

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
MAY 6, 2025
8:30 A.M.**

PRESENT: Clyde H. Robertson, Jr., Chairman (appeared telephonically)
Chick Gregg, Sr., Secretary/Treasurer
Benny Crosby
Jennifer T. Dane
Frank Ioppolo, Jr. (appeared telephonically)
William R. Miller
Stephen P. Smith
Richard Sweat
Brett Renton, Airport General Counsel
Comm. Jay Zembower, County Liaison

ABSENT: Kenneth Bentley, Vice Chairman
Mayor Art Woodruff, City Liaison

STAFF PRESENT: Nicole Martz, President & CEO
George Speake, EVP & Deputy CEO
Shani Beach, Director of Properties & Exec. Initiatives Admin.
Chris Breese, Procurement Analyst
Judy Desrosiers, Property Manager
Stacy Entwistle, Sr., Director of Airline Services
Erroet Figueroa, Ramp Manager
Stephen Fussell, VP & Chief Strategy Officer
Tommy Gentry, Director IT
Kristina Gilmore, Lease Manager/Archivist
Marc Gilotti, SAAPD Chief
Renato Goncalves, Assistant Director of Airline Services
Lori Hunt, Executive Assistant
Danette Maybin, HR Director
Katee Mathis, Interim CFO
Bryon Morgan, SMS Director
Jeremy Owens, VP & Chief Development Officer
Lauren Rowe, Communications Director
Julie Sawyer, Executive Assistant
Rick Shea, VP of Operations & COO
Roberta Stanton, Director of Procurement
Raul Veizaga, Marketing Manager
Shawn Ziegler, SAAPD Captain

OTHERS PRESENT: Amanda Ashby
Sonya Brauer, SER

Gui Cunha, Seminole County Tourism
Tracy Garcia, OEP
Thomas Hanley, Million Air
Will Hawthorne, CFX
Joe Jerkins, FDOT
Kristen Mathesen
Allison McCuddy, FDOT
Genean McKinnon
Paul Partyka, NAI Realvest
Sebastian Robledo
Jerry Roth, Hill Dermaceuticals
Doug Saunders, C&S
Sam Siracuse, PPK
Brian Smith, PPK
Lucy Taylor, FDOT
Skyler Taylor
Robert Utsey, ZHA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE
2. ADVERTISEMENT OF MONTHLY MEETING

Copies attached.

3. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD ON (APRIL 1, 2025)

Motion by Board Director Smith, seconded by Board Director Crosby, to approve the minutes of the Regular Meeting held on April 1, 2025. Vote was taken, none opposed. Motion passed unanimously.

4. SCHOLARSHIP PRESENTATIONS

George Speake presented a \$2,500 scholarship check to Seminole High School student Abigail Tiffany. Abigail will be attending Florida Institute of Technology pursuing a BS in Aeronautical Science with Flight. Abigail is pursuing a career field as a pilot putting her in a very rare class as only 5% of commercial pilots are women.

George Speake presented a \$2,500 scholarship check to Seminole High School student Sebastian Robledo. Sebastian will be attending University of North Dakota pursuing a Commercial Aviation Degree. Sebastian has his private pilot license test scheduled for May 29th.

5. CFX SR 417 SANFORD AIRPORT CONNECTOR PD&E PRESENTATION

Will Hawthorne, CFX Director of Transportation Planning & Policy presented a SR 417 Sanford Airport Connector PD&E presentation.

- Background
- Corridor History
- Purpose and Need
- PD&E Study Alternatives
- Yearly 2050 Daily Traffic
- Alignment 2 Refinement
 - Proposed Connector Typical Section (2 lane)
 - Proposed Bridge Typical Section
 - Proposed Interchange at East Lake Mary Blvd.
- Refined Alternatives Evaluation Matrix
- Refined Alternatives Public Workshop
- Agency Stakeholder Input
- PD&E Study Schedule

President Martz thanked Will Hawthorne for making the presentation and noted that at every SAA Board meeting SR 417 Airport Connector is discussed.

Will Hawthorne thanked President Martz and George Speake as they have been very helpful in providing feedback to CFX. He explained that the PD&E Study began in May 2024.

At the heart of every PD&E is a purpose & need statement, this is justification for what the proposed improvement would be. The development in this area has been going gangbusters, the Airport has pretty big plans and with all of that comes additional strain on the traffic network. This facility is looking at primarily relieving East Lake Mary Blvd. The study projected what traffic will in 2050.

Mr. Hawthorne reviewed the history and details of the aligned alternatives explaining that the CFX team has removed the proposed alternatives.

Alignments 2 & 2A these alignments are very similar, 2A does have a slight deduction in environment impacts but it does have an increase in residential impacts. Not only that it's about \$7M more expensive. With a project of this scale that's not enough to move the needle. These projects you're talking upward of \$200M so \$7M just doesn't do it.

Mr. Hawthorne discussed stakeholder outreach noting that at a recent public alternatives meeting there were over 100 attending and almost 100 virtual attendees. They also sent out a survey and had over 400 responses. The survey results were pretty mixed, and about half of them recognized there is a need for improvement if you travel East Lake Mary Blvd. Mr. Hawthorne explained that timing of the study noting that they have a relatively tight

schedule for something like this; it's just over a year. CFX will have a public hearing in July of this year, and then he will be presenting this to the CFX Board in August. That will be "go/no-go" for this project determining if it does move forward to design or it goes on to the shelf.

Chairman Zembower asked Mr. Hawthorne to talk about the lack of southbound exits coming off of 417, distance between the existing interchange and the proposed interchange option at Red Cleveland Blvd. and what that will allow to occur later in time.

Mr. Hawthorne explained that the proposed alignments involve travel to and from the south, as that's where the majority of travel demand is. To do ramps to the north you're talking minimum of another \$200M and the demand just doesn't justify that now. Alignment 2A does allow that better spacing between this interchange and does not preclude adding northbound on-ramps in the future. Alignment 2 doesn't necessarily preclude it either, but it makes it very difficult and costly to do that if traffic patterns change in the future. We do realize that traffic patterns can and do shift, and while we don't show the demand being there today, it could shift in the future. That was something that we didn't want to preclude and keep the option there and in the future. So again, if you live down in Oviedo you'd be able to come north on 417 and have a direct ramp into the Airport or turn the corner onto E Lake Mary Blvd. and head to points north and east from here.

Chairman Zembower felt that alignment 2A promotes the fact that we would be able to eventually get a southbound exit in that split between the two interchanges.

Mr. Hawthorne noted he's going to be heading to Florida Turnpike Enterprise right after this to talk with them about that interchange and other things. Alignment 2A does allow for future connectivity to exit heading south and then on-ramps heading north.

Chairman Zembower appreciated CFX taking this on, and explained the Board of County Commission drafted a letter for this request almost five years ago, and here we are, that's good work.

Board Director Sweat inquired of Mr. Hawthorne if there was a feeling one way or the other as to which option would be more favorable.

Will responded from CFX's perspective we don't get tax dollars, gas tax or anything like that - funding comes straight from the system. There is a revenue staff has to hit in order to make a recommendation to move forward; the Board can overrule us and do what they choose. Staff is currently assessing revenues in a 30-40 year time period he expects that in the next couple of weeks.

President Martz inquired of Mr. Hawthorne that at the last advisory meeting it was discussed what this Board could do to support this project and a Resolution was suggested. This Board did do a Resolution in support when we were doing the initial feasibility study. And she asked is that something that would be helpful now.

Will replied that he thought anything and everything would help. The County did their request he presented to them two weeks ago, there's a lot of interest. The stakeholders understand that something like this is needed; these projects are getting expensive. We've seen project costs go up 30-40% it's really going to come down to dollars on this, but a resolution would certainly help.

Board Director Smith inquired from Mr. Hawthorne from a financial standpoint how does CFX adjust where is that breakeven is it worth doing, is there so much revenue has to come off this road over a certain amount of time?

Will explained per the PD&E of this nature its usually, it has to be "bondable" per se. They bond against the entire workplan system. But the general rule of thumb; is that the project would need this to pay for half of itself in 30-40 years. That's the exercise we're going through now to see if it meets that and hits that threshold. And if it doesn't that's when we start talking about partnerships to bring that threshold that viability even lower, those really start to move the needle.

President Martz asked Chairman Zembower if there is money in the one cent sales tax.

Chairman Zembower replied yes.

Board Director Miller inquired if there is a gross estimate of the dollars that CFX is looking at.

Will noted it's coming in around \$200M for two miles, so \$100M per mile is what we're looking at.

Board Director Gregg stated hopefully, the local citizens that drive up Lake Mary Blvd. see the traffic and what has happened to it the last two years would appreciate this coming off and he thought they'd definitely need to understand that's what it's going to do.

Will explained that public meetings are interesting they have a lot of ideas. CFX has good consultants that have been doing this for 80 years, since the interstate system has been around. He thought that people are going to

come around to see that something needs to be done. He added that the Airport also has some pretty grand plans. And he noted that we are one of the only airports in our category that doesn't have direct ramps per se, which is unusual. Things are starting to line up we've just got to get the viability.

President Martz stressed that it's not just the Airport though driving the need for relief. The first slide that you put up showed the need and the significant amount of growth on Lake Mary Blvd. She stated she just hoped that the public understands that something is going to have to be done. If it's not this, it will be another project and it will be locally funded.

Chairman Zembower said the County has tried to communicate that to the public and added what everyone is missing is 415 coming out of Volusia there is another 15,000-20,000 homes to be built that are going to come right down 415 eventually they've got to get to Orlando somehow, guess where they're going to come Lake Mary Blvd.

Board Director Smith noted that he and Will had that conversation regarding Volusia County and he said you have to be looking at the other side of the bridge because there is a lot going on over there.

Will replied that is part of our traffic analysis that we've done. And your right it's not just the Airport it's really the E Lake Mary Blvd. reliever because just in this study area, over 1,000 homes coming in the next year. That's substantial.

6. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff was not in attendance.

B. Seminole County

Chairman Zembower reported: 1) Projects coming through the Development Review Committee in and around the airport: Keller Outdoor Landscaping, special exception for landscaping contractor on 6.23 acres A1 zoning district located on the East side of Ohio Avenue, south of Marquette Avenue that will be coming through the process in the next couple of months; Sanford Pre-Application proposed site plan for driveway connections for a gas station on 2.98 acres to 7/11 in the A1 zoning district, located on the SE corner of E. Lake Mary Blvd. & Skyway Drive; 2) Midway Drainage Basin took down the last two parcels for right of way for drainage encroachments that will help the Airport as the drainage flows towards the St. Johns; 3) The County is kicking off Budget Sessions, this is the first year they are in a budget area in excess \$1B approximately.

Discussion regarding Tallahassee talking about eliminating property taxes and going after a 10% sales tax.

Chairman Zembower replied the problem is property taxes for most counties fund about 85-87% of all services that citizens get so if we don't have that, then we have to have that replaced. The argument is if you change to a sales tax driven thing you know you get people that don't live here they're helping pay for it and that's great but he thinks what they are doing right now is the appropriate thing is go study it and come back and make a determination. You know you spend 54% of all dollar rates for public safety so that's over half. Whether it ever happens he didn't know if they can find any realistic models to do that; but we still have to fund the services for our counties and cities. He just didn't think they understand how impactful can that be at a local level. The other thing that we did push back on this year, and there seems to be an ongoing desire to overrule home rule which we have here in Seminole County and they made two runs this year at trying to impact our rural boundary again. We have to be vigilant that these last amendments that go into these otherwise innocuous bills don't impact the citizens of this county.

Chairman Robertson addressed Chairman Zembower and said he takes Smithsonian Magazine and they have a 20 page article in there from Visit Florida "the Undiscovered Florida" and everything around Central Florida was mentioned except Seminole County. He asked Chairman Zembower to check into that and see why Seminole County didn't want to do that just for information.

Chairman Zembower replied he would check into that.

7. COMMENTS FROM THE PUBLIC

None.

8. CONSENT AGENDA

- A. Consider approval of Resolution 2025-05 for the Amendment to Extension of Public Transportation Grant Agreement for FDOT PTGA FM#437713-2-94-01 associated with the FIS Improvements.
- B. Consider approval of Lease No. 2025-054 for the Orlando Sanford Flying Club, building #413 located at 1910 E. Airport Blvd., Sanford, FL 32773.
- C. Consider approval of Lease No. 2025-058 for Real Deal Steel LLC, Building #410 located at 1220 30th Street, Sanford, FL 32773.
- D. Consider approval of a Non-Exclusive, Non-Binding Letter of Intent with O3 Worldwide Inc. Regarding development at Orlando Sanford International Airport.
- E. Ratify Revised Air Carrier Incentive Program.

- F. Consider extending the Letter of Intent to lease up to 66.7 acres to EPC Aerospace for development of an Aircraft Modification and Maintenance Center.

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

9. PRESIDENT'S REPORT

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

- Runway 9L Rehabilitation – Mainline paving mostly complete, blast pad removal ongoing, Twy K1 removal beginning this month, airfield electrical continues – Q4 completion anticipated;
- Stormwater Master Plan Update: WMD submittal this week;
- Taxiway A Rehabilitation: Field work begins Q2;
- Remote Parking Lot: Awaiting NTP, estimated 6/1;
- Stormwater Pond Improvements: Plan production underway to 90%;
- Midfield Water & Sewer Project: Surveying and geotechnical underway. Concept design underway;
- ARFF Truck 1,500: Awaiting FAA Grant (July/Aug) – 18 months from NTP;
- Wildlife Project – Phase I (Twy B/B7): Awaiting FAA Grant (July/Aug);
- ALP Update with Narrative: Awaiting FAA Grant (June/July).

Terminal Projects:

- Hudson Retail – 30% plans reviewed by staff;
- FIS Renovations – Flooring and Paint in Progress;
- Secure Corridor Removal (Terminal West) – Closeout process underway;
- Terminal Ramp Improvements – Asphalt complete, final striping ongoing, concrete inlet remaining;
- Generator Replacement (Admin/PBB) – Awaiting updated install date from supplier;
- Chiller 2 Replacement – Finished this week; and
- Elevator 1 Modernization – Underway.

Discussion regarding when the FIS Renovations project would be completed. The project will be “fully completed” probably another six months. Customs thought the primary & secondary should be back open within a week or two.

Discussion regarding the artificial turf project and also how well the turf is holding up. George Speake explained there are higher priority projects because of runway pavement but it is still an option.

Paul Partyka, NAI Realvest informed the Board Wednesday at PBAS he is moderating a panel of the Legislators of Seminole County: Banson, Smith, Plakon, and Brodeur. He encouraged the Board Directors to attend PBAS.

Mr. Partyka updated the Board regarding Development & Real Estate Activity: 1) Inlight Development & Foundry both have basically stopped negotiations due to FAA maximum acceptable terms on ground leases. The good news on that is we're working through Congressional context. 2) Diversified phase I was already approved and they are now working on phase II which is mixed use on E. Lake Mary Blvd. 3) O3 their plan is to be an aviation city, involving pilot training. 4) In terms of two other things UCF is basically agreed to our terms but they need a budget. The VP UCF Real Estate called him and said they have another project for us that's going to be bigger than this one and it will be in the same location as the dormitory building and he's waiting on the criteria on that. 5) The "confidential" big company that is hoping to negotiate a lease for power testing on Aviation Loop is just waiting for budget approval from the main company. 6) ABS has decided to hold back on building their additional facility. The good news is that they fixed the road out there, but we're hopeful that they come back in the next year or two in terms of the economy coming back.

President Martz updated the Board regarding O3, explaining that there was a letter of intent regarding this project on the Consent Agenda. This is a very interesting concept using foreign investment visas. They have been working with Acron Flight Academy to try to move that facility to the south runway. They have big plans even beyond the flight academy; we'll keep you updated. The UCF project as Paul mentioned we're working with them to go into the dormitory building. It's currently under lease with Acron so that will take a transition. It's a great opportunity financially and would bring the type of activity we like to see out in the Commerce Park.

Board Director Dane inquired on the confidential project that President Martz mentioned is that going forward, have we negotiated the terms or just waiting on funding on their end.

Paul Partyka replied everything is moving forward, they actually have gotten an access agreement with us that's signed, they are already doing preliminary due diligence work.

President Martz thought that one is going to happen.

Chairman Zembower inquired if it would make sense that UCF draft a letter of support for the extension.

President Martz replied we'll take letters of support from anyone.

Chairman Zembower said if UCF is going to locate here, he could call Fred Kittinger.

President Martz thought that was great, and if the timing works out this other company that we consider the confidential project we'll probably get to have a letter from them too.

Paul Partyka offered to contact the VP of Real Estate, UCF as well as Fred Kittinger, and we'll get some letters out there.

Robert Utsey, ZHA updated the Board: 1) One of our strategic goals years ago was to develop a work force center of excellence platform out here and we're getting very close. The UCF projects are going to be bigger then what was originally scheduled. He added that we're also talking with Seminole State about some other programs at present. Think about UCF, Seminole State, Career Source and a few others and we'll have what we were planning to have, and that will help us attract companies as we'll have workforce development here. In addition to what Paul spoke about we're still in the consideration set for 14 economic projects that are here in concert with Dept. of Commerce & OEP, they are still active and open. At the MRO Americas Conference we got some good leads and we already followed up on that.

George Speake noted that Jeremy, Shani and he all went to the MRO Americas Conference; it's the third time the Airport has participated. There are people there looking to potentially re-locate and put new development at Airports. He got some prospects at the conference which he turned over to Robert and he'll be reaching out to them following up with them. PPK was there as well. He thought it's an event we should keep going to, the next two years it's in Orlando.

Robert Utsey informed the Board that OEP is going to represent us at the Paris Air Show next month. A couple of other things, OEP has a two year initiative called Development Initiative for Regional Transportation. It's a program where they are going to focus on development ready sites in the region, and our Airport is one of the focuses for that group. And then because of what's happening with tariffs and foreign trade zones are becoming very relevant, which is what we are here; he Tracey & Paul had a call yesterday with an FTZ Broker that they met with at the FTZ workshop last year and so we're beginning to put together a strategy where we can get in the game. And they have another meeting with OEP and a representative with the Commerce International Trade Office later this week to refine that strategy to get in the game on FTZ.

Interim Chief Financial Officer

Katee Mathis, Interim Chief Financial Officer, shared the following information:

- March 2025 Dashboard; March passenger count 324,000 which is a 7% increase over March 2024 noting that we still had international traffic last March and 12% over the initial forecast for March.
- ATM's: We have rebounded from the beginning of the year. We were 10% down and we're pretty much to forecast now primarily due to March Spring Break.
- Operating Revenues: Aviation rents we have a positive variance from last month. Last month we were at 3.2% negative and this month we are at negative 1.3% we are moving in the right direction.
- Fuel Flowage: Activity for March was significant due to Spring Breakers coming into town.
- Airfield Revenue: Positive variance we had a negative 6% at the beginning of the year, so we've closed on that.
- Ground Transportation: Probably around quarter 3 when we have a good trend in the increase of our ground transportation going from \$2.25 to \$4.25 for Uber Lyft we'll probably do a Board Amendment. We just want to get a good trend for about a year so we're looking at it currently.
- Terminal Revenue: Are closing in with just a negative 1.9%. There is the increase in activity primarily due to March's uptick. We are still dealing with a little bit of ARPA funding. We're hoping that by end of this fiscal year we'll pull this off the ledger.
- Parking: Mainly due to the cut over from the old system to the new system, had a couple of lots go down, some slight technical difficulties and trouble shooting when they were re-opening the lots and they are slowly running now so that should even out.

There was discussion regarding parking contract and if there is a loss of revenue due to the system going down is there any compensation from the company.

Katee replied she believes that is part of the contract based on the percentage of the loss of revenue.

President Martz clarified the parking lot was down due to the conversion to new equipment. We took the old system off line as we were installing the new system, so there was no payment system in place during the transition from lot to lot. She reminded the Board that on the new system we aren't paying the 8% management fee that we paid on the last system, so we expect some gains on that.

George Speake added the passenger traffic is up and it looks like it will stay that way through the summer based on Allegiant's schedule, although it doesn't guarantee passengers will buy the tickets. These past two weekends we've had to close the garage and long-term because those lots filled up. He said he would not be surprised that we're in overflow parking some weekends this summer, which we've been trying avoid. But that is a good thing revenue-wise

when that happens because then that means more cars. And the new parking lot will help a lot.

Board Director Dane inquired if Allegiant has moved to its new fleet completely.

George Speake noted that transition will take a number of years especially with Boeing slow roll out of aircraft. We have five based here now. They are continuing to taking deliveries but they don't anticipate basing any more than the five here right now so we'll keep the Airbus fleet. The Boeings hold about 12-15 more passengers than the others, so you may see frequency decrease on a destination because they are flying with Boeing and getting more passengers there, it's not a 1-1.

Discussion regarding the parking garage-have all the repairs been completed? There are a few other small projects that need to happen there, however is safe, it is operating as it should. Some projects that were not completed and OSI is obligated to do that. The number of available parking spaces in the garage have not been reduced.

- Procurement Dashboard: 1) Solicitation Responses Due: Baggage Handling Systems (BHS) Preventative Maintenance, Repairs, and Inspections. HVAC Chillers & Water Circulating Pumps Preventative Maintenance, Repairs, and Inspections; 2) New Solicitations: Kidney Pond Construction, Invitation to Bid, May.
- Finance and Administration Updates: FYE24 Audit expected to be completed in May; Budget development in process.
- Operating Income: Salaries are flat to Budget which is mainly due to no holiday's in March, which has been a driver for salaries & budget at the beginning of our fiscal year. Admin. banking fees and the timing of trainings across ARFF and Airline Services Dept. drove this category a little bit up, but that variance will be closing tentative to the fiscal year due to the nature of when we have to do these trainings.
- Professional Contract Services: 6.5% negative variance and this is mainly due to legal fees associated with multiple items going on. Parking management is being normalized and some costs associated with the fuel farm and fuel truck rentals.
- Repairs & Maintenance: this is the last week we will have the rental chiller, so when it drops off we will see a substantial change in repairs & maintenance for the rest of the year.

Discussion regarding the cost of the rental chiller. The cost is \$9,000 per week, And has had a significant impact, which is one of the deferred maintenance issues from OSI.

Interest Revenue: Still about 4.4-4.5% so we are going to leverage that as much as possible. We are starting the remote parking lot so it's going to be a

large construction program going on but leveraging of our investments is going to help us on that as much as it can. The investment income the adjusted net would be \$842,000 net income heading into April.

President Martz commented we've had some great numbers the last month, we expect some great numbers this summer. We are optimistic, but a bit guarded. She shared some news articles with the Board so they can see what staff is reading every day about the economic uncertainty impact on travel, which of course will impact us. We have seen a scale back on Allegiant's schedule from what they had given us previously. The good news is that for domestic we're flat. She realized that's not where we want to be but that is something. Domestic travel is not seeing the same declines as international traffic. She just wanted the Board to know what the news is in the industry.

George added that today Allegiant released its winter schedule, it's flat over winter which is not a bad thing based on what the industry is doing. There are 4 destinations that are being removed, we were already aware of those: Bismark, Grand Forks, Minot, and Rapid City. Allegiant told us well in advance that those were being dropped.

President Martz noted we are continuing to hit air service development as hard as we can but she wanted the Board to understand the environment that we're working in with respect to that. Which is all the more reason staff is spending a lot of time and resources on the real estate program. We think that is going to carry the day as we move forward.

Katee Mathis added the Audit is still happening and she has asked Lori to set up Budget Development meetings one on one with each of the Board Directors. The Budget Workshop is June 24th.

Miscellaneous – Communications

Lauren Rowe, Communications Director, updated the Board regarding: 1) Strategic Marketing Plan: Consultants are coming in to town and will start working on the Strategic Marketing Plan and are expected to have a plan in 90 days; 2) Allegiant's Inaugural Flight to Columbia, SC. May 15th; 3) Save the Date Allegiant's 20th Anniversary at SFB – May 19th @ 10:30 a.m.; 4) Next Honor Flight: Central Florida Honor Flight – May 17th & May 28th; 5) Ship Sticks, filmed a commercial in the terminal; and 6) Social Media.

Chairman Robertson referenced the Sanford Chamber of Commerce Newsletter & Update and the incredible article that Tricia Feliu, Director Sanford Chamber wrote about our Airport and a recent Chamber event that was held at the Airport.

10. COUNSEL'S REPORT

Brett Renton updated the Board regarding: 1) OSI TBI Litigation; 2) GOAA; 3) PFAS; and 4) FAA & Administration changed grant assurances restricting certain programs, putting new obligations in and how that will impact and how can we certify those things are in the TBD. For our Airport we should be in a pretty good position, the staff has done a good job to get ahead of a lot of things.

11. CHAIRMAN'S REPORT

Board Director Gregg noted after seeing the 417 Airport Connector PD&E Report and explanation he is encouraged by it. He commented that after driving out here in the morning and driving home in the afternoon, it is unbelievable what's happening here with the traffic, we really need that badly and he's sure everyone agrees with it.

Chairman Zembower stated one thing on that note that he didn't share, he met with the district 5 Superintendent FDOT and there is currently a study taking place on SR46 with just prior to the bridge going into Volusia County where it flooded due to the hurricanes a few years ago. He has also asked them to pick up another study from SR415 all the way past Geneva to Jungle Road. He explained all the traffic backups at the intersection of E. Lake Mary Blvd SR415 & SR46, the County has asked Law Enforcement to try to look at that, and we've changed the signaling on that road as well at Celery Avenue.

Board Director Sweat asked if we look at potential new airline service going forward is that considered in any of the models looking at traffic.

President Martz explained we do an estimate every year on growth it is typically dominated by Allegiant. We do try to consider new airline growth, based on what we know. In fact, we just asked our Air Service Development Consultant to do a model business plan for the next 10 years for International service.

Board Director Sweat noted with a 87% increase in enplanements who doesn't want that, and if we get two more airlines, we're up 300% in a matter of years.

President Martz replied if we get another airline they won't come in of course at the same level as Allegiant is now. So those numbers that the expressway authority is using is from the (Terminal Area Forecast) which is a projection that the FAA develops. Their calculus is good for us from a projection standpoint. We our own projections based on what we know and what we are working on when we do our annual budget. We estimate growth based on the schedules that we have.

Chairman Zembower explained CFX is already taking that into consideration for the modeling, that has been a topic of discussion knowing this airport is going to expand and is going to definitely bring other airlines in. It's a matter of when.

President Martz thought the numbers that they used the TAF numbers are good numbers for us. She added CBP has asked for our business plan projections so we are working with our Air Service Consultants to try to get a better number but we do it on a more incremental basis when putting together our budget.

12. DISCUSSION AGENDA

A. [Withdrawn] Consider Proposal from Hill Dermaceuticals re: Expansion and Ground Lease Extension.

Board Director Gregg explained a letter was received on Discussion Agenda item A from the tenant requesting this item be pulled from the Agenda.

B. Approval of FY25 Capital Expense Budget Deferred Maintenance Amendment.

Katee Mathis, noted this item is the Approval of FY25 Capital Expense Budget Deferred Maintenance Amendment. This item is related to deferred maintenance. The Board approved \$2.6M in FY25 Budget for deferred maintenance, we have gotten authorization from FDOT for the use of State Grant funds to support some high priority deferred maintenance projects. The total of the Grants is \$875,040 for the Observation Deck, Replacement of Chiller 2, Welcome Center Elevator and another Chiller Replacement. Staff is requesting a budget amendment for the deferred maintenance from \$2,600,000 to \$3,457,040. This amendment keeps the original \$2.6M allowing us to redirect funds to other deferred maintenance issues. Fiscally it really isn't increasing the approved budget for SAA funds; we are just adding the grant funds to address deferred maintenance. The other item included in this Agenda item is funding for an Airport Rotating Beacon in the Commerce Park. This beacon unexpectedly quit working and is an FAA requirement. The cost to replace it is just under \$20,000 and is an emergency capital expense. This item will be funded with remnant dollars from the budgeted vehicle replacement program. Phase I of Vehicle Program that was budgeted and approved for \$350,000. We were able to get the necessary vehicles for less than \$300,000. This leaves us just over \$50,000 in that budget so we were going to use \$19,953 of those funds, to purchase the Beacon so there is no net fiscal effect. We are requesting approval for the increase in Capital Budget for Deferred Maintenance and the Beacon.

Motion by Board Director Smith, seconded by Board Director Miller to approve 1) Amending the FY2024-2025 Capital Budget to \$3,457,040 funded by a combination of FDOT grants (\$857,040) and unrestricted SAA funds; 2) Approval and authorization the emergency capital expense of \$19,953.18 for the purchase of a replacement Airport Rotating LED Beacon, to be funded from the remaining balance of the approved FY25 SAA Vehicle Program-Phase I budget. Vote was taken, none opposed. Motion passed unanimously.

C. Consider approval of Lease 2025-060 with PPK Aviation SFB Alpha, LLC.

President Martz informed the Board this is the long awaited PPK lease for 36 acres on the north side of Runway 9L. The Board previously approved an LOI with PPK, we are finally able to bring it across the finish line. Through negotiations the original property boundaries in the LOI shifted a little bit. The Burrell piece was just west of Avocet but not directly adjacent. The subject site is now directly adjacent to the Avocet property. It's a little more efficient, as they can utilize the same access points and still involves the same amount of property. The proposed use of that would be corporate hangars and potential MRO facilities exactly the type of uses we're looking for on the airfield.

President Martz noted a couple of unique elements to this lease. First, because there is no access to 9L for this piece of property; this lease is tied to our extension of Taxiway A project. The timing of when rent commences is partly tied to access to the taxiway. The rent will commence either when they start operating the business out on the property or when they have access to 9L. We anticipate the annual rent payments to start at \$600,000 and change; it's a meaningful rent level.

The other element related to Taxiway A is a condition that stipulates if the Airport does not start construction on Taxiway A the Taxiway Extension by March 1, 2027; PPK has a one-time opportunity to be released. Another provision in the lease that's a little bit unusual relates to the developer's belief is that they will require some assistance for the construction of the ramp. There is a significant ramp that will need to be developed whether they do an MRO Facility or corporate hangars. The estimated cost is a \$6M. They believe they need \$3M for assistance to make the project viable. Initially they were looking at potentially using part of our FDOT funds for that, we're not especially keen on that idea, so we did help them find another opportunity for grant funding through the Florida Department of Commerce. This lease requires PPK to apply for the grant assistance 90 days from the time the lease is executed. Additionally, if the grant funding isn't received within 180 days of the execution of the grant PPK has another opportunity to step away from the lease. This is a one-time short window of opportunity to do that. There are some release valves in this lease because there is risk in that they're the first group to pursue development on the Taxiway A Extension. Those are the kind of significant deviations from what you normally see on a ground lease. We're really excited about it we think this is a great opportunity.

President Martz updated the Board on the Taxiway Project. We are waiting the final thumbs up on the design grant.

Discussion regarding joint use of the ramp adjacent to Avocet in lieu of us putting a whole taxiway in. Staff responded they could but it would be complicated. George Speake explained Avocet's taxiway connection is moving to the east side of their ramp because it does meet current FAA standards, so when we do the overlay on Taxiway Alpha we have to move where that connection point is which means PPK would have to transit all the way across the ramp adjacent to Avocet to get to that

taxiway connector. A lot of planes have to get moved all those kind of things. It shouldn't be an issue we're going to get this taxiway done. And worst case scenario we actually could do a direct connection off of this.

President Martz reiterated but the Taxiway is obviously a priority project for us but it's also helping PPK be able to construct an MRO facility or some other facility so we'll work with them as much as possible.

Motion by Board Director Dane, seconded by Board Director Smith to 1) Approve Lease No. 2025-060 with PPK Aviation SFB Alpha, LLC.; 2) Authorize SAA President to execute necessary documents. Motion passed unanimously.

D. Approval of the Air Carrier Incentive Program agreement with Allegiant.

President Martz stated that Lauren mentioned earlier in the meeting that Allegiant has a new destination for which service will initialize on May 16th. This item is the incentive agreement associated with that new service and is consistent with the incentive terms that the Board approved earlier at this meeting. It waives landing and terminal fees along with some other various fees for two years and also provides a \$16,000 marketing incentive. This is a new destination for Allegiant, and we're pleased to be a part of that new operation to Columbia, S.C.

Motion by Board Director Dane, seconded by Board Director Smith to Approve and Authorize the President and CEO to execute the Air Carrier Incentive Program Agreement with Allegiant Airlines. Vote was taken, none opposed. Motion passed unanimously.

E. Approval and authorization of Emergency Capital expense for Airport Rotating LED Beacon.

President Martz noted this is the beacon that Katee Mathis mentioned earlier has failed and we need to make an emergency purchase. This is a capital item, and we are asking the Board's authorization to make an emergency purchase.

Motion by Board Director Smith, seconded by Board Director Dane to for Approval and authorization of the emergency capital expense of \$19,953.18 for the purchase of a replacement Airport Rotating LED Beacon, to be funded from the remaining balance of the approved FY25 SAA Vehicle Program – Phase 1 budget. Vote was taken, none opposed. Motion passed unanimously.

13. OTHER BUSINESS

Board Director Crosby inquired if we have any recent outreach to cargo carriers, UPS or FEDEX.

President Martz answered that we have not had outreach with either.

George Speake updated the Board there's a multi-national group that is trying to increase its stature in the cargo world and Robert Utsey and he are working on outreach to them to see if there is any interest to them in Sanford.

14. NEXT MEETING REGULAR BOARD MEETING (JUNE 3, 2025) AND BUDGET WORK SESSION (JUNE 24, 2026)

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:17 a.m.

Respectfully submitted,

Nicole Martz, Esq., AICP
President & CEO

/lh

A handwritten signature in blue ink, appearing to read 'Nicole Martz', with a stylized flourish extending from the end.