

**MINUTES OF THE CAPITAL PLANNING WORK SESSION
SANFORD AIRPORT AUTHORITY
DECEMBER 22, 2022
8:00 A.M.**

PRESENT: Jennifer T. Dane, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Kenneth Bentley, Secretary/Treasurer
Benny Crosby
Tom Green
Frank S. Ioppolo, Jr.
William R. Miller
Stephen P. Smith
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison
Commissioner Jay Zembower, County Liaison

ABSENT: Chick Gregg, Sr.

STAFF PRESENT: Nicole Guillet, President & CEO
George Speake, Executive Vice President & COO
Jason Watkins, Executive Vice President & CFO
Tom Fuehrer, SAAPD Chief
Steve Fussell, VP Strategic Initiatives
Tommy Gentry, Director IT
Lori Hunt, Executive Assistant
Gino Martinez, Finance Manager
Jeremy Owens, VP Engineering and Maintenance
Jennifer Taylor, Director of Program Administration

OTHERS PRESENT: Angela Adams, OSI
Natalie Anderson, OSI
Elizabeth Brown, OSI
Paul Partyka, NAI Realvest
Todd Payne, OSI
Sandeep Singh, AVCON
Kaley Slattery, The Southern Group

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INTRODUCTION OF GUESTS

President Guillet introduced new employee Steve Fussell, VP of Strategic Initiatives.

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. COMMENTS FROM THE PUBLIC

None.

4. SAA CAPITAL PROJECTS & FUNDING DISCUSSION

President Guillet explained the purpose of today's Work Session is to receive feedback on the Five-Year Capital Program and proposed scenario. SAA is required to submit its five-year list of projects to the FAA before the end of the year, and she wanted Board consensus on the proposed funding schemes. The Board will not be asked for formal action today, although President Guillet explained she was looking for a consensus and some type of "head nod" from the Board on what was being presented today.

The capital planning process starts at a macro level with the Master Plan which lays out a very detailed schedule of capital projects. The total price tag for the projects is \$855M listed in the Master Plan (in 2017 dollars). After reviewing the Master Plan staff determined if there were missing new necessary projects not included in the Master Plan that should be considered. President Gillet referenced a slide in the presentation that shows additional projects that weren't in the Master Plan and also modifications to some of the projects listed on that Master Plan schedule. For example: Runway 9L is in the Master Plan as a reconstruction; testing has revealed that a rehabilitation is what's needed, so some adjustments were made there. Some costs were revised and some projects were added; the indicated \$1B price tag includes escalation because this is the long-term schedule. The "macro list" was reviewed considering capacities demand, financial responsibility, and want vs. need. After going through that exercise, staff developed an initial list of deferred projects, these are not projects that have been eliminated; they are projects for which consideration has been deferred. The process resulted in 18 projects, that we anticipate will be necessary in the next 5-10 years. This refinement gets us to \$503M worth of projects. These are not in the five-year schedule. When we refined that list down to the five-year schedule, we dug a little deeper from a prioritization standpoint resulting in a schedule of projects for the next five years. These are the things we considered as we started to par that list down:

Priority Ranking Considerations

- Safety
- Compliance
- Operational Demands
- Facilities Economic Development Opportunities
- Reduces Long Term Costs

- Accommodates Current & Future Commercial Service
- Funding Availability

Next 5 YR Projects

- TWY A Extension
- TWY A Rehabilitation
- 9L Artificial Turf
- RWY 9L-27R Rehabilitation
- TWY K1 Relocation
- RWY9C-27R Rehabilitation
- ARFF Trucks (2)
- Terminal Apron
- FIS Improvements
- TWY R Rehabilitation
- TWY 9R-27L Rehabilitation
- Offsite Parking

Total - \$103M

President Guillet then discussed the different funding options:

- AIP Entitlements (AIP) – 90% Federal/10% Sponsor
- AIP Discretionary (DISC) – 90% Federal/10% Sponsor
- Passenger Facility Charge (PFC)
- Florida Department of Transportation (FDOT)
- Bipartisan Infrastructure Law (BIL)

Discussion ensued regarding renewal of the Allegiant contract. Discussion ensued regarding the triparty agreement, and the rates and charges. It was noted that rates and charges influence decisions but having a terminal that is functional and attractive and an airfield that is functional also plays a role, being able to provide those things to not only Allegiant but any other airline that operates here is important.

The Board expressed that it would like a contract that's more than 12 months in duration. Elizabeth Brown noted that we really need to take a look at the rates and charges because they really haven't been addressed here for a long time and that needs to be included in those discussions. She felt Allegiant is not looking to leave and that they are happy at this airport and thought we do a good job in terms of managing this airport for them to be here. Ms. Brown explained even if there is a ten-year agreement Allegiant always has an out clause.

Chairman Dane felt we've danced around rates and charges for a long time, and she really would like to see in our first quarter, that we are having a meaningful conversation at the Board level with rates and charges.

President Guillet referenced the last slide, a formal recommendation to approve the proposed 5-year Capital Project Schedule as presented; utilize the proposed funding scheme, including pursuit of a new PFC application and that we see discretionary and other funding mechanisms to bridge that gap. She inquired if the Board was comfortable with the concept of borrowing money to bridge that gap should we need to do that and pledging PFC revenues for the debt service on that.

The record reflects that the Board gave a resounding thumbs up.

5. OSI 2022 CAPITAL PROJECTS STATUS UPDATE

Discussion ensued regarding the presentation and President Guillet's memo, the Board was in favor of deferring this item to the January Board meeting allowing the Board to thoroughly review the presentation, and direct any questions to President Guillet and then she and Elizabeth Brown could meet prior to the January Board meeting.

6. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:21 a.m.

Respectfully submitted,



Nicole Guillet, Esq., AICP
President & CEO

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