

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MARCH 5, 2024
8:30 A.M.**

PRESENT: Jennifer T. Dane, Chairman
Clyde H. Robertson, Jr., Vice Chairman
Kenneth Bentley, Secretary/Treasurer
Benny Crosby
Chick Gregg, Sr.
Frank Ioppolo Jr.
William R. Miller
Richard Sweat
Stephen P. Smith
Brett Renton, Airport General Counsel
Mayor Art Woodruff, City Liaison
Comm. Jay Zembower, County Liaison

ABSENT:

STAFF PRESENT: Nicole Martz, President & CEO
George Speake, EVP/Deputy CEO
Shani Beach, Director of Properties & Exec. Initiatives
Chris Breese, Procurement Analyst
Judy Desrosiers, Property Manager
Stacy Entwistle, Sr., Director of Airline Services
Steve Fussell, VP & Chief Strategy Officer
Tommy Gentry, Director IT
Marc Gilotti, SAAPD Chief
Lori Hunt, Executive Assistant
Gino Martinez, Deputy CFO/Director of Finance
Bryon Morgan, SMS Director
Jeremy Owens, VP & Chief Development Officer
Lauren Rowe, Director of Communications
Rick Shea, VP of Operations & COO
Roberta Stanton, Director of Procurement
Jennifer Taylor, VP & Chief Commercial Officer
Raul Veizaga, Marketing Manager

OTHERS PRESENT: Ashley Baker, True Health
Sonya Brauer, SER
Janelle Dunn, True Health
Jeremy Morton, CPH
Brady Lessard, City of Sanford
Deana Montella, True Health

**Paul Partyka, NAI Realvest
Mel Scott, Atkins
Tim Shea, AVCON
Greg Smith, Million Air
Robert Utsey, ZHA**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. PRESENTATION FROM TRUE HEALTH

Janelle Dunn, CEO True Health, Asheley Baker, True Health Director of Marketing, & Deanna Montella, Chief Nursing Officer presented a plaque to the Sanford Airport Authority and thanked the Airport for sponsoring their annual 5K which was held at the Airport last September. There were approximately six hundred participants from several neighboring counties. Ms. Dunn noted the feedback from the participants was wonderful with many saying they'd never seen the backside of the airport. The event raised \$27,000 and all of that goes back into healthcare programming. Ms. Dunn requested the Airport sponsor the event again in September 2024.

Commissioner Zembower thanked True Health. He noted it is truly an asset to the county in helping those most in need and those underserved. During the pandemic True Health rose to the occasion when the State started rolling out assets that the County didn't have the bandwidth to help administer.

Mayor Woodruff mentioned True Health also has a clinic in Goldsboro.

President Martz acknowledged that it was a fabulous event, and that it went off without a hitch. It was a lovely opportunity for folks to see the airport.

Motion by Board Director Bentley, seconded by Board Director Smith, to approve partnering & hosting the 2024 True Health 5K. Vote was taken, none opposed. Motion passed unanimously.

4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING HELD ON FEBRUARY 6, 2024 AND MINUTES OF THE SPECIAL CALLED MEETING HELD ON FEBRUARY 12, 2024

Motion by Board Director Smith, seconded by Board Director Crosby, to approve the Minutes of the Regular Board Meeting held on February 6, 2024, and the Special Called

Meeting held on February 12, 2024. Vote was taken, none opposed. Motion passed unanimously.

5. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff congratulated the Board and staff on the transition, he recognized it was a heavy lift and an important thing. He's looking forward to more great things with the Airport.

President Martz noted the Airport appreciates the City's support and she thanked him and his team as well.

Mayor Woodruff reported: 1) Mayfair Golf Course Clubhouse Groundbreaking is March 8th at 9 a.m.; 2) continuing discussions regarding the Air Show and the City's cost share with the County, Sheriff and Bryan Lilly.

