

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
JUNE 1, 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
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison
Commissioner Jay Zembower, County Liaison

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

**STAFF APPEARED
TELEPHONICALLY:** Radhika Jablonski, Finance Manager
Katee Mathis,
Al Nygren, Property Manager

OTHERS PRESENT: Elizabeth Brown, OSI
Jonathan Hand, Atkins
Genean McKinnon
Jeremiah Owens, CPH
Paul Partyka, NAI Realvest
Todd Payne, OSI
Keith Robinson, AWW
Doug Saunders, C & S Companies

**OTHERS APPREARD
TELEPHONICALLY:** Tim Shea, AVCON
Greg Smith, Million Air

**Paul Vemast
Grice Whiteley**

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

Chairman Green called the meeting to order at 8:31 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. Chairman Green requested Consent Agenda Item F be removed from the Agenda.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON MAY 4, 2021

Motion by Board Director Smith, seconded by Board Director Dane to approve the revised Minutes of the Regular Meeting held on May 4, 2021. Vote was taken, none opposed. Motion passed.

4. LIAISON REPORTS

A. Seminole County

County Liaison Zembower updated the Board on the following topics: COVID rates 3% positivity, hospital rates have dropped significantly, continuing to target less served neighborhoods. Commissioner Zembower informed the Board of proposed 195' tower requested to be placed on the north side of Lake Jessup. No lighting on the tower, an AT&T tower that will be setup to relay the dispatch for the 911 system. Commission reviewing as special exception next month. Working on JPA with the City of Sanford, county staff was advised to include the Airport, presentations begin next month. County has discussed roadway enhancements and decision should be made in June. Currently reviewing Land Development Code planning amendments.

Discussion regarding proposed 195' tower. Letter from the FAA stated lighting not required, contractor has no desire to place lighting. Tower is in rural area. Commissioner Zembower requested having an eagle camera installed on the tower. George Speake stated the FAA conducted an air study and determined lighting not required. George requested lighting as he does for any tower that is near the Airport because of helicopters flying in the area. Tower located southwest of 417 backs up to the county property, four miles from Airport, not in a flight path other than Sheriff's helicopter and life flight. The reason the contractor or owner of the tower does not want to place lights on the tower is

because the lights must be maintained, someone must climb the tower and change the bulbs. Tower located in sensitive area with protected species there are certain months of the year maintenance is prohibited.

Chairman Green requested a recommendation from President Nolan and George Speake. President Nolan recommended lights as necessity for safety and will provide a letter to Commissioner Zembower with that opine.

Motion by Board Director Robertson, seconded by Board Director Miller to request Seminole County request an FAA approved obstruction light placed on the tower.

COMMENTS FROM THE PUBLIC

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

Vote was taken, none opposed. Motion passed.

B. City of Sanford

Mayor Woodruff updated the Board on the following topics: Memorial Day Ceremony was held great turnout, 4th of July events, 8.5% increase in property tax revenue, discussing federal funding coming in and how to partner with other organizations.

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 introduced Robert Williams, SAA Curb Monitor staff person and introduced new CFO, Jason Watkins.

President Nolan referenced the power point presentation shown on the wall screen for everyone in attendance and discussed the following topics.

CBP FIS Facility Renovation: finalizing 100% plans submittal for CBP initial review.

Taxiway B, C & L Reconstruction Project: Phase 2 planned work over the next 3 weeks placement of asphalt leveling course, installation of drainage structures, sodding, substantial completion inspection and transition to add Alt 1 work area.

Recognition Wall: suggested location wall outside SAA Administrative office. Discussion regarding criteria those being recognized. Discussion regarding Global Entry signage, location will be changing with FIS redesign.

Terminal Expansion Project: Jennifer Taylor stated overall cost update will be available at the next Board meeting and referenced Walbridge update that was presented to the Board at the March 2, 2021, Board meeting on the wall screen. Discussion regarding owner direct purchases. Board Director Smith discussed change orders.

President Nolan noted Human Trafficking that the Airport has pledged to join the federal government initiative towards that, proceeding with training everyone who receives an ID. Routes America Conference taking place this month meeting with at least eight airlines. Avocet expansion agreement under review by Avocet internally. President Nolan, Chairman Green, Jason Watkins, and Tom Tommerlin met with a developer to discuss opportunities for the Airport. Job Fair held at the airport, attended by 102 people, jobs offered on the spot. MillionAir expansion discussion held with their corporate president.

