

**MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
SEPTEMBER 2, 2025
8:30 A.M.**

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

ABSENT: Stephen P. Smith
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
Stephen Fussell, VP & Chief Strategy Officer
Tommy Gentry, Director IT
Marc Gilotti, SAAPD Chief
Lori Hunt, Executive Assistant
Katee Mathis, Interim CFO
Chris Metro, Financial Operations Manager
Bryon Morgan, SMS Director
Jeremy Owens, VP & Chief Development Officer
Roberta Stanton, Director of Procurement
Jennifer Taylor, VP & Chief Commercial Officer
Raul Veizaga, Marketing Manager

OTHERS PRESENT: Gui Cunha, Director of Economic Dev. & Tourism
Christian Drouin, Flexjet
Tracy Garcia, OEP
Nick Hogan, Kimley-Horn
Joseph Jerkins, FDOT
Genean McKinnon
Paul Partyka, NAI Realvest
Doug Saunders, C&S Companies

Greg Smith, Million Air
Craig Sucich, RS&H
Luci Taylor, FDOT

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 9, 2025)

Motion by Board Director Ioppolo, seconded by Board Director Gregg, to approve the minutes of the Regular Meeting held on August 9, 2025. Vote was taken, none opposed. Motion passed unanimously.

4. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff was not in attendance.

B. Seminole County

Chairman Zembower updated the Board regarding: 1) TDC & TID meetings were held the last two weeks; 2) TDT is on track for record high collections; 3) Boombah sports Complex field turfing construction has begun and is expected to conclude in December; 4) Economic Development has been working on multiple inquiries regarding development at or around the Airport. Robert Utsey is contacted on potential opportunities; 5) Tourism is taking part in a marketing partnership with the Airport and Arjet on a marketing campaign expected to begin in the coming weeks; and 6) Parks & Recreation an update on the next step of the Indoor Complex development includes: waiting for a RFP to come in for Facility Programming Services. The RFP outlines the need for services required to assist the BCC and County staff to determine the appropriate size of the facility, refinement of the proforma already created for the project, and establish an appropriate proposed project budget. The County's selection committee will begin proposal evaluations next week. As a part of that process, the County will determine which proposers to interview and provide a final recommendation of selection with final approval of selection given by the BCC.

Chairman Zembower added the County is looking forward to the kick off of Scout Micromobility starting October 1st, everything is on track to get started and the County is excited the Airport will be part of that process.

Vice Chairman Bentley requested an update on the five cent gas tax that Seminole County has implemented.

Chairman Zembower updated the Board that the five cent gas tax is going to help the County take money that has been spent from the General Fund for transportation and use it for other purposes. For years, the County has been supplementing the transportation needs from the General Fund. All of our constitutional officers including the Sheriff have come in with an increase in their budgets to as much as 16% when the County Commission has held theirs to 1.3% and we have to find a way to fund transportation needs.

Board Director Dane inquired of Chairman Zembower which transportation is the five cents gas tax going towards, is it Sunrail?

Chairman Zembower replied the five cent additional gas tax is only to be used for transportation needs. Sunrail would be one of those. The County assumed the cost of Sunrail last year. The additional cost that will be assumed over the next year will be the operating & maintenance side of that.

Vice Chairman Bentley inquired what is the new name of mass transit in Seminole County.

Chairman Zembower replied Scout.

Vice Chairman Bentley asked so people just call now and they come to your door?

Chairman Zembower replied they can call or use the app. It is preferred that they use the app, a campaign is going to be rolled out once the app is completed. The intent is to reach out to all the existing riders and push it out through social media throughout the County.

President Martz referenced the Advertising Contract for Arajat that Chairman Zembower mentioned. She explained that the Authority is partnering with the County and the County will contribute \$30,000 towards advertising & promoting the new Arajat service. This is an amazing partnership, EVOK Advertising is working with them. The Authority is grateful for the partnership and President Martz thanked the County.

Chairman Zembower replied whatever helps the Airport helps the County.

President Martz also thanked Gui Cunha, Seminole County Director of Economic Development & Tourism who was in attendance.

