

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
SEPTEMBER 12, 2023
8:30 A.M.**

PRESENT: Jennifer T. Dane, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Kenneth Bentley, Secretary/Treasurer
Benny Crosby
Tom Green
Chick Gregg, Sr. (appeared telephonically)
Frank S. Ioppolo, Jr. (appeared telephonically)
William R. Miller
Stephen P. Smith
Brett Renton, Airport Counsel
Mayor Art Woodruff, City Liaison (appeared telephonically)

ABSENT: Commissioner Jay Zembower, County Liaison

STAFF PRESENT: Nicole Martz, President & CEO
George Speake, Executive VP & COO
Jason Watkins, Executive Vice President & CFO
Shani Beach, Properties & Executive Initiatives Admin.
Steve Fussell, VP Strategic Initiatives
Tom Fuehrer, SAAPD Chief
Tommy Gentry, Director IT
Marc Gilotti, SAAPD Captain
Lori Hunt, Executive Assistant
Gino Martinez, Finance Manager
Al Nygren, Property Manager
Jeremy Owens, VP Engineering and Maintenance
Lauren Rowe, Communications Director
Roberta Stanton, Procurement Manager

OTHERS PRESENT: Natalie Anderson, TBIUS
Bob Begley, CE Avionics
Sonya Brauer, SER
Mike Cargnel,
Thomas Cerone, OSI
Gui Cunha, Seminole County Govt.
Stacy Entwistle, OSI
Jose Fernandez, Florida Compass Group
Santiago Fernandez, Third Voyage USA
Tracy Garcia, OEP
Ron Gerber, OSI

**John Green, OSI
Jonathan Hand, CHA
Genean McKinnon
Jeremy Morton, CPH
Dan Nichols, Avcon, Inc.
Paul Partyka, NAI Realvest
Tom Roda, Atkins
Daniel Rogers, Shook Hardy
Mel Scott, Atkins
Charlotte Serveille, TBIUS
Sandeep Singh, Avcon
Greg Smith, Million Air
John Spolski, Spolski Construction
Craig Sucich, RS&H
Robert Utsey, ZHA
Raul Veizaga, OSI**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON AUGUST 1, 2023

Motion by Board Director Smith, seconded by Board Director Miller, to approve the Minutes of the Regular Meeting held on August 1, 2023. Vote was taken, none opposed. Motion passed unanimously.

4. INTRODUCTION OF GUESTS

President Martz introduced Shani Beach, Properties & Executive Initiatives Administrator.

5. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff reported: Foxtail Coffee has opened in downtown Sanford; at last night's Commission meeting a lease was approved for a parking lot behind the old Wells Fargo Bank a two year lease, the lot will be re-opened within 60-90 days after demolition of the former bank drive-thru; Jingle Jam will take place December 17th; and Board Directors Bentley & Smith were re-appointed to the SAA Board of Directors.

B. Seminole County

Commissioner Zembower was not in attendance.

6. COMMENTS FROM THE PUBLIC

None.

7. CONSENT AGENDA

- A. Consider approval of New Lease No. 2023-050 for Freeman Holdings of Orlando, LLC Building #421 located at 1920 E. Airport Blvd. Sanford, FL 32773.
- B. Consider approval of New Lease No. 2023-026 for Airline Training & Leasing Corporation Building #148 located at 1711 Hangar Road Sanford, FL 32773.
- C. Sanford Aviation Noise Abatement Committee (SANAC) Appointment.

Motion by Board Director Smith, seconded by Board Director Miller, to approve Consent Agenda items A-C. Vote was taken, none opposed. Motion passed unanimously.

8. PRESIDENT'S REPORT

President Martz referenced her power point presentation, incorporated herein, and requested Executive VP & COO George Speake to present updates on the following topics:

- Wildlife Assessment: Still Awaiting FAA Approval;
- Stormwater Master Plan Update: Modeling Continues. Draft Master Plan – Nov. '23;
- SAA Maintenance Facility Replacement; Building steel is almost complete;
- ARFF Station and Building #37 Generators: No changes, Oct. '23 Install, Dec. '23 Completion (est.);
- Terminal Ramp Improvements: Draft Final under review;
- Runway 9L Rehabilitation: 30% Scheduled for September, Geotech Complete, Survey Wrapping Up; and
- Taxiway A Rehabilitation: Kickoff Meeting Held on 9/6/23.