George Speake updated the Board regarding the Air Show to be held October 16-17, acts: Thunderbirds, F-18 demo team, Geico Skytypers. B-52 bomber, C-5 on static display. Canadian Snowbirds will not be appearing. Suggested using new skywalk to host VIP's along with tent on the airfield. Discussion regarding hosting a reception on the B-52 or C-5, Thunderbirds will do one appearance in uniforms. Request of autographed photograph featuring show headliner. Inquiry night event over Lake Monroe, logistically proves very challenging, unlikely based on the event organizer decision. Discussion regarding Lockheed Martin sponsorship in the future. Board Director Dane requested the Board see a rough draft of guest list at next month's Board meeting.

Elizabeth Brown stated they are expecting Vinci Board Directors at Air Show and anticipating Board-to-Board meeting will take place during that time.

President Nolan updated the Board regarding Vice President Development position. Board Director Dane requested all the Board members meet the applicant being considered. Board Director Ioppolo requested Chairman Green be involved in the interview process. Discussion regarding job description, President Nolan will send that to the Board. Discussion regarding timing, number of applicants, qualifications of applicants.

Grice Whiteley, Grice Group addressed the Board providing an update, currently nine applicants four to five have experience requested, application deadline June 21st. Board Directors were encouraged to contact Mr. Whiteley directly with their questions. President Nolan will be presented list of candidates to interview by end of June. Discussion budget allotment \$150,000.

Orlando Sanford International Inc.: Elizabeth Brown updated the Board 215% May over May of last year, down 38% against 2019. Starting to see an increase in passenger count, load factors increasing, domestic leisure travel is recovering very well for this Airport. SFB is performing the best of Vinci's 54 airports worldwide.

Elizabeth referenced power point slides on the wall screen and provided a report to the Board regarding:

- ATM's – 32% down from 2019
- COVID - Daily cases worldwide declining, 40.7% of the US is fully vaccinated, 51% have had one shot.
- Traffic forecast – load factors over this weekend 90% May average 71%
- TUI – looking for June return, two hurdles' US must be on green list for leisure non-essential travel, US must allow inbound UK flights for non-essential travel. TUI is selling the flights for startup the middle of May and delayed that.
- Key West route June 3rd flights twice weekly Friday & Monday.
- Routes America's Conference, Omni Resort June 23rd & 25th
- Tanisha Morris delivered her baby boy Kameron.

Social Media/Marketing: Lauren Rowe referenced Orlando Business Journal article featuring Tom Nolan, job fair logo, media coverage of job fair in two days 60 different individual broadcast hits multiple times a day. Lauren played News 6 story regarding job fair. Job fair 120 attended, 40 job offers. Key West new destination, gate party Friday June 4th, Edible Orlando junket.

CFO Don Poore presented the April Interim Financials.

NAI Realvest Paul Partyka updated the Board regarding leasing activity tenants Concurrent, Florida Clay, Future Health Concepts renewals triple net. Paul Partyka distributed his conceptual plan to take advantage of the industrial market.

7. COUNSEL'S REPORT

Brett Renton updated the Board regarding: Chapter 333 requires interlocal agreement between the city, county, and airport to review development with a certain process that was agreed to among staff and submitted to FDOT currently under review comments will be provided shortly. St. Johns Water River Mgmt. public records request regarding location adjacent to the runway area, documents produced under review Shutts monitoring everything on project. PFAS depositions, Sanford Fire Station lease and GOAA dispute.

8. CHAIRMAN'S REPORT

Chairman Green reminded the Board of the June 9th Budget Work Session and asked President Nolan and CFO Jason Watkins to present the budget high level and easy for Board review. Chairman Green acknowledged Don Poore's retirement appreciates all the things he has done, helping during the Airports growth, and thanked him for all his effort. Chairman Green referenced CEO review in August encouraged Board give feedback to President Nolan prior to his official review.

Board Director Robertson discussed City of Sanford July 4th celebration, as a Board Member of the Greater Sanford Chamber of Commerce along with President Nolan he requested asking OSI/SAA employees to volunteer at the beer concession booth.

9. CONSENT AGENDA

Board Director Dane requested moving Consent Agenda items A, C & G to the Discussion Agenda.

