

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
APRIL 6, 2021
8:30 A.M.**

PRESENT: Tom Green, 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
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison
Commissioner Jay Zembower, County Liaison

**APPEARED
TELEPHONICALLY:** Jennifer T. Dane, Vice Chairman

STAFF PRESENT: Tom Nolan, President & CEO
George Speake, Executive Vice President & COO
Don Poore, Chief Financial Officer
Don Degraw, Maintenance Director
Tom Fuehrer, SAAPD Chief
Tommy Gentry, IT Director
Lori Hunt, Executive Assistant
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Jennifer Taylor, Project Coordinator

**STAFF APPEARED
TELEPHONICALLY:** Radhika Jablonski, Finance Manager
Katee Mathis, Staff Accountant
Danette Maybin, Human Resources Director
Angel Nieves, Receptionist
Al Nygren, Property Manager
Michelle Telfair, Leasing Manager
Tiffany Vincent, Communications Manager

OTHERS PRESENT: Elizabeth Brown, OSI
Genean McKinnon
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
Todd Payne, OSI

Keith Robinson, AWW
Sandeep Singh, AVCON
Tom Tommerlin, City of Sanford Economic Development Dir.

OTHERS APPREARD TELEPHONICALLY: **Sonya Brauer, South East Ramp**
Karen McKinnon
Tim Shea, AVCON
Greg Smith, Million Air
John Spolski

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

Chairman Green called the meeting to order at 8:30 a.m. followed by the Pledge of Allegiance, meeting 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 MARCH 2, 2021

Motion by Board Director Smith, seconded by Board Director Simmons to approve the Minutes of the Regular Meeting held on March 2, 2021. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

County Liaison Commissioner Zembower reported on the following topics: County Services Building 100% staffed by the 1st of May. Covid vaccines are available for those 16 and older, must be accompanied by parent or guardian. Opened the first Monoclonal Antibody infusion center at Five Points Center. Vaccines to date 121,303 residents, testing continues at Red Bug Lake Park and Seminole County Museum. To date 30,114 confirmed positive cases, isolated quarantine 2,013, deaths 470. Continuing rental assistance program. Covid numbers are increasing 8%, four mutated strains in our waste water system. Received \$92.5M American Rescue funds which are paid directly to the County, the Cities will have their own share coming separate and apart from the County. April 13th County Commissioners will be discussing Economic Development Partnerships with the Airport and a partnership with sports venues, broadband in the rural areas, other economic development ideas and further mortgage assistance.

Board Director Ioppolo stated Air Service Development and infrastructure improvements are priorities for the Airport.

Commissioner Zembower referenced power point on the wall screen Riverbend Placemaking proposed enhancements and wayfinding on Lake Mary Blvd.

Board Director Bentley thanked Commissioner Zembower and the County for the vulnerable and underserved community's vaccine site in Midway.

B. City of Sanford

Mayor Woodruff updated the Board on the following topics: upcoming retirements Director of Development Services/Code Enforcement and Deputy City Manager. Events are returning to the City, planning for 4th of July Celebration and fireworks.

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 on the following topics.

CBP FIS Facility Renovation: plans 90% complete, 100% plans expected for completion by 6/1/21.

Taxiway B, C & L Reconstruction Project: phase 2 continues.

Terminal Expansion Project: 99% complete, new roadway out front complete, overhang essentially done.

CFO Don Poore presented the February Interim Financials.

Elizabeth Brown, President OSI Inc. introduced new Commercial and Air Service Development Director Todd Payne formerly with Cleveland Hopkins Airport. Elizabeth referenced power point slides on the wall screen and provided a report to the Board regarding:

- Performance – Passengers: March passenger count 197,000, up 9% 16K pax from prior year, yet down 42%, or 141k passengers from 2019.
- Performance – ATMs: March 14% above last year 4,767, down 18% from 2019
- Performance – down 21% and 22% respectively.

- Social Media/Marketing: Business Travel Survey launched. Women's History Month focus Amelia Earhart and celebrating Women in Aviation, salute to Lt. Colonel (ret) Christine Mau, former special guest Aviation Day 2020 at SFB.

Elizabeth referenced Covid vaccinations in the US 18% are fully vaccinated and opined that because of this occurring it would be more likely for TUI to return to SFB this summer.

Ms. Brown provided an Industry update: Delta now booking middle seats, massive failure in reservations systems of American, United and Delta. Airlines now flying planes previously parked, re-hiring pilots. Allegiant growing fleet by 3 additional aircraft. New Commercial Air Service Development Director will also focus on commercial redevelopment. Allegiant has not pulled from any significant market destinations although they no longer fly to San Juan. Airline overall has been expanding the load factors are soft, added new SFB destination to Key West in June.

Discussion regarding Allegiant contract expiration date February 2022 and renegotiating the contract. Board Director Ioppolo requested a report at the next Board meeting.

Board Director Robertson applauded VINCI and OSI for their aggressive community support and engagement. Elizabeth replied once we come out of the pandemic you will see much more community involvement of VINCI that is very important it is a core essential objective of that company.

Board Budget Work Shop scheduled for June 9, 2021 at 8:30 a.m.