5. COMMENTS FROM THE PUBLIC

None.

6. CONSENT AGENDA

- A. Consider and Authorize the Disposal of Surplus Equipment Listed in Attachment A Through Gideon Auctioneers.
- B. Consider approval of Change Order #1 to Work Order 2025-MC0-01 with Mark Construction for the Observation Deck Repairs.

Motion by Board Director Ioppolo, seconded by Board Director Crosby, to approve Consent Agenda items A-B. Vote was taken, none opposed. Motion passed unanimously.

7. 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:

- Stormwater Master Plan Update: WMD review underway;
- Runway 9L Rehabilitation: Intersection work scheduled this week-Q4 completion anticipated;
- Taxiway A Rehabilitation: Paving started last week. RSA work starts this week;
- Remote Parking Lot: Work starts 9/15;
- Stormwater Pond Improvements: WMD Review. Q4 bidding anticipated;
- Midfield Water & Sewer Project: Working towards 60%;
- ARFF Truck 1,500 Gallon – (FAA) 3/2027 ETA;
- ARFF Truck 1,500 Gallon (FL) – 9/2026 ETA;
- Wildlife Project – Phase 1 (Twy B/B7) – Work Starts December;
- ALP Update with Narrative – Data collection continues;

Terminal Projects:

- Hudson Retail – Work has begun;
- FIS Renovations – Flooring and Paint cleanup remaining, HVAC being scheduled;
- Generator Replacement (Admin/PBB) – December est. install;
- Observation Deck – Steele work complete, working on drainage, caulking and cleanup;
- Elevator 10 (Welcome Center) Modernization – Awaiting updated schedule from Kone.

Board Director Ioppolo referenced the Observation Deck project and inquired when the project is completed will the Authority then have that space back as originally it was intended to be Hollerbach's.

President Martz replied we don't have a plan right now, there was originally a plan that turned that area in to concession area. What we are trying to facilitate now is opening up that former Duty Free area which overlooks the observation deck. Opening that up and create some more space & light. What we'll do with the Observation Deck is still up in the air. Right now, we have them making it safe. Also, there were two baggage belts underneath that which were critical to our operations that we haven't been able to use.

George Speake, EVP & Deputy CEO noted and in a negative way the project also affected a third baggage belt because we had to overuse the third belt due to being unable to use the belts under the Observation Deck.

Jennifer Taylor, VP & Chief Commercial Officer provided an update on the proposed playground in the terminal. She stated they had to push back the project because it will have our new Bee Mascot on the sign. The playground will be located in the east terminal on the south wall between the two entrances to the bathrooms where the elevators & escalators are located. Installation is the end of this month.

President Martz noted there will be seating for adults around the playground.

Paul Partyka, NAI Realvest updated the Board regarding Development & Real Estate Activity: 1) UCF Lease everything is coming along, only a couple of legal issues to be resolved. The Airport hosted a ten person research team to review the facilities last Friday. This is a 5 year lease with 5 year options; 2) Moving ahead with the research center for Siemens, they have some ties with UCF. They are going through the due diligence period. Expected Capital Expenses \$7M for a one acre piece of land.

President Martz noted that the UCF lease will be coming to the Board in October. Acron, formerly L3, still has a lease on that space and we'll repurpose that building.

Mr. Partyka updated the Board regarding the 12 projects with OEP. It's slow going but the Airport is still in the running for all of them. Lee Corso will be honored at PBAS and Rob Long, CEO Space Florida will be at the event.

Board Director Ioppolo inquired of Paul Partyka if there anything that hits across all of those opportunities that would make a difference for us attracting them that we should consider, is there anything we aren't offering that we could consider; adding to our toolkit?

Mr. Partyka felt that we are doing a terrific job with the marketing efforts. The biggest factor getting out there on the international basis has been (OEP) Orlando Economic Partnership. We as an organization here are doing a lot of good things, he felt we're doing everything we can. The best thing to happen to us, is if we can get one or two of these major LOI's where we start construction and actually do things and then start promoting that. That's where the synergy is going to come.