OSI Contract

Brett Renton reported: as to the OSI Contract that Notices of Default were sent out, worked through the contract dispute resolution provisions on those Notices of Default. Mediation occurred on August 28th, a Shade Session is scheduled for today to discuss the public records lawsuit associated with it and that

mediation specifically which encompassed both the lawsuit Public Records piece as well as the Notice of Default piece. Yesterday a new Notice of Default was sent out concerning some additional items that were provided to OSI, they are within their response time to that Notice of Default and can respond accordingly.

Brett Renton stated the Board may have received a letter on Friday, this was sent to each of the Board members. Shutts was not copied on the correspondence and he would be happy to discuss individually with any Board Director his thoughts on the letter and proceed from there. Mr. Renton was not sure why the letter was sent in the manner it was, he was rather disappointed.

President Martz noted the letter was sent to all the Board Directors and also sent to the members of the City of Sanford. She and Brett Renton were able to talk with the City Commissioners & Mayor. This letter was also sent to some of our commercial partners she wasn't sure why that was done. We intentionally tried to avoid involving our commercial partners in the Contract Dispute. Staff was able to discuss this with Allegiant and she would brief each of the Board Directors individually. She noted it was a very productive call and she feels very comfortable with our relationship with Allegiant.

Development

President Martz briefed the Board as Mr. Partyka was not present: 100% capacity in the Commerce Park, and continue to work on a couple projects. Continuing to work with ABS, a couple of other projects, one related to potential housing for L3, ZHA is working with us to develop a more assertive marketing plan for the real estate program. George mentioned the Taxiway rehab project an encouraging meeting was held with the FAA regarding the extension of taxiway A, this will have a significant impact on the real estate program as well, this will be a tremendous incentive for getting folks to move on the north side of the Airport. The feasibility study for the 417 connector road will have an impact on the real estate program the feasibility study was accepted by CFX and they directed their staff to move forward with the PD&E. President Martz noted there is some community opposition to the project and the Board Directors are involved in the community. One of the things she's discussed with Commissioner Zembower is there is not a full understanding of what a no build alternative would result in, it would result in a very different looking Lake Mary Blvd., and more impactful disruptions to the neighborhood. She requested if the Board hears anything out in the community that they would assist in promoting the project.

Paul Partyka, NAI Realvest reminded the Board of the upcoming luncheon sponsored by Central Florida Commercial Association of Realtors to be held September 28th at Heathrow County Club, he and Robert Utsey, ZHA will be discussing the Airport Master Plan and development plans. Mr. Partyka noted

current tenants Synergy Woods & ABS are moving forward with their expansion plans and new facilities, 3-4 interested parties interested in long term big projects, one asked to be a master developer for the entire airport.

Kings Crossing update: anticipate end of 2023 or first quarter 2024 some stores will be operating. He noted the enthusiasm for the project and the impact that it's having on the entire area is unbelievable. NAI Realvest is receiving calls for open land opportunities and 3-4 contracts. Named tenants Publix Supermarket & Wawa.

Orlando Sanford International, Inc. Presentation

Chairman Dane referenced the printed OSI report and inquired of the Board did they have any questions on what was presented.

John Green, Interim President & CEO OSI. Informed the Board for the last several years he's been the President & CEO TBI Mgmt. based in Atlanta managing the International terminal plus seven airports. When Elizabeth Brown took the job in Canada, he asked Emmanuel if he could assist at SFB. Mr. Green felt he can make a difference and looks forward to the opportunity, they are excited to about the future and are looking to be here long term, 2039 is a long way from now, but there are plans with the parent company in Paris to make investment and support the Airport anyway possible. Mr. Green acknowledged receipt of the Notice of Default yesterday after 4 p.m. and they are reviewing the default and will respond, significant progress has been made on the list that was received previously.

Chairman Dane inquired if Mr. Green's conversation was going be related to the OSI written report the Board received specifically.

Mr. Green replied yes and distributed the last page of the report and stated he could take any questions the Board has; he'd be at SFB for the next couple of days this week and could answer any questions about the letter that went out on Friday.

Board Director Miller inquired of Mr. Green with his new titles what his presence on a daily, weekly, monthly basis at SFB.

Mr. Green replied as needed, if it takes him being here five days a week, he would be here five days a week, this contract is of utmost importance to OSI Inc. and they are looking to turn it around.

Board Direct Miller inquired is there a designee who is acting in that capacity on a daily basis here?

Mr. Green replied when he's not at SFB it would be Ron Gerber, COO.

Board Director Miller inquired what is going to be the channel of communication and responsibility of Mr. Gerber in Mr. Green's absence in carrying forth the responsibilities of the organization.

Mr. Green replied that as COO Mr. Gerber would act in his place, they would be in constant communication and address all the issues the SAA might have.