President Nolan updated the Board he is in dialogue with several CFO candidates.

Florida Airports Council (FAC) Conference planned for July 18-21 in Jacksonville, FL.

NAI Realvest Paul Partyka updated the Board regarding discussions with alternative energy dealership, Future Health Products long term tenant not renewing their lease in August, Synergy Wood has been expanding and growing because of the home building market NAI in discussions with them to take over Future Health building and space. Contacted recently by someone wanting 14,000 sq.ft. of warehouse space he stated he will be preparing a preliminary site plan with spec buildings and proforma for visual reference using one of the Airport parcels. Updated the Board regarding the proposed Publix.

President Nolan updated the Board about other real estate matters including tenant L3 regarding a current hangar, Million Air about expanding. How Avocet is meeting with a financial planner to secure financing for their expansion, to anticipate a CPH task order for \$195,000 to proceed with apron design services. That we are very excited for Avocet's new MRO program and we will continue to work with them collaboratively.

Board Director Dane requested an update on proposed Real Estate position that was budgeted. President Nolan stated that has been put in abeyance because of other priorities now.

President Nolan referenced a line-item appropriation sent through Congresswoman Murphy for \$1.5M for Stormwater to coincide with FDOT \$150,000 design grant. That we received CARES \$22M plus another \$5.5M and we are appropriating that, and another CARES type funding and Infrastructure Bill is anticipated. Master Plan update about how Atkins requested six-month extension to complete the plan. Maintenance Department improvements include a new Director Don Degraw, who has implemented employee training, second electrician has been hired. New used equipment procedure being refined into a competitive bid process. Advertising for first Procurement Specialist at the Airport. CFO candidates identified being evaluated. ARFF department has new hires and others in processing. Primary runway has undergone some unbudgeted pavement repair while specs are being prepared for larger pavement replacement on touch down zone Kilo section. City of Sanford Fire Station lease under review with counsel.

Board Director Ioppolo inquired status of Maintenance Facility replacement relocation that he brought to the Boards attention several years ago. George Speake stated preliminary quote estimates were done, felt estimates too high. Discussion to keep facility in the same location, preliminary sketch done by former Maintenance Director, funding is the issue \$2.5-\$3M estimated costs. Board Director Ioppolo requested an update on this matter at the May meeting. President Nolan felt the Master Plan will reflect a viable site.

Marketing Director, Lauren Rowe updated the Board regarding media exposure: Taste of Oviedo event, Edible Orlando Magazine recent press junket to Nashville featured on Facebook and will feature Key West this summer, "The Weekly with Justin Warmoth" video interview with President Nolan, and upcoming feature in Orlando Business Journal interview with President Nolan.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: Avocet, GOAA Trademark settlement agreement with Orlando Melbourne International, GOAA Trademark v Orlando Sanford Intl., Interlocal Agreement and PFAS.

8. CHAIRMAN'S REPORT

Chairman Green requested moving the planned Terminal Tour to next month. Chairman Green felt the County is at a critical junction not only on the Economic Development front with jobs coming, but around the Airport. What they are seeing is four to five empty spaces along I4, the importance of the economic development incentives coming in, we are competing with City of Orlando and Lake Nona. Commissioner Zembower noted the County is represented at the EDC. Discussion regarding COVID and remote working.

9. CONSENT AGENDA

- A. Consider acceptance of bid results and authorize President to execute contract between Sanford Airport Authority with Mark Construction Co. for the purposes of Building 450 repairs.
- B. Consider approval of Addendum G to Lease No. 2001-05 with Hazard Services International, Inc. for 1,250 SF of bunker 60 & 43,560 SF of adjacent land a proposed one (1) year renewal of the current agreement.
- C. Consider approval of and authorize the President to execute task order between the Sanford Airport Authority and CPH.
- D. Consider approval of and Release of Assignment of DTG Operations, Inc. dba Dollar Car Rental and dba Thrifty Car Rental.
- E. Consider approval and authorization to execute FAA AIP Airport Coronavirus Response Grant Program Grant Offer No. 3-12-0069-085-2021 and associated addendum for airport concessions relief.

Board Director Smith made a motion to approve Consent Agenda items A-E. Brett Renton, Counsel clarified item E included two grants 3-12-0069-085-2021 and 3-12-0069-086-2021 he noted the memo clarifies both grants and made sure the motion is amended to include the clarification, seconded by Board Director Robertson. Vote was taken, none opposed. Motion passed.

10. DISCUSSION AGENDA

- A. Consider Car Rental Concessions Agreement Extension.

Elizabeth Brown referenced power point on the wall screen to explain reasoning for extending all SFB rental agreements. How we are focused on trying to maintain our brands, but it is a difficult time to do an RFP. A collaborative review was conducted done with the Airport staff and agreed a two-year extension was necessary for those agreements that expire the end of May 2021. The agreements are substantially the same with some exceptions. Hertz bankruptcy is still ongoing, until August 2021. Dollar Legacy agreement continues for twenty years and that agreement has a renewal four-year option to renew, and we expect them to be exercising that. Alamo is the largest likely due to in-depth relationship with Allegiant included in a lot of their packages. Overview of contracts and how they pay us. Keith Robinson, OSI stated they pay us both a fixed rent for the rent and return spaces also for their counter spaces and office they pay us a percentage of their revenues, Elizabeth noted which is 10%.

