARCUS BROCATO d/b/a PLAYA AVIATION for Building No. 423, located at 1900 E Airport Blvd. Tenant exercising second option of lease. (Aviation Building).
- B. Consider approval of an easement for FPL for building 452 Constant Aviation located at 100 Constant Court. (Paint Booth Hangar).
- C. Consider approval of Addendum A to Lease No. 2016-30 with AMERICAN ENVIRONMENTAL AVIATION, INC. for 6,000 feet of Building No. 566, located at 3977 Aviation Loop and 5,610 feet of concrete pad located at 3993

- Aviation Loop. An exercised five (5) year option extension of the current agreement. (Aviation Fuel Storage System Supplier).
- D. Consider approval of Addendum A to Lease No. 2016-01 with AMERICAN ENVIRONMENTAL AVIATION, INC. for Building No. 567 & 10,000 [100x100] square feet adjacent land, located at 3978 Aviation Loop. An exercised five (5) year option extension of the current agreement. (Aviation Fuel Storage System Supplier).
 - E. Consider approval of Employment Agreement for Chief Financial Officer.

Board Director Robertson made a motion, seconded by Board Director Smith to approve Consent Agenda items A-E.

Discussion

Board Director Dane questioned Consent Agenda item C how we are deciding what the increase is for the lease, how many more options and for how many years. Al Nygren responded we are exercising an option on the base lease, one more option besides this one and he would have to check the original lease for how many years.

Chairman Green felt it is not good policy to have Consent Agenda items added a day before the meeting and something we need to change going forward. He understands there are exceptions.

Board Director Smith requested clarification on item E. Chairman Green replied this is the follow-up all Board members have been briefed. It's the contract we agreed upon with the current CFO and the Authority. If the Board approves, it will then be executed. We entered a search for the new CFO that will allow for a smooth transition the outgoing CFO is retiring.

Brett Renton made a point of clarification; the Board already has in place a policy if any Board member has a question regarding any Consent Agenda item you pull that item to Discussion Agenda and the Consent Agenda would pass if there were no objections. Then we could move on to Discussion Agenda.

Board Director Robertson amended his motion, seconded by Board Director Miller to approve Consent Agenda items A-D. Vote was taken, none opposed. Motion passed.

11. DISCUSSION AGENDA

- A. (moved from Consent) Consider approval of Employment Agreement for Chief Financial Officer.

Board Director Ioppolo made a motion, seconded by Board Director Dane to approve Discussion Agenda item A.

Discussion

Board Director Dane inquired as to who drafted this, to which Counsel replied Shutts our attorneys with input from SAA staff and the Chairman.

Chairman Green clarified this replaces the previous employment agreement and allows for a smooth transition of the retiring CFO for the incoming CFO.

Board Director Ioppolo made a motion, seconded by Board Director Dane to approve Discussion Agenda item A. Vote was taken, none opposed. Motion passed.

12. COMMENTS FROM THE PUBLIC

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

13. OTHER BUSINESS

Commissioner Zembower updated the Board he just received an email; under Liaison reports he noted that Geneva was going to have a Pop Up Covid vaccine site and that has been pulled back.

Lauren Rowe, Communications Director updated the Board the terminal today has been cleared of all stanchions, photos, and signage because a full professional photography folio of all completed renovations is being conducted today. Lauren distributed Florida Trend Magazine which featured a full-page advertisement on the Airport. Lauren played a video clip of a News Channel 13 story which featured the Terminal Expansion and interview tour with The President.

14. NEXT BOARD MEETING (MARCH 2, 2021)

15. ADJOURNMENT

There being no further business, the regular meeting was adjourned at 9:30 a.m.

Submitted by:



Thomas Nolan, A.A.E.

President & CEO

/lh