Brady Lessard, Sanford Economic Development Director, updated the Board regarding: 1) SR Plumbing and its proposed construction of a distribution center on Marquette Avenue; 2) the addition of City utilities at the old Delphini site in order to secure a new tenant and; 3) his attendance with Board Director Gregg at an event recently with Congressman Mills who is a great asset for the Authority and the community. Mr. Lessard thanked Robert Utsey for representing the Airport and meeting with Mr. Hickman who is constructing a hotel on E. Lake Mary Blvd. He was glad to report that Mr. Hickman resumed construction of the Comfort Inn & Suites with 115 rooms, and a restaurant outparcel. Mr. Lessard is working with Mr. Hickman to get a restaurant on that site & hopes to see the hotel open 7/4/2025.

B. Seminole County

Chairman Zembower reported on: 1) State of the County Luncheon; and 2) County Managers Report, sharing statistics: Population 471,826; median age 39.5 years old; labor force 275,000; median household income \$70,297; median home value \$357,000; core employee population 266,000; and employee population of 55+ is 64,000. Seminole County's additional rankings in the State of Florida: #1 for family to live, #2 for young professionals and #3 for public schools.

Chairman Zembower reported on things going around in close proximity to the Airport: 1) Comfort Inn & Suites; 2) Sylvestre Estates 24 acre unit with 109 units; and 3) phase III of Parkview Place. He also shared that the Airshow has signed a contract with the TDC for \$20,000 to promote Orlando North which includes the Airport and all the assets in and around Seminole County. The Air

Show's revenue generation is approximately \$4M with an additional \$6,000 in media coverage worldwide.

Chairman Zembower informed the Board that while speaking with Congressman Mills yesterday the Congressman is bringing \$8M home to the community and some of the projects are on the Airport. \$2M for the watermain and forced main project on the Airport; \$1.6M Airport Stormwater Infrastructure project; \$1.6M to Sanford for the Septic to Sewer; \$2.4M to the County for the CR419/426 Water projects; and \$495,000 for the Sharing Center.

6. COMMENTS FROM THE PUBLIC

None

7. CONSENT AGENDA

- A. Consider approval of an Amendment to the Interlocal Agreement Creating the Orlando Urban Metropolitan Planning Organization (MetroPlan).
- B. Consider and approve fees for pickups at the airport by a Transportation Network Company (TNC), to align with the pickup fees associated with the Taxicab Concession Services contract passed in December of 2023.
- C. Consider approval of Addendum A to Lease No. 2022-032 for Zipsimons Visionworks, Inc., Building #407 located at 1211 26th Place, Sanford, FL 32773.
- D. Consider approval of Addendum B to Lease No. 2022-020 for Real Deal Steel, LLC, Building #410 located at 1230 30th Street, Sanford, FL 32773.
- E. Consider approval of Interim Terminal Agreements as a result of taking over the Operation and Management of the Terminal Facilities from Orlando Sanford International Inc.

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

8. PRESIDENT'S REPORT

President Martz referenced her powerpoint presentation, incorporated herein, and requested Jeremy Owens, VP & Chief Development Officer to present updates on the following topics:

- Stormwater Master Plan Update: Draft scheduled for end of March '24;
- SAA Maintenance Facility Replacement: CO inspection on 3/6. Furniture delivery on 4/1, tentative Ribbon Cutting 4/2 after the Board meeting;
- ARFF Station and Building #37 Generators: Permits issued 3/4. Scheduling construction kickoff meeting;
- Runway 9L Rehabilitation: 60% Plans Reviewed on 3/1. April bidding;

- Taxiway A Rehabilitation: 90% Plans Reviewed on 2/23. 100% Scheduled for end of March;
- Remote Parking Lot: 60% Plans Received 3/1. Scheduling Review Meeting; and
- Stormwater Pond Improvements: Discussion Agenda for acceptance of Grant.

Terminal Projects:

- SSP Renovations – Sanford Tap (old Port Paradise, Cheeburger, Cinnabon) scheduled competition June.
- FIS Renovations – Working with continuing contractor on quotes.
- Secure Corridor Removal (Terminal West) – Scoping project with CPH. Bidding mid-April
- Terminal Ramp Improvements – Bidding Q2/Q3 '24.

Development

President Martz noted that moving forward, this part of her report will include a slide presentation by Paul Partyka, NAI Realvest & Robert Utsey, ZHA.

Paul Partyka, NAI Realvest updated the Board regarding Real Estate Activity: 1) ABS/Kodiak is inside its 90-day feasibility study period; 2) the Student Housing Development for L3 student housing for 80 student pilots (Phase 1) on hold with L3 the merger; 3) the Authority staff met with a major developer, and we are awaiting potential project proposal submittal this month; He also explained Hydrogen Powered car sales location, developer to finalize funding, and desires SFB as his first choice for project development.

Robert Utsey, ZHA updated the Board regarding Economic Activity: 1) Two confidential projects with (OEP and Florida) both in manufacturing industry, with a total of 1,205 jobs, \$72K+ average salary, \$800M total CAPX, needed land range between 35 acres – 80 acres; 2) Master Developer interests: Developer A – industrial, cargo, rail connected sites (CSX/OEP). Developer B – industrial, logistics (local CRE referral) Developer C- industrial, hotel, retail; and 3) Workforce Initiatives – UCF Department of Mechanical and Aerospace Engineering – Center for Advanced Turbomachinery and Energy Research (CATER) interest in moving its research center to the former pilot dormitory building. Initial plans include 10-12 office/classrooms in the east wing along with an outdoor testing lab in the parking lot; this involves significant NASA grant funding.

Deputy CFO/Director of Finance

Deputy CFO/Director of Finance Gino Martinez reported:

- February 2024 Dashboard
- Cash & Investment Balances

- Procurement Dashboard: Solicitation Responses Due: Parking Access Revenue Control (PARC) Management System, RFI March 21, 2024. New Solicitations: 1) Parking Access Revenue Control (PARC) Management System RFP; 2) Terminal Advertising RFP; 3) Economic Development Planning & Consultation Services RFQ
- Finance and Administration Updates: FY2023 Financial Statements Currently in Development; FY2023 Financial Audit Ongoing; FY2025 Budget Development to Commence in March; PFC Application #6 Consultation Meeting Scheduled.

President Martz explained that after the consultation meeting tomorrow regarding PFC Application #6 then staff can officially send the application to the FAA. The FAA has already looked at it and provided its comments. She stated staff feels pretty comfortable about where we are and expect the meeting tomorrow to go well because these projects are 100% benefitting the airlines.

Miscellaneous – Communications

Lauren Rowe, Communications Director updated the Board regarding: 1) Full Scale Exercise conducted February 13th, explaining that the FAA requires a live full scale exercise every three years; and 2) Airbus Beluga Visit March 11th estimated 3 p.m. that will be carrying a satellite which will be transported to Cape Canaveral.

Miscellaneous

President Martz discussed the transition, explaining that it went as well or even better than we expected. There were “shenanigans” - some operational terminal equipment walked that shouldn’t have. She feels confident that the Authority is going to keep trucking along, noting that there are still outstanding issues, & that the transition is not done. Although OSI has left the property, the Authority is now moving into an assessment phase. Staff needs to get a good handle on the facility, and understand everything that wasn’t done that needed to be done to prepare for anything that occurs moving forward. We know there was a lot of deferred maintenance under OSI’s watch. Staff is doing a deeper dive to make sure we accounted for everything that should have been done, but wasn’t.

Discussion ensued regarding whether or not OSI completed items that they committed to. President Martz replied that staff is working on assessing that, there are some projects related to the HVAC & vertical transportation systems (elevators & escalators) that OSI had committed initially to finish after it left. We’re trying to get some access agreements squared away with them, but have not been able to finalize that yet to do that. That’s one of the issues we’re still working through.

Board Director Ioppolo inquired if anyone was present from OSI. President Martz noted for the record no one was present from OSI.

Brett Renton reminded the Board that it authorized staff to enter into that access agreement at the last meeting on February 12th. We started discussions, they continued to say they were drafting it, and then on the day of the transition we received a MOU which was four paragraphs which was completely unacceptable to the Airport. Shutts has drafted an access agreement to send OSI today. On the way out, OSI decided it would simply tender a check for the TRANE (HVAC) project to the authority and said here we'll pay you to go ahead and finish it. As a government entity that triggers certain qualifications that apparently, they still don't fully appreciate. They do not understand the Authority just can't solo bid a contract with no basis or anything, so we've advised them that's going to be rejected, we'll be returning that check.

Board Director Ioppolo stated, "so they've maintained a level of incompetence second to none even on their departure."

Brett Renton replied they continued to fail to appreciate that there's a government entity on the other side, as they've continued to do.

Board Director Smith inquired of Brett Renton referencing the projects that were underway and asked have they been stopped right now the escalator and elevator or are they on hold until further notice.

President Martz explained the only outstanding project that has commenced but not been completed is escalator 6 which should be wrapped up as soon as they have the final inspection this week.

Discussion ensued regarding OSI's contractor continuing to work on the escalator.

Jeremy Owens stated the contractor that is working on escalator 6 is the same maintenance contractor that we're continuing with, they were new in the last year when OSI let go of Schindler. We changed their badges over to SAA and will be managing them from maintenance side here on forward.

Brett Renton explained OSI did not tender a check on the elevator project as they plan to continue to manage the project to fruition, again subject to an access agreement.

President Martz noted from a client and a partner standpoint, Allegiant has & will be impacted by the transition. Coincidentally, this morning we were able to meet with the President of Allegiant, and get feedback about how they felt things were going. The one area of concern is fueling and we're continuing to work to resolve that. She felt part of it is staffing and that's not a criticism of the staff themselves but explained there were some cultural and management issues with respect to how they were previously managed. We're working on resolving that, and also doing some additional recruiting for that operation. Allegiant was pleased with what we're doing and moving forward. We are in constant communication with them; their airport

relations person and George talk every other day. Staff has also been meeting with the rental car concessions and other partners in the terminal and she felt that everybody is going to be happier with the communication. But there will be more monitoring of their contract requirements. The team that transitioned over to us from OSI has been great, we're really happy to have them on our bigger team now. We are working on moving some of the staff into the old OSI offices right now because we've brought on some additional administrative staff.

Board Director Robertson inquired about the fuel truck fleet.

George Speake replied there are seven trucks here, we're still working through some in-service issues with one, one of the other ones has a maintenance issue (it's a loaner). We have three other trucks that are coming, we have three loaners right now in accommodation for the three we are waiting on. We have seven, which was the goal. Stacy Entwistle is here, he's been working with those folks and just trying to get through those management issues and get everybody where they need to be. Danette has our recruiter she's actively working to bring in some folks with fueling experience, Retired Military personnel that were fueling aircraft in the military, would be great additions to the team.

President Martz explained that the transition it's been an amazing team effort, with great support from outside the organization. She thanked Mayor Woodruff again and stated that we really do appreciate the support that we've had from the City of Sanford. Additionally, Sheriff Lemma donated 50 radios which are really significant to our operation. And Alan Harris, Seminole County Emergency Management Director is programming those radios for us, free of charge, normally there's a charge associated with that. We're really grateful that will greatly enhance our operations, and that saved us a significant amount of money.

George Speake thanked Rick, Jeremy, Jenn, Steve, Chris and Roberta. He also thanked Stacy Entwistle who came over a little early, that's been helpful.

President Martz announced that the Airport had received the ATP Grant which will fund the sterile corridor expansion was on Jeremy's project list. This project that will increase capacity in the terminal. We received a \$1M Grant to accomplish this project. President Martz thanked lobbyists Alcalde & Fay and Cory Mills office for working on this for us.

Ms. Martz also referred to the federal funding that Chairman Zembower noted earlier. Congressman Mills put in two earmarks for the Airport, they're under the name of City of Sanford, because a city has to be the applicant for the funds. We've got \$1.6M designated in the appropriations budget for Stormwater, which will complement the \$750,000 we received last year, so that will help us significantly. There's another \$2M in the legislation for a water & sewer project in the mid-field area. One of our challenges for economic development on the east side between 9R & 9L is the lack of water/sewer services there. We also have a \$2M appropriation

moving through the Florida Legislature which session ends this week. The State which would give us enough funds to complete that water & sewer project. The federal appropriation bills have been finalized in the House. The House & the Senate should have a final vote this week on that, she thought we're pretty much clear to start planning to spend that money. And then this week, we expect the states final budget to come with the \$2.8M appropriations.

George Speake provided an update on the airshow: April 20-21 with the Blue Angels and F-22 Demo Squad and they are working on statics again; they believe they'll have a similar layout to last year. We're going to have a friends and family type event on Saturday for the Board and do a picnic theme with hot dogs & hamburgers. We've got a new logo this year, it does incorporate the Blue Angels and he would show it to the Board when it's finalized.

President Martz explained that we aren't doing the traditional VIP event this year, the Airshow gives us a tent for viewing area and we're hosting a much smaller friends & family event, it will be just the Board and their families. The Seminole County Commission and the Sanford City Commission and some legislators will also be invited. We had used the VIP event as a marketing tool and really weren't getting much of a return on it. A lot of invitees were giving their tickets away and we weren't hitting the target we wanted. It was a pretty expensive event, so we decided to use those dollars to approach marketing in a different way.

George Speake explained on Friday night there will be a pilot social. This year they'll be doing that in our terminal versus the South East Ramp. The event will be held in front of the PV-1. This is a ticketed event that the Board will be invited to.

George explained he has been trying to get the Hurricane Hunters here for Aviation Day. Additionally, Alan Harris, Seminole County ER Mgr. has been working for 4 or 5 years to bring the Hurricane Hunters to Seminole County. Alan was finally successful in getting them to come here, May 10th. The big Hurricane Hunter plane along with NOA Hurricane Hunter and an Air Force Hurricane Hunter which is the C-130 it will be open to the public, there will be some VIP aspects and then they'll also open it up to 2,000 to 3,000 students within certain Seminole County Public School system programs that will get an invitation to come out and get tours and learn about what the Hurricane Hunters do.

9. COUNSEL'S REPORT

Brett Renton updated the Board regarding: PFAS; GOAA; Transition update; Public Records Lawsuit regarding OSI and Burrell.

Brett Renton noted regarding litigation Sanford Airport Authority vs. Orlando Sanford International Airport case #2023CA002912 pursuant to Florida Statute 286.011 Subsection 8, he is requesting that the Board and litigation counsel have a Shade Session to discuss some strategies as well as potential settlement issues. The

Shade Session will be either at the next Board meeting or when it would be convenient to discuss that litigation and next steps.

10. CHAIRMAN'S REPORT

Chairman Dane turned the meeting over to Vice Chairman Robertson.

Vice Chairman Robertson thanked President Martz for sponsoring a table at the Seminole County Prayer Breakfast it was a great event.

11. DISCUSSION AGENDA

- A. Consider ratification of the emergency purchase of ground support equipment from ProFlo Industries.

President Martz explained this is a request that the Board approve and ratify the purchase of a fuel truck. Staff mentioned at the last Board meeting that we have one more fuel truck left to buy, this is that fuel truck. This is an emergency purchase and she included in the staff report that "failure to have the equipment presents the immediate danger to public health, safety, or welfare and will result in other substantial losses to the Authority".

Board Director Ioppolo noted this is necessitated by the fact that OSI stole the other fuel trucks on their departure.

President Martz replied yes, we anticipated having four fuel trucks that we believe should have been left here.

George Speake noted this is a brand new fuel truck that is being made to take place of one of the loaners.

Motion by Board Director Smith, seconded by Board Director Gregg, to (1). Approve and ratify the emergency purchase of a new 7,000-gallon fuel truck from ProFlo Industries. (2) Authorize the President/CEO or designee to execute the appropriate documentation used to facilitate and closeout the purchase. Vote was taken, none opposed. Motion passed unanimously.

- B. Approval and authorization for the President to execute FDEP Grant Agreement #LPA0678 for Construction of a New Stormwater Management System.

President Martz explained this item is a request to approve and authorize execution of a grant agreement, this is the FDEP Grant that she mentioned earlier. It was an appropriation in last year's legislative session for \$750,000 and it will be used to address our Master Stormwater Pond. There is no match for this, so that's the good news.

Motion by Board Director Smith, seconded by Board Director Bentley, to approve and authorize the President to execute FDEP Grant Agreement #LPA0678 for the construction of a new stormwater management system. Vote was taken, none opposed. Motion passed unanimously.

C. Consider approval of the First Amendment to Agreement for Food and Beverage Concession Services.

President Martz stated this is a request to approve the First Amendment to the Agreement for Food and Beverage Concession Services with SSP. The Board entered into an agreement with SSP in April of last year, involving the extension of the contract and the associated \$4M concessions refresh project. One of the components of that was the construction of the Hollerbach's outlet in terminal A. The SSP contract amendment contemplates that Hollerbachs would go into the old Duty Free space and incorporate the smoking deck as an outside space. The smoking deck is in a compromised state, it is not safe for anyone to be on or below it. OSI was notified in 2020 that there was an issue with the smoking deck. We raised the issue again in June 2022. To date, other than putting in some temporary shoring, OSI has done nothing to address the repair or reconstruction of that facility which impacts the ability for the Hollerbach's outlet to go into that space. When we started talking to our concessionaires as part of the transition, we learned that SSP was not aware of an issue with the smoking deck. In order to keep the concession project moving they requested an alternative location, which is the current Bud Tap Room. As you'll recall that was not part of the original concessions refresh, that was an outlet that we intended to try to relet to another concessionaire at another time. OSI's failure to address the smoking deck facility has had an impact on the timing of the project because now SSP has to start over. It also impacts the Authority's ability to lease that concession space to another concessionaire, so we've lost out on an opportunity for additional concession and rent income. There is a significant impact of OSI not addressing the smoking deck.

Board Director Ioppolo noted so their breach of their obligations in repair and maintaining the smoking deck have led to multiple material impacts to our revenue to the performance of the contract because we've lost revenue for the space, we could have rented to somebody else, it's delayed the project and he's sure it's ruined our reputation with the concessionaire.

President Martz explained that's all incorporated in the staff report, there's much more detail in here, thank you to Brett for his assistance in reviewing and helping us prepare that report. Its part of the record.

Board Director Smith inquired if we have any kind of an assessment between design fees, loss of rent, loss of rental square footage, all the associated costs that OSI has cost us because of this problem, can we put any kind of number on this.

President Martz noted that staff is working on it, we'll be able to quantify it, and she expects that it will be significant. We've lost revenue on the delay on the construction, and lost significant future revenue because we had the opportunity to release the Bud Tap Room which is not a small facility. This is an amendment to the contract with SSP, there are three requests 1) move the location of Hollerbach's to the Bud Tap Room; 2) extend the opening date for June of 2024 to November 1st, (just on Hollerbach's and the Nature's Table) and; 3) there was originally a bar contemplated in the Nature's Table site but because there's going to be a bar in the Bud Tap Room, they've asked to remove that component. They will still take the entirety of the space, but they'll remove the bar because there's really not a need for one if you've got one right there at Bud Tap Room. Based on the circumstances we recommend approval.

Brett Renton stated for the record, the fact that this was specifically identified in the notice of termination as a direct result of their failings, and that OIS had been on notice since 2020 with zero commitment by them to repair it. For the record, they have done nothing since termination, never addressed it, never touched it, never tendered money, never gave us a report, never did anything just left the condition in the way it was.

Board Director Smith inquired of Jeremy Owens is the shoring still up under the smoking deck.

Jeremy explained the shoring is still up we're paying for that monthly now, and we're working to get signed sealed documents and permitting for the shoring.

President Martz explained once we have some more information, we'll make some decisions about what's happening with the smoking deck. She said we are fortunate that SSP was willing to pivot on this, they are taking Bud Tap Room, there's additional expense to them though.

Motion by Board Director Smith, seconded by Board Director Bentley, to (1) Approve the First amendment to the Agreement for Food and Beverage Concession Services; and (2) Authorize the President/CEO to execute the associated documents. Vote was taken, none opposed. Motion passed unanimously.

12. OTHER BUSINESS

None.

13. NEXT MEETING REGULAR MEETING (APRIL 2, 2024)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted,



Nicole Martz, Esq., AICP
President & CEO
/lh