Elizabeth reminded how they came to the Board in 2019, for a two-year extension because the Terminal Expansion was ongoing. That current challenges with pandemic negative impact on traffic, industry at the corporate level has generally not returned to work operating at reduced resource level, we knew the car rentals would not have the capacity to respond to an RFP in the market right now, bankruptcy ongoing, and the Dollar Legacy agreement expiring next year with option to renew. We also wanted to

see the outcome of the Master Plan and the need for car rental parking space demand in the future.

Elizabeth explained how OSI, and staff agree a two-year extension taking us to the end of May 2023 is appropriate, that it maintains the operators and existing financial terms that allows recovery from Covid impacts to traffic, provides time to evaluate other options to conduct further analysis of car rental dynamics. Allows time to agree with all stakeholders' improvements to contracts that will be new to the US industry such as "green" initiatives and potential streamlining process to use Thrifty space if desired.

Discussion regarding the east side of this building. Elizabeth Brown clarified that is part of the Dollar Legacy agreement it is going to remain under Dollar. When the terminal expansion concludes there will be more arrivals from gates 4-9 and there will be more activity in this building when the new gates are opened for use. There is some ability in the existing Dollar Legacy agreement for us to pull back some land, again that is why the Master Plan is important to see if that is an option we want to exercise or not.

Discussion who is the extension with. Elizabeth stated Avis/Budget together, Alamo together with Enterprise/National and Hertz is with Dollar. Keith Robinson clarified there are four agreements that are being extended because National/Alamo are under one agreement, Enterprise is on its own even though those three are under the same master heading, Avis/Budget under one agreement, Hertz under one agreement and the Dollar Legacy is not being included at this time and Thrifty was rejected. Elizabeth stated there is a limitation under those agreements that they can carry two brands that is why it is structured that way, there is also the requirement for them to have the QTA which was a good benefit for the Airport because they must have a direct land lease.

Board Director Smith made a motion, seconded by Board Director Gregg to approve Discussion Agenda item A: 1) A two (2) year term extension for all current OSIA Car Rental Concession agreements 2) Major changes to the agreement include:

- a. That all current OSIA Car Rental Concession Agreements rental payment bonds increase to 100% of previous year concession fees to mitigate the effect of any potential future bankruptcies.
- b. That all current OSIA Car Rental Concession Agreements payment bonds increase to 100% of previous year concession fees to mitigate the effect of any potential future bankruptcies.
- c. That all current OSIA Car Rental Concession Agreements rents maintain an annual increase either by the Consumer Price Index (CPI) or 5% whichever is greater.

Brett Renton clarified all other agreements than Dollar.

Vote was taken, none opposed. Motion passed.

B. Consider adoption and approval of Resolution 2021-02 Lease Terms.

President Nolan stated this item is a result of a previous discussion at the Board Work Shop regarding applying a triple net lease provision strategy and directed counsel to draft a resolution for approval at today's meeting.

Brett Renton, Counsel clarified he took what the Economic Development motion directed and put together this resolution.

Board Director Ioppolo made a motion, seconded by Board Director Smith to approve the proposed resolution 2021-002. Vote taken. None opposed. Motion passed.

11. COMMENTS FROM THE PUBLIC

Greg Million Air reported some good news Million Air received. Last summer jointly Southeast Ramp, Million Air with input from some of the other tenants submitted Diane Crews name to the National Air Transportation Association, for the Airport Executive Partnership Award. Diane Crews was selected recipient of the award.

12. OTHER BUSINESS

Board Director Ioppolo requested an update on the Air Show. George Speake stated this year the Air Show will be held October 16-17, 2021. So far, the Thunderbirds are scheduled along with the Canadian Snowbirds two large demo teams. George updated the Board there will be static displays a B-52 is scheduled to come in which will be the widest airplane that has even landed here. Board Director Ioppolo stated it was such a great show and tremendous for the Airport, he wanted to make sure we build on the success from last year.

Chairman Green said it was discussed last week, the team is working on the agreement going forward, and his suggestion was wait until we have the game plan.

Board Director Robertson stated he has been asked by the Sanford Chamber of Commerce and Sanford Mainstreet to see if they can have a small place to put magazines, directory, and maps for the City of Sanford. Elizabeth Brown stated there is a location and we are happy to have it expanded in some way at the Information Booth.

Board Director Robertson requested an update on the Hill Dermaceuticals fuel tank that the Airport was going to purchase. George Speake stated he spoke with Mr. Roth who agreed to leave it in place until October when our new budget is in place so we can budget for that move.

Chairman Green referenced the Air Show and requested the Board Directors get with President Nolan with suggestions or questions prior to the May Board meeting as the extension of the agreement, hosting and catering will be defined.

13. NEXT BOARD MEETING (MAY 4, 2021)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:33 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Nolan', written over the text 'Respectfully submitted,'.

Thomas Nolan, A.A.E.
President & CEO

/lh