- A. [Moved to Discussion Agenda] Consider approval of Banking Resolution 2021-05.
- B. Consider approval of Addendum A to Lease No. 2018-004 with SEMINOLE COUNTY SHERIFF'S OFFICE for Bunkers No. 56 & 58, located on the airfield.
- C. [Moved to Discussion Agenda] AIRCRAFT SERVICE INTERNATIONAL GROUP BY MENZIES AVIATION, INC (USA) entering Triple Net Lease No. 2021-027 for Building No. 317, located at 1690 Hangar Rd., Sanford, FL (Aviation Bldg.) A proposed one (1) year extension of their current tenancy.
- D. Approval to sell Surplus Maintenance Equipment.
- E. Chairperson Appointment to Sanford Aviation Noise Abatement Committee (SANAC).
- F. Consider approval of updated Metroplan Orlando Intergovernmental Coordination and Review and Public Transportation Coordination Joint Participation Agreement (ICAR). [Removed]
- G. [Moved to Discussion Agenda] FLORIDA CLAY ART, CO. transitioning to the SAA's New Triple Net Lease No. 2021-033 for Building & Land located at 1645 Hangar Road, Sanford, FL. A proposed one (1) year extension of tenant's current lease term.

Board Director Robertson made a motion seconded by Board Director Smith to approve Consent Agenda items B, D, E. Vote was taken, none opposed. Motion passed.

10. DISCUSSION AGENDA

- A. [Moved from Consent Agenda] Consider approval of Banking Resolution 2021-05.

Board Director Dane preferred titles not specific names in the Resolution. Don Poore clarified we have always had names for the executives and titles for the Board that way the Board Directors do not have to sign documents at the bank, their signature cards.

Board Director Dane made a motion, seconded by Board Director Ioppolo to approve Banking Resolution 2021-05. Vote was taken, none opposed. Motion passed.

- C. [Moved from Consent Agenda] AIRCRAFT SERVICE INTERNATIONAL GROUP BY MENZIES AVIATION, INC (USA) entering Triple Net Lease No. 2021-027 for Building No. 317, located at 1690 Hangar Rd., Sanford, FL (Aviation Bldg.) A proposed one (1) year extension of their current tenancy.

Board Director Dane inquired is current lease being extended for an additional year, and then they are signing a triple net lease or are they signing a triple net lease, with an additional year? President Nolan explained tenant requested an extension, and this will be consistent with the Resolution policy on triple net. The current lease agreement is being extended one year, is not currently triple net. Board Director Ioppolo clarified it is a new lease triple net that extends the term by an additional year.

Board Director Dane made a motion, seconded by Board Director Ioppolo to approve Aircraft Service International Group by Menzies Aviation, Inc (USA) entering Triple Net Lease No. 2021-027 for Building No. 317, located at 1690 Hangar Rd., Sanford, FL (Aviation Bldg.) A proposed one (1) year extension. Vote was taken, none opposed. Motion passed.

- G. [Moved from Consent Agenda] FLORIDA CLAY ART, CO. transitioning to the SAA's New Triple Net Lease No. 2021-033 for Building & Land located at 1645 Hangar Road, Sanford, Fl. A proposed one (1) year extension of tenant's current lease term.

Board Director Dane requested this item be moved to Discussion because it was not listed on the agenda but there was an Agenda Memo. Counsel clarified this was listed on Agenda link and online Agenda this was a print issue therefore the Chairman should open this up for Public Comment after the motion.

Board Director Dane made a motion seconded by Board Director Ioppolo to approve Florida Clay Art, Co. transitioning to the SAA's New Triple Net Lease No. 2021-033 for Building & Land located at 1645 Hangar Road, Sanford, Fl. A proposed one (1) year extension of tenant's current lease term. Chairman Green determined there were no requests from the Public for Comment. Vote was taken, none opposed. Motion passed.

Chairman Green formally appointed George Speake as SANAC Committee Chairman.

- A. Consider approval of Performance Audit of OSI, Inc. for years ending on September 30, 2018, and 2019.

Don Poore noted the current agreement we have with OSI is an agreement for the operation and maintenance of the terminals between SAA and OSI this was done in 2017. In that agreement it called for a reconciliation audit of the first year which was 2017. The agreement also requires an audit at least every three years, can be every year but at least every three years. Audit done Berman Hawkins one of the people bid on auditing services RFP. We call it an audit; the agreement calls for a CPA firm to conduct this audit, CPA firms call it an engagement, no formal opinion written there are findings which are required to be provided to us by September 30th of that year. Engagement started June 2020, provided draft end of September.

Board Director Ioppolo felt we are not properly handling our contract obligation so if we need to have a meeting to set a baseline and have these conversations then you have got until the next Board meeting to do so. He requested a maintenance report at every Board meeting.

Elizabeth Brown noted the contract states that we're supposed to have a maintenance plan that is supposed to be agreed to between both of the parties and we have a draft of that plan, but we've been waiting to conclude the terminal expansion to finalize that. She felt ultimately the SAA is going to need to consider what standards they wish to maintain and to make sure we are all in agreement.

Discussion industry standards.