Board Director Miller asked Mr. Green's what is his intent in direct communication with President Martz, is he going to have scheduled weekly, monthly meetings with her? How does he see himself in his management style conducting his business.

Mr. Green stated communication is the basis of any business relationship and he looks forwarding to getting together with President Martz and meeting one on one or with staff we need to have that conversation.

Chairman Dane inquired when Mr. Green was formally appointed to this interim position.

Mr. Green replied Friday September 8th.

Board Director Miller noted his thought process here when speaking to Mr. Green the significance of what he is asking him and communicating is the history of what is out there, and the importance to both parties especially to the Authority and Board Members is the communication. The working relationship that needs to be ongoing and very seriously taken and that is why he was asking when Mr. Green would be physically on site. He suggested as one Board Member that Mr. Green think through his accountabilities with TBI but SAA has an ongoing situation and he's had the opportunity to know Mr. Green for 20+ years, and he found it very interesting that Mr. Green wound up being responsible for this operation after that timeframe, but given that consideration he inquired if he was giving Ron Gerber delegation to communicate and meet with President Martz or is he retaining that himself?

Mr. Green replied that's a fair question and he appreciated that. A couple of things number one relationship is what it's all about. He stated he is all about relationships and looks forward to getting together with the people he doesn't know or doesn't know very well and continue the relationship with Board Directors Miller, Smith, Green and Robertson that have been in here for a while. Regarding when he's not here, Ron Gerger will be the point of contact for the Authority, we'll be in constant contact all the issues he and I will discuss on a regular basis. He worked with Ron Gerber three years ago on the RFP process for Atlanta and he and Ron have a history. He felt he can make the difference and he appreciates the opportunity he's gotten from Paris, and hopes the SAA gives him the opportunity to make a difference.

Chairman Dane inquired of Jennifer Taylor if she had reviewed the list Mr. Green distributed, and requested she give the Board an update on where we are on from the list.

Jennifer Taylor reported: escalator 4 is repaired and in service; escalator 3 they are working on should be completed by 9/18; parking garage phase 2 30% is complete, but SAA doesn't have a copy of the contract and based on the Desmond Report SAA still shows there are items that aren't part of the contract.

President Martz clarified the scope of the existing contract and what SAA has been given doesn't fully address all of the issues that were raised in the Desmond Report. There was also a follow up report that was prepared by OSI, there were some items in there that were not in the Desmond Report that SAA doesn't think is in the scope. She just wanted the Board to understand although this work is moving forward based on what SAA has been given maybe there is additional information that based on what we've been given we don't believe it's going to fully address the issues in the parking garage.

Board Director Green asked if President Martz is putting that on the record.

President Martz replied yes. SAA has asked for clarification several times.

Chairman Dane inquired whom is being asked for the information.

Jennifer Taylor stated it was previously sent to Elizabeth and has been sent to Yvette & Thomas, and Ron Gerber was on some of the emails.

Board Director Green inquired of John Green was he involved in that.

John Green requested Jennifer Taylor forward him the emails and he would follow up on it immediately.

Board Director Ioppolo inquired if the follow up could happen by Friday we've been waiting long enough?

President Martz replied we will get them forwarded today.

John Green replied to Board Director Ioppolo yes,

Board Director Ioppolo to Mr. Green "I know you will have them forwarded today", he is expecting a response from Vinci and asked, "is that a problem".

John Green replied you'll have a response, although he wasn't sure the work will be completed.

Board Director Ioppolo understood the work may not be completed and he expects a response by Friday.

John Green committed to a response by Friday.

Jennifer Taylor reported the steel beam repair that OSI says is complete waiting on inspection and permit close. To her complete is when the inspection is closed out, to our knowledge there has not been an inspection yet and the City has not closed out the permit.

Jennifer Taylor continued:

Steel beam under the smoking deck, right now it's still closed we don't have any knowledge of anything happening there, I know they said September 14th so that might happen September 14th.

Jet Bridges 1-4, the report that OSI sent us that they had done on jet bridges 1-4 a lot of the maintenance items on there are still have not been completed and to our knowledge we don't know that they have a contract with Oxford for jet bridges 1-4

Curbside High hat lighting inspection and replacement of Terminal A, she didn't know what that is.

Elevator 8: in testing phase, they did do some repairs on elevator 8, that has also not had a final inspection to put it back into service, remains out of service since January 2022.

President Martz updated the Board Elevator 8 has been out of service for a year and a half.

John Green stated that Ron Gerber has updates on some of these issues.

Ron Gerber reported we have GCI & KONE and the fire inspector here today at noon with the Building team as long as all of those parties are here, we expect to get that issue closed and put a return to service on that elevator today, we're just waiting on everybody to be here.

Jet Bridges, there is a contract on 1-4 and they are doing some of that work on the punch list that we have for hire, Oxford is waiting on some of those parts, we have a meeting on Friday with them so once he gets that he'll forward it to SAA.

President Martz noted we continually have this "we are waiting on parts", is there a plan and I know this Board has asked this in the past, is there a plan to stock parts regularly for bag belts, jet bridges etc.

Ron Gerber explained Oxford gave us the list for the bag belts and for the jet bridges, the bag belt parts are actually in order or here and they will be put into our storage room. The jet bridges will probably take another month until we can get those done, because these are a different group so Oxford Wolfgang said he will have both. The intent is yes to have stores on hand, we've identified the closets and I'll have Thomas give us the numbers where those will be for inventory.

Board Director Miller inquired about escalators parts.

Ron Gerber reported that's KONE same thing KONE does have parts now as part of their contract for us, that they do keep on hand.

Board Director Miller inquired of Mr. Gerber have you made it a specific arrangement with them to carry inventory on these parts so you know that if something breaks, we can get it fixed and don't have to go through what we've been living with.

Ron Gerber reported for 90% of the parts Mr. Miller they are on hand or locally, some we can't get, I can't predict what parts that we need, but a majority of them that we see consistently needed we do have access to.

Board Director Miller thanked Mr. Gerber and asked that he continue to review that because this experience we've gone through was intolerable and should never happen in the first place if the proper management was conducted.

Jennifer Taylor: Roof leaks they said no major leaks from the storm, there is a pretty bad leak in bag claim 1-2. OSI also said they completed roof repairs in FIS and the Breezeway roof repairs. Jennifer went around and looked Friday and still found leaks, she distributed photos taken, there are still leaks in the FIS and the breezeway and she assumed across the street at the Welcome Center is also still leaking.

Ron Gerber wasn't sure they were leaks or condensation, we've had the inspections done by two parties.

Jennifer noted there is water dripping down.

Ron Gerber said they'd have them inspected again.

Chairman Dane inquired if OSI has provided the inspection that was done to SAA.

Ron Gerber couldn't answer that but will find out and if we have them, he'd share them from Advanced and Hodges Brothers.

President Martz stated her point is this is something you shouldn't miss, it is water flowing off of the breezeway and through the gutters, it is not an insignificant thing that would be easy to miss.

Ron Gerber replied we'll bring Hodges Brothers back and we'll look at it.

Chief Financial Officer Report

EVP & CFO Jason Watkins shared the following items:

- August 2023 Dashboard
- Procurement Dashboard: Ground Transportation – Taxicab Concessions RFP, Mid-September
- Finance and Administration Updates: FY24 Operating and Capital Budgets approved by Sanford City Commission – August 28th; OSI Financial Audit ongoing, will complete end of October; Procurement – upcoming solicitation schedule and program effectiveness reports in September packet; Budget Amendment on Discussion agenda.

Miscellaneous

President Martz explained at next month's Board meeting and she'll discuss it individually with each Board Director, she's going to bring a report on T-hangar rates. We've been doing some research and SAA is significantly below market, we'd like to go ahead and institute a change. A lot of research has been done to see where we are in the market place. The Board doesn't have to take action on it but she wanted them to be informed and give staff some feedback. It will be fashioned it in a way that gives our existing tenants sufficient notice, we have a really robust waiting list.

Discussion ensued regarding how long the waiting list is, 50. South East Ramp has a waiting list of 70-80, the whole country has a waiting list. Discussion are any of the T-hangars being used for storage, no the authority is auditing the hangars to make sure planes are actually in the hangars. And a tenant has to be restoring a plane with the intent to get it out and start flying. Discussion do we need to build hangars.

President Martz recommended leaving the building of hangars to the private side, we can look at it but felt it's a good exercise for private industry.

Brett Renton explained there was a discussion about that at FAC about the price of construction right now prices you out of the market for the rest of your T-hangars so once we get back to maybe status quo that is something that the staff will be looking at. Even the private owners aren't building T-hangars right now.

Discussion regarding looking at the studies and start enacting the increases. President Martz stated this will bring us much closer to market and frankly the market is always all over the board which is demonstrated in the research. The T-hangars are all once a month, per term. Another thing you have to keep in mind is the condition of the hangars, we have some that are in better condition than others, some of the folks that have different rates and that have a different type of T-hangar, different size, different age, so that's another thing that we've taken into consideration.

Discussion regarding how many T-hangers were rehabilitated, all but 3. George noted at Orlando Executive the demand to be there even though it's a very short distance its massive.