Board Director Ioppolo explained the reason he asked him this question is because we have 12 at bats, and he's going to expect 1-3 hits or homeruns here. What he doesn't want to hear a month to three months later is "if we had only asked we might have been working better". He wants to know about that now, we expect him to convert.

President Martz explained the limitations on what the Authority can offer. There's one very active project right now, for which we advanced a significant incentive to offset infrastructure cost. The ROI on that was pretty meaningful – enough to justify a pretty significant offer. She believed that having funding we're going to have to come to the table with infrastructure dollars, and we're in a position to do that.

Board Director Ioppolo inquired if that money is coming directly from the Airport or is some of it coming from the County.

President Martz replied it would come from us, and it would be an investment in infrastructure. We can't just give cash. A lot of places can just give cash, but we can't. But what we can do is invest in the Airport infrastructure. Other places are giving cash incentives which we can't do, but offering infrastructure assistance is the equivalent of the cash incentive except that it is an incentive that stays here at the Airport.

Board Director Ioppolo thanked President Martz for doing that. He reiterated we have a lot of at bats right and you can't always get them, no matter how hard you try. But he appreciates the fact that she's telling him we're learning from each of those times and we're getting better at making the pitch. And part of that is being competitive in this space and putting those incentives on the table is one of the important things to close one. Thank you for doing that because he thought it shows a real progression in terms of how we're approaching it.

President Martz reminded him that she thought it's going to take an investment on the part of the airport to get our foot in the door here, because there are states that are giving away tens of millions if not hundreds of millions of dollars in incentives.

Paul Partyka added we're also going through some congressional people to see about having a meeting with the new DOT Director and talk about the possibility of

extending the terms of the ground leases from the current limitation, which is a state limitation of 50 years to go beyond that to get more equity dollars coming in.

Board Director loppolo inquired didn't we just go through this at the State level.

President Martz explained there was a federal and a state limitation. The state limitation has been dealt with but the FAA has guidelines, and they in some form or fashion look at new development leases whether it's through environmental review or if it's non-aeronautical development. They have guidelines on the leases and don't like to see anything over 50 years. We're hoping that maybe they'll back off of getting involved with some of the business terms because they want us to be self sufficient but it's hard to do that when we're constrained by the FAA. We've been working to maybe get some congressional assistance in that respect.

Interim Chief Financial Officer

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

- July 2025 Dashboard; July was another good month we had 337,000 passengers, which is an increase of 9% vs July 2024 and 7% over the initial forecast. Total passengers fiscal YTD & calendar YTD up almost 2.7% since October and for the calendar year \$2M;
- ATM's trending up 6% over forecast; and the passenger numbers were sitting at a positive 3% for July.
- Operating Revenues: Were 4% above Budget, which is good and also of note all of our terminal revenue & non-terminal revenue increases are in the double digits over anticipated for each category. A majority of our revenue comes from the terminal which is passenger driven. Expense side 1.3% over Budget, this is related to Professional Contractual Services, Repairs & Maintenance and Office & Admin.
- Overall Net Income from operations was \$3M for July if we include our Non-Operating Income, which is the Investment Interest which is still overperforming. Trending about 44% over YTD in Operating Income primarily due to the significant increase in July's numbers as July over performed. July historically is our best month. If we include the Non-Operating Income we are still 40% over budget YTD.

Board Director loppolo questioned why July had that big an impact was it more passengers or more planes.

Katee Mathis replied it was a mixture of both.

Board Director loppolo inquired why we couldn't see that from a budget prospective.

President Martz replied we don't have the summer schedule when we do the Budget.

Board Director Ioppolo asked so if we were to look at year to year, Allegiant's schedule changed significantly enough to drive that, otherwise we'd be able to look back and see this.

President Martz stated the schedule changed enough to drive that.

Discussion that Allegiant evaluates their routes frequently because they are very destination conscious. Will they be looking for those routes to be around a year from now or will they tweak some of them.

Allegiant continually tweaks things. During FY26 budget prep Allegiant was a lot more positive than they are right now in terms of where they are going to be this time next year. The Authority has its schedule now through May 2026. Airline services staff will do a comparison between 25/26 for that schedule, it doesn't mean it won't change. Then our Finance Department will look at their numbers. It doesn't help us on the Budget because we just got through May.