Board Director Ioppolo made a motion, seconded by Board Director Smith that we get a preliminary report on this by next Board meeting and that we ask Board Director Smith to sit in that meeting, so we know the report that our interests are being protected. Vote was taken, none opposed. Motion passed.

Board Director Ioppolo referenced the Marketing aspect of the audit and inquired of Lauren Rowe had she seen the report. Lauren responded she was not provided a copy of the audit; and the mention of Yelp makes her very nervous.

Discussion Lauren Rowe works hand in hand with OSI, per the contract every decision made in marketing. Lauren stated we reconcile that contract decide what should be split and how the money is being spent.

Elizabeth Brown noted the difficulty with the marketing like the maintenance is the people that were doing the audit have no clue what the marketing is, they do not understand how to market an airport they don't have an assessment as to what is an appropriate place to put your money and trying to compare us to other airports is irrelevant. Comparing us to what MCO or Daytona does is irrelevant it really depends on the opportunity that we see and how much money we collect will determine where we invest and try to take advantage of the position, we find ourselves in. Our biggest challenge moving forward is being able to have the appropriate incentive program specifically for airlines which is over and above the day-to-day marketing we do. Lauren and I talk about those things that we do collectively to improve the position of this airport, but we also must make sure we are well positioned as to how we incentivize airlines to come here and some of that is additional marketing dollars that is over and above anything she and I discuss.

Lauren and I have an excellent working relationship Todd and Lauren are now working together and will develop that relationship in the same way and you will see me step out of that day to day in that I think moving forward we have really developed good consultation. We have a good partner in Tom, and Tom really spends a lot of time, we talk about a lot of things, we can consult about a lot of

issues in a very positive way which I think is good for the Airport overall as partners.

Board Director Ioppolo requested of Chairman Green that Lauren have an opportunity to review the audit and we get her input on what she is reading there, and he requested George's input as to the comparison historically. And he requested a report from Lauren next month.

Brett Renton clarified under the contract you must have an audit performed which has now been performed, that audit has been presented to the Board, you can accept, publish, reject the audit by any motion you prefer.

Board Director Ioppolo made a motion, seconded by Board Director Smith to defer the discussion and acceptance of the proposed audit until the next meeting. Vote taken. None opposed. Motion passed.

B. Approval and authorization to execute FDOT PTGA FM#437713-2-94-01 Amendment for Construction of the FIS Improvements and Resolution No. 2021-04.

President Nolan referenced the Agenda Memo, we have been seeking as much financial support for the new CBP facility renovation that is mandated. This new figure is the amount so far accepted to bolster our financial position for the CBP renovation cost.

Discussion with the FDOT grant of \$6,175,071 and based on estimates and numbers projected out there is still \$14M gap when compared to design estimate.

President Nolan referenced funding with FDOT limits participation cost of 50% so if it is \$20M they will go as high as \$10M, we would like to take that \$6.6 to \$10M by dedicating a couple of future years of FDOT funding and once we do that, if successful, that will reduce that overall project beta down to about \$10M.

Discussion by accepting the \$6,175M that precludes us from doing anything relative with FDOT in trying to negotiate or get to other areas of funding with them, we forgo future funding unless the DRA comes across.

President Nolan noted we cannot award a public project without a full funding mechanism.

Discussion is there a timing element that we must complete by?

President Nolan updated the Board that is up for debate right now some can argue that we discussed it internally with our partners here that there is some logic to putting it abeyance because of high construction costs and any estimate you cannot trust will be accurate. There is also another side of the equation that says let's do it now while we are still coming out of Covid, while we don't have much traffic international.

George Speake explained the history of the project that CBP staff said you have got to do this or else, and the or else was or we are not going to process international flights. The original \$8M figure came from the fact that CPH did some research and figured out St. Pete had recently renovated their FIS and it cost them about \$8M dollars, now their level of international activity is nothing like ours was even pre-Covid they were much less and so CPH scaled that up. We were able to see the things required for our facility such as purchase of 146 computers, desks, and chairs for everybody as well, that's why the number has grown.

Chairman Green inquired where are we with an overall budget for this, the drawings almost 100% do we have a good number otherwise we are talking hypothetically.

Jeremy Owens stated we have the most recent cost estimates, a third-party cost estimating firm that did the cost estimate on the project, most recently in February running around \$16/\$16.5M and then you must add in the stuff they did not include, SFE & furniture \$1.5M of furniture and software.

Discussion funding short fall based with FDOT, reference to contract repair, replace are obligations between us and OSI.

Brett Renton clarified OSI has the obligation to repair/replace facilities that are in the terminal, this being one of them. If it is something new the question mark is how that is going to be incorporated in the end. And there is a disagreement between the parties over that legal interpretation or how that would be dealt with. But we have an obligation to try to go out and get grant funding for any projects that we have. The Board has gone out and got \$6M that would be substantial, not insubstantial amounts of money to cover. Nobody has asked legal to look at the prints. Two years ago, we had a big meeting all the lawyers all the parties and had a discussion at that time to come up with what we need to build, this moving target. The airport went secured a grant to fund design hence Jeremy's contract. The end all is that the parties need to get back together now that they have an opportunity to look at it and have those discussions to try to resolve the remainder of the funding mechanism.

George Speake pointed out PFC's and FDOT funds will only pay for certain things although we can say 50/50 \$20M it is not going to be exactly 50/50 because computers, desks tables and chairs FDOT will not necessarily pay for all of that, so it has to go through a review with them to see exactly what they will pay for.

Chairman Green thought it would be prudent to get our numbers around the whole thing, then we can analyze and have a conversation about what the perspective is and who should pay for what. He suggested appointing Board Director Ioppolo to be the Board representative in that discussion because he was involved in the contract negotiation.

Board Director Smith noted on this project there is not a lot of value engineering.

Discussion Elizabeth Brown and President Nolan have been discussing this since Tom came on board and as designs continued to evolve. Elizabeth stated after the last Board meeting, we were provided with some designs and 60% cost estimate that we are putting into our own business modeling to determine how we would be able to pay for what our share would be and should be in a better position to move forward in discussions with the SAA to see how we will proceed.

Discussion regarding Vinci doing construction in the US, they do, however FDOT requires that it be publicly bid, also might be the issue of the contract time remaining, anything is possible, but it is highly unlikely Vinci would do anything without a contract extension to that magnitude.

Board Director Robertson made a motion, seconded by Board Director Smith to approve recommendation that we authorize execute FDOT PTGA FM# 437713-2-94-01 amendment for the Design and Construction of the FIS Improvements and Resolution No. 2021-04 amount of \$3,522,744. Vote taken. None opposed. Motion passed 6-1 with Board Director Dane dissenting.

C. Presentation of Northeast Area Development Plan Concept Layout.

President Nolan stated at the last meeting we discussed strategies investing in two things: with current tenants to expand; secondly to position us much better to be able to have more of a turn key property for new development. In that discussion we had a concept that was basic that aroused a lot of sentiment as far as footage or front development on 46. Since that time Mr. Miller has been appointed to a committee and Jeremy is going to make a presentation to get some input from the Board on where we stand on the concept.

Jeremy Owens referenced power point on the wall screen. At the last meeting, the Board had some interest a lay out what would be going on North side. We did some due diligence to find out placement restrictions and what type of opportunities there are.

First slide first phase: North apron 2 miles wide, existing DOT road, RPZ for runway 1836 and Mellonville Avenue.

Challenges: Wetlands as shown on master permit, muck issues with SR46, flood plain, possibly gopher tortoise. Utilities that cross through the area. The master lift station on north end, old navy waste water treatment plant.

Opportunities: DOT traffic signal at Constant Way for the school makes that a viable corner, future road extension east to Constant Way.

Jeremy discussed, commercial areas Commercial, aviation uses ramp space.

Stormwater: tried to minimize it as much as possible, looked at the basin areas and sizes.

The last slide maximize aviation uses on the north side fill the wetland are accessory uses that go to these MRO hangars.

Chairman Green stated he was not looking for any action right now this was moved to discussion so the Board can see it from last meeting.

11. COMMENTS FROM THE PUBLIC

Chairman Green determined there we no comments from the Public.

12. OTHER BUSINESS

Brett Renton addressed the Chairman, as a point of clarification the Chairman mentioned that Board Director Ioppolo would assist regarding the FIS and there wasn't a motion made, since there isn't a standing committee, you don't have an appointment right. It is up to the Board to make it as a motion.

Board Director made a motion seconded by Board Director Miller that Board Director Ioppolo as a dedicated Board member be appointed to have conversation regarding the contract and OSI/Maintenance. Vote taken. None opposed. Motion passed.

Discussion regarding Uber Conference for Board Meetings, Counsel stated legally you no longer have a government executive that gives you the right to meet online or through other means, you are obligated to meet in person with a quorum at least five and then other Board members could dial in from to time. There is no obligation to continue with Uber conference or electronic meeting unless the Board would like to do so or the Chairman. The consensus of the Board was to meet in person and discontinue Uber.

13. NEXT BOARD MEETING (JULY 13, 2021)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:35 a.m.

Respectfully submitted,



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