Discussion regarding build new pricing how far off is it to market. Jason Watkins explained based on the conversations he's had privately they're looking at about a \$30 per sq.ft. recovery and kind of pre-construction inflation period these are penciled out are about \$20 per foot so until your total cost of capital comes down and you get some normalization on some of the construction costs.

Air Show Update

Chairman Dane inquired about the airshow now VIP list.

George Speake replied staff is doing another review.

President Martz explained we've done an initial review of whose been invited and whose shown up, who we want to newly invite and then we'll reach out to each of the Board Directors.

Board Director Robertson inquired is there a list from last year and the year before who actually attends, or who sends attendees or doesn't show, and requested the Board see that list.

President Martz explained we also have an issue that we needs to be addressed we have invitees that get tickets and then give them to other people. We send tickets out to with the intention of marketing the airport and the right people aren't getting them, that's a challenge every year. We're trying to tighten that up at the same time, in case somebody shows up with an elected officials ticket we don't want to turn them away, it's a challenge.

George Speake noted this year you are going to get an email from the ticketing company that the airshow uses versus from the Airport and there will be a link there and that's how you will access your tickets and parking passes. We plan to use the same VIP parking that we used last time, we'll golf cart you out to the site. We'll have an air-conditioned tent next to the other tent, the air

conditioned tent will have seating and tables for eating, it will be nicely decorated, it should be a good show.

9. COUNSEL'S REPORT

Brett Renton reported: GOAA; OSI Public Records Litigation Shade Session today, the Board will be updated; PFAS and FDEP regarding environmental issues.

10. CHAIRMAN'S REPORT

Chairman Dane stated in accordance with the Sanford Aviation Noise Abatement By-Laws she is appointing George Speake to a one year term as Chairman. Chairman Dane reported that she attended mediation August 28th representing the Board regarding the notices of default, SAA was unable to reach a resolution. Chairman Dane requested re-scheduling the Strategic Planning Workshop. President Martz suggested polling the Board to determine a future date to re-schedule the Strategic Planning Workshop.

11. DISCUSSION AGENDA

A. Consider approval for an extension of three HG Sanford Retailers JV ("Concessionaire") Agreements.

President Martz explained this is an extension of three HG Sanford Retailers JV agreements, the Hudson agreements. Todd Payne, OSI was not present therefore President Martz briefed the Board: there are three agreements affiliated with the Hudson retail, they expire in October, this is an 8 month extension with two additional two month extensions. The intention is to explore the opportunities for an RFP that SAA and OSI have been discussing. Do we go out for an RFP or extend as we did for SSP. The other reason for the extension is we are in the midst of a refresh of the food & beverage concession. If we were to change concessionaires not to have those two refreshes overlap. We have worked with OSI and SAA management is supportive of the extension recommendation.

Motion by Board Director Smith, seconded by Board Director Bentley to approve the Amendment extending three (3) Hudson Concession Agreements and Authorize the President/CEO to execute the associated documents. Vote taken, none opposed. Motion passed unanimously.

B. Approval and authorization to amend the 2022-2023 Fiscal Year Operating Budget.

Jason Watkins explained that this is a budget amendment, overall, the increase is 1.6% operating budget to the current fiscal year which will end

September 30th. There is movement between categories principally to replenish professional contract services. And 1.5% of the 1.6% overall is the accounting adjustment to recognize the compensated absences. The net increase is \$245,000.

Motion by Board Director Robertson, seconded by Board Director Smith to approve an amendment to the FY 2022-2023 Operating Budget as detailed in Table 1 with a net increase of \$245,000 (+1.6%). Vote taken, none opposed. Motion passed unanimously.

C. Remote Parking Lot Update.

President Martz noted this is an update and she will be asking the Board for direction. We have been talking about the option of constructing a remote off property parking facility. A feasibility study has been conducted, and President Martz stated she will be looking for a thumbs up on the location and a thumbs up to proceed design and execution of the project. Jeremy Owens & Santiago Fernandez will be presenting.

Jeremy Owens explained in May there was a budget amendment that authorized \$2.2M for a parking lot study and construction that was also a 50/50 grant from FDOT. The approved 2024 Budget reflects the rest of the project at roughly \$6M with total funding between SAA and FDOT 50/50 split. Staff worked with ZHA & AVCON to develop a scope of work, an economic feasibility for the parking lot and collected data. OSI was able to provide data a parking count 2017 to present which also included, Santiago also asked for daily flight logs. SAA was able to use study data from overflow parking to be able to see how long the passengers are staying, FAA terminal area forecast as well as monthly parking revenue. A couple questions that were really big on this Santiago will go over that in a few minutes. With regards to what we are building Santiago did a full construction analysis of a full paved parking lot, sidewalks, all asphalt, curb & gutter, landscaping, lighting, vertical structures and there may be a flag or two. Very conservative review, right now Santiago's initial cost estimate was 750 stalls at \$7.1M while that number itself is above what we've currently budgeted, staff hasn't look at any value engineering. Doing a quick look at it we think we can get it back to the budgeted amount, we wanted to make sure he had an organic view when he did his analysis. One of the key things on here is going to be operational cost that came through as part analysis dependent on who does the review, what level of service your going to give what level of redundancy your operational cost changes, so that was looked at as well as different types of equipment. One of the things we look at for operational cost is gas fossil fuels vs electric, there is some cost savings that can be done as part of this. Some of the goals of the study were where do the passengers stay as part of the parking revenue we got, how long do they stay for, and we then moved from there to three possible locations.

Santiago Fernandez noted the Board has some of the baseline metrics in the documents that you have in your agenda. The 5.1-day average stay is the overflow parking, which is what we focused on. We focused on enplanements traffic. This where we going to build this remote lot and so we looked at three distinct locations along E. Lake Mary Blvd. and along Marquette. We did look at the need to shuttle patrons from the parking lot to the terminal and back. The operational cost from fueling standpoint etc. from trip standpoint was not significantly different, we looked at the property valuations that we had originally understood highest and best use property, we think options A & B although viable options would be better off as a future commercial property whether it's aviation or non-aviation it could be office or commercial, it should be high rents. We went with option C so that's a preferred option that we are looking at now.

Discussion ensued regarding vicinity; option A & B are at least walkable, if you are getting off a plane, versus option C which is not.

Discussion regarding how often the bus be coming around, pick up every 15 minutes, 2 shuttles.

Discussion option B was once considered for a hotel site. The calculations don't merit taking over private commercial property where we can collect rents of \$40 per sq.ft. Currently site B is used for overflow parking now even with the Authority the 750 spaces peaked out almost 2000. Site B is still needed for Christmas & Thanksgiving overflow parking at some point the Authority does hope to develop that into something else. Option A has not been used in a long time for overflow parking so it is viable option although it starts getting you further away then you have differences in turning movements etc.

President Martz commented we know that eventually somebody is going to want to do an off property parking option and the one on Marquette really would more likely forestall that and keep parking on the airport property.

Discussion with option C we can double or triple expansion that we don't have with options A & B.

Santiago explained he did a full proforma and referenced the power point slide a synopsis of the proforma. Cost of construction and design & construction at about \$7.1M and took into account fixed costs and the shuttle in the proforma. He pushed that out amortization over a ten year period. The variable cost went up significantly, the difference was on the fuel cost on average per year. You get about \$702,000 per year, year one in terms of operation, we looked at a 19 hour day and that has to do with flights.

Discussion regarding alternate fuel propane which is half the cost of diesel or electric shuttles, also would there be electric charging stations.

Jeremy Owens noted there will be basic electric as there's going to be shuttle entrances, but not electric car charging stations. Electric car charging stations could be an option later, there are often grant programs to support that. We talked about that yesterday with the FPL team on some grant programs and some of their advertising.

Santiago Fernandez referenced Jeremy's overall point from the cost of construction this is a full urban section FDOT and the worst case scenario diesel fuel, two shuttles running 19 hours a day depending on management of certain elements call it value engineering of the original construction costs, what we're really trying to get to is when you break even and when you'll call it in the black in terms of net operating revenue coming back.

Discussion ensued regarding an 11 year break even. Santiago Fernandez stated he's doing a real conservative model right now. When your operating cost and your amortization your operating cost all gets paid for years left you know a negative revenue for year one.

President Martz explained there will be cash flow, we won't have the full return on investment but there will be residual cash flow.

Board Director Green noted that there will be cash coming in, it's not like it will be a negative for ten years, then on the 11 you finally get a positive.

President Martz explained they're capital investments so by the time we to get the return on the capital investments we're buying shuttles we're paying for construction.

Jeremy Owens referenced the bottom corner Santi's review is merely conservative in some ways, he's got \$700,000 operating cost, if we can get that number down thru efficiencies. Seasonality is going to have some effect on this. It's a very conservative view and he'd rather it be conservative than too aggressive and he'd rather come in looking good than not looking good.

Discussion the project is based on \$7M total development, 10,000 spaces, using FDOT numbers and not cutting corners to try to get this delivered.

Jeremy Owens noted that's why we mentioned the value engineering. He felt there's some ways to make it a lot more cost effective, construction all consistent grading, limit storm drainage there's a lot of options.

Santiago Fernandez explained on the proforma side like common area maintenance is probably on the high side right now, he's using a 5.5% interest rate, Jason Watkins might tell me 4.0% is what he can get.

Right now, just being very conservative, as far as enplanement traffic where people will be in the terminal in the parking system, pulling overflow it's a very conservative number. Growth he pulled originally is from both the lot information he had but also from your airline traffic counts. He stated he's very confident in the number that we're getting but his projections he's using very conservative 3.8% annual increase and not doing anything outrageous as far as the number.

Board Director Green requested in the event this request is approved that back up information as an exhibit be provided, because if someone looks back at the decision and we look back and say what was the thought process in that decision we'd have it, because this is a big decision and a lot of money.

President Martz stated it's the reason why we brought AVCON and ZHA in to take a look, Jason had done some great work on an initial pro-forma. We do have all of that backup we came in here very conservative because we don't want to promise you, you're going to get \$300,000 a year and only come in at \$100,000 we do believe that this is very conservative because it assumes the highest level of operation.

Board Director Green agreed personally you should be conservative but it would be good to see year 1, year 2, in terms of how much the expectation is.

Santiago Fernandez replied, he could get that. And on that note the significant thing Jeremy has pointed out, the operational cost is really something that paying down you have that annual debt so the debt service on the facility is not really the monster in the operations.

Board Director Green inquired of President Martz from a funding side on this how did you set that up you know certain assumptions and grants.

President Martz replied we are assuming DOT is going to be a partner, so to underwrite the construction cost we anticipate about half of it construction cost.

Board Director Green inquired so on the breakeven it's the airports money.

President Martz replied this contemplates grant funding.

Board Director Smith noted there are several operations and your saying vary 700-2000 are you taking into consideration costs of the shuttles in this number.

Santiago Fernandez replied compensation we're taking all that into account, fueling costs, insurance training everything.

Board Director Smith asked is the cost of the shuttle in this number.

Santiago Fernandez replied the shuttles are put into that number amortized over 10 years.

Discussion ensued regarding the cost for shuttles at \$500,000 are we buying primo shuttles.

Jeremy Owens replied in looking to buy a shuttle lately that's got luggage racks and ADA I'm sure OSI could tell us how much they paid for the last one, they aren't cheap.

George Speake noted he's got them and the finding them has been a nightmare, people will that say they got them but they won't give us an email or a call back. He just found a place in Winter Garden that has some for the auction block and this weekend he's going to go and visit that hopefully be able to get some.

President Martz explained the operational estimates were prepared in large compensation with George they've got a real good flavor of this in managing the overflow parking the last couple of months. She felt that they are sort of worst case scenario we hope to have that much business hope and that many people flying in. It can be tweaked as we know the flight schedules and she thinks those costs will come down. A lot of that is fuel, we are looking at electric versus fuel on the shuttles there is some refinement to do worse case scenario for the Board.

George Speake referenced staffing you have to be prepared to start parking people two hours prior to a flight departure, so that's 4 a.m. and then your last arrival is 11:30 p.m. - midnight you've got to be around an hour after so you really only have about a 3 hour gap. On your busier days you're running three shifts and it's not 7 days a week, certain times, summer holidays it would be 7 days a week.

Board Director Green asked do we know what the fixed cost is going to be.

George Speake responded yes.

Board Director Green noted so the question is are you comfortable with the revenue side because the costs are going to be there.

Chairman Dane stated we don't want to forget about the opportunity we have with the grant.

President Martz agreed revenue is important and making money is important, this is also part of passenger services making sure that we're providing for our passengers.

Board Director Smith liked the fact that on basic holidays we can get the cars off the grass and we can get them on a paved lot, it's a lot nicer.

Santiago Fernandez noted it's not a mistake it's planned for.

Board Director Green inquired about security on the lot.

George Speake replied you've got our PD 24/7, Operations 24/7 and there will staff there.

Santiago Fernandez reiterated we did budget in the physical elements, the cameras, gate in gate out and fencing.

Chairman Dane inquired if President Martz needed a formal motion.

President Martz noted she doesn't need a formal motion but would like just some sort of formal consensus from the Board that you are comfortable with site C and you are comfortable with us moving forward. We are working with DOT on the time issue. and frankly the quicker we get started the quicker DOT will be available.

Motion by Board Director Smith, seconded by Board Director Bentley to Approve the Remote Parking Lot Site at Site 3 – Marquette/Sipes and Authorize staff to begin the design and permitting on the proposed remote parking lot and add the full presentation. Vote taken, none opposed. Motion passed unanimously.

D. Consider approval of Lease # T2023-01with Allegiant Air for Terminal And storage space.

Discussion regarding has Allegiant seen the final lease. Ron Gerber stated they sent the draft and Allegiant hasn't seen the version with the final numbers. He explained that Brett Renton asked for those couple of changes from Mike, and sent it. His email to President Martz was that we'd share the draft and when we get the final version, we can send it to Allegiant.

President Martz asked Chairman Dane to pull this item, we thought Allegiant had reviewed the final version and they haven't. She explained to the Board several months ago Allegiant announced that they were moving above the wing ground handling in house and as a component of that they needed space for that operation. We have been endeavoring for a while to get the lease moving forward. There is a reason we are meeting in the boardroom today it's because Allegiant needs space and we gave them the Vigilante room to use, so we've been pretty anxious to get this before the Board. She was under the misimpression that Allegiant had reviewed the lease and signed off on it, we have been looking at several drafts and ultimately ended up sending our commercial lease template to OSI to use. She apologized and suggested the

Board take action on this today, but if Allegiant has any comments it would have to come back to the Board. She suggested the Board approve it with the understanding that if Allegiant has any changes it would have to come back to the Board.

Chairman Dane inquired why Allegiant didn't have the final lease, or a chance to review it.

President Martz explained this is a third party agreement and OSI's obligation under the lease, it is a try-party lease which is why we are involved in it. She couldn't speak to why we've gotten an announcement in June and we still don't have a lease, in the interest of helping Allegiant continue to move forward her recommendation would be that the Board go ahead and take action on this today, and that if they have changes, we would have to bring it back to you next month.

Board Director Bentley inquired of President Martz had she just found out that Allegiant hadn't finalized the lease.

President Martz explained she didn't just find out about the lease; we've been pushing as you recall at the last board meeting this was discussed.

Board Director Bentley stated he meant why Allegiant didn't have a look at it.

President Martz replied she didn't realize that Allegiant had not signed off on it. We got the final version from them last week to make our comments on it.

Chairman Dane inquired if we made our comments.

President Martz replied yes made our comments this reflects our comments, this is a lease and from the SAA staff standpoint we are comfortable with it, I don't know where Allegiant is on it, we have not had any direct interaction with Allegiant on the terms of the lease because that is OSI's conversation.

Chairman Dane inquired of President Martz when did she send over the final version of the lease.

President Martz replied we sent our initial comments several weeks ago. Then sent them our template to use because there were a lot of issues with the first draft that we got, they asked for our template, we sent it to them. She could provide the timeline; it took us awhile to get comments back. We were under the impression it was being discussed with Allegiant all along.

John Green noted Allegiant has seen the draft, they haven't seen the final version.

Chairman Dane inquired of Mr. Green which draft your original draft or the second one SAA sent you.

Ron Gerber replied the second one.

Board Director Green inquired have they approved the terms.

Ron Gerber replied yes, they had no concerns with it they were just waiting for us to sign the final version.

Chairman Dane inquired of Mr. Gerber when did you sign the final version, when did you send the final version.

Ron Gerber responded he hasn't received a final copy back yet.

Chairman Dane replied so you're waiting on us then.

Ron Gerber stated I wouldn't saying waiting on SAA, I sent it back to Brett & Nicole Friday I think, late last week.

Chairman Dane stressed Allegiant is a really important partner if this helps them to move forward, she didn't think they can work out their dysfunctionality but we as a board shouldn't be keep them from moving forward.

President Martz informed the Board OSI did get a copy of the Agenda.

Motion by Board Director Smith, seconded by Board Director Robertson to Approve lease #T2023-01 with Allegiant Air for terminal and storage space subject to Allegiant's acceptance of the lease and Authorize the President/CEO to execute the associated documents. Vote taken, none opposed. Motion passed unanimously.

12. OTHER BUSINESS

Board Director Bentley mentioned the True Health Be Healthy 5K & Kids Run that will take place at the Airport Saturday September 23rd. George Speake informed the Board that runners will start at 7:30 a.m., setup is 4 a.m. and things will be open to the users by 10-10:30 a.m. at the latest, completely cleared by noon.

13. NEXT MEETING REGULAR BOARD MEETING (OCTOBER 3, 2023)

14. ADJOURN FOR EXECUTIVE SESSION SANFORD AIRPORT AUTHORITY V. ORLANDO SANFORD INTERNATIONAL INC.

Chairman Dane adjourned the Regular meeting at 9:55 a.m.

15. RECONVENE

The Regular Board meeting reconvened at 11:15 a.m.

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,


Nicole Martz, Esq., AICP
President & CEO

/lh