Board Director Ioppolo requested when staff does that comparison and estimating he'd like to see it, because a 44% change based off one month seems really big to him and he'd really like to get a feel for that.

President Martz explained the other thing that might be helpful is if we go back and look at what we knew months in advance of this past July and just see if what we were given in the spring for the summer changed, they increased frequencies? That may have made a big difference even because if that does happen we'll get the schedule and if they have increased demand they'll change the frequency of the flights.

Discussion occurred regarding the Atlantic City destination that was announced the day after our last Board meeting. They added that within 24 hours, they literally made that decision and 24 hours later it was on their schedule. And that's partly because of things that are happening in the industry and them seeing opportunities. They lost an opportunity in Burbank when Avelo pulled out. Breeze went in like within 24 hours so that was their concern. Spirit pulled out of Atlantic City and they were concerned if they didn't jump, someone else would go in instead. Last Board meeting we announced Huntsville, that was a brand new one we hadn't expected.

President Martz explained what we had decided to do this upcoming budget year, was to do some more frequent updates on both revenue and expenditures. We do budget amendments for expenditures but not really for revenue expectations she thought maybe next year on this upcoming budget we'll do an adjustment once we have more information on the schedule. That will keep us from having these really significant jumps.

Katee Mathis noted the Board approves budget amendments and with the new AP system we should be able to track things a little bit better on our side as well. And also keep in mind the numbers for next year they will include Arajjet obviously so we're definitely going to have a budget amendment sooner than anticipated for the fiscal year.

Katee continued, noting that last year at this time we were up 2.1% this year we're up 3.9% now granted last year we were not getting all of the revenues for managing the terminal. And lastly she mentioned the upcoming Vendor Outreach Fair, and asked Roberta Stanton, Director of Procurement to brief the Board.

Roberta explained that Tuesday, September 23rd the Airport is hosting another vendor outreach fair. It works like a reverse trade show, all of the departments here at the Airport will have tables set up with representatives. Vendors will come in and network, put a face with a name of a company learn how to do business with the Airport. Seminole County, Seminole County Public School System, the City of Longwood & the City of Sanford will also participate. The event runs 9 a.m.-12 noon; feel free to pop in network, see what it's all about. This was a great event last year we had over 100 vendors participate. Roberta also thanked Chris Breese, Procurement Analyst for the Airport as he spearheaded the project last year he's doing it again this year, he's done a great job.

Miscellaneous

President Martz reminded the Board that September 20th the Airport is hosting the True Health 5k, this is the 3rd year of the event, it's an amazing event. If you want to come out and walk on the runway, that's your chance to do it. There's a lot of community interest, and a great opportunity for us to highlight the Airport while doing something important for the community. People love it. They like being able to walk on the runway and we're happy to be part of it.

George Speake updated the Board on the Air Show to be held October 25th & 26th with October 26th being the day we will be providing the Board with tickets. Julie Sawyer will be reaching out. We'll have our tent set up and some food and good times there. Arajjet is the big focus of the Air Show. Its inaugural flight will be on the 26th we're working with them, and the Air Show trying to do some big hoopla with them coming in. Arajjet's CEO Victor is also a pilot and he will also be flying that day. His understanding is Victor likes to pop out the windows with the American flag & Dominican flag at least they've been doing that here with their US destinations. We're trying to make sure that's something he is able to do and make a big fanfare in front of the show. And we will be making sure announcements are being made during the show as we do with Allegiants flights. Thunder Birds are the headline act again, looking forward to it.

President Martz reminded the Board that the event we're doing with the Board this year is really a Board partnership appreciation event. It's not going to be as open

an event as we had last time. This year it's a little more low key event with Arajet, with a more limited invitation list.

Discussion regarding Arajet destinations.

Arajet will fly into Punta Cana Airport and you can go to whatever resort you choose. The Authority is working with the County on an advertising campaign. Bookings can also be made to Santo Domingo. There's a bus ride that you would book from Punta Cana in to Santo Domingo. Arajet has connections into numerous countries in South America – Lima; Sao Paulo; Santiago; Chile; & Argentina. Raul is working with the travel agent industry to do some familiarization events to get them really tuned in to where they can get there from here now.

George Speake updated the Board that Nicole asked him to join a committee that was put together by the Seminole County Historical Commission called the Semiquincentennial Planning Subcommittee. The committee is working on idea proposals for the County as to how the 250th anniversary of our country can be celebrated in Seminole County. The committee is comprised of one person from the County, each of the 7 municipalities, SSC, Seminole County Public Schools and the Airport. The committee has been meeting since June, and meetings will wrap up in October. Basically, the purpose has been to solicit input and knowledge from each of the members as well as the general public of how the 250th can be celebrated. A plan will be presented to the County Commissioners no later than the end of October. Some of the ideas that have been discussed and none of these are set in stone or guaranteed to happen: potential planting of a Liberty Tree at each municipality and member organization; pole flags or banners along the entrance to the Airport; highlight the 250th at the Air Show next year; highlight the 250th at Aviation Day; possible digital displays behind the ticket counters; and a resolution from the Board in January. Nothing else has been approved, it all has to go to the BCC and they will approve a plan, and then each municipality or entity will decide what they want to do. There's also a state grant that the County has applied for, the state appropriated \$1M towards the overall celebration in the state, and not just counties but many other entities have the ability to apply for a grant out of that \$1M, so we have to see how much money Seminole County gets out of that. The idea would be that it would go to overall celebration and then possibly filter out to the organizations.

George added that SpaceX is planning to expand its Texas launches to the Cape. There is an EIS (Environmental Impact Statement) that went out earlier this year, and it's currently in a comment period. They have 5 public meetings, 4 in person and 1 virtual. He attended one last week over at the Cape. There are some concerns related to the entire state with this rocket ship being launched. It would effectively shut down air traffic in the entire state at certain times minus the panhandle. We have until the 22nd to comment, he's working on a comment that he'll run through Nicole before it goes out. FAC is also working on a statement from the Airports Council covering all the airports. Board Director Gregg is aware

of it because of his business here, Allegiant has been made aware of it, and they had personnel go to the hearings as well. They plan to comment and have their Governmental Affairs folks involved. ACRON, the flight school, was made aware and they were planning to participate in some of these hearings as well. Basically, there are two elements, there is the commercial effect which is the one he went to. SpaceX is planning 44 launches per year, and you would have impacts both on the launch & the return. And part of it will be a TFR that will clear air space around both of those the launch & return. But it also impacts airports because aircraft that are coming from the S heading N will be pushed inland vs. where they currently are over the coast or over the water, which in turn impacts an airspace that is already terribly congested because of lack of manpower in Jacksonville. Which means ground holds would go in to place as well and they could affect places like Sanford and nothing takes off for the next 40 minutes to 2 hours. It's very impactful for a state that relies on tourism to then shut down the primary means that most of our tourists come in to the area. It is very short sighted in his opinion. Having watched launches in Texas, it's very concerning to him those launches and how they can impact us and he just wanted to make everyone aware that we could have serious impacts to us and all of our tenants.

President Martz explained George mentioned 44 defense related launches commercial that's 88 "impacts", including launches and re-entry but there are also the defense related launches.

George Speake clarified there are 77 defense related launches proposed and they snuck that EIS through, no one that he knows was aware the comment period was open for that, so the comment period was missed. When he attended the meeting he was speaking with the person who was dealing with the airspace issues at the hearing and she indicated she believes there will be another comment period opening. This person was from the FAA. So, if you look at the 77 and 44, that's 1/3 of the year.

President Martz reiterated it could impact us 200+ days out of the year, flights could be impacted here. You know we support the space program, we think aerospace is an amazing industry but there are some consequences to it as well and it's not just this airport. Like George said it's all airports except in the panhandle. So, as a tourism state, air travel is pretty important to the entire economy so we're not the only voice of concern. There are a lot of airports and the airlines are concerned about the issues that can create. It doesn't seem to be as much of an issue in Texas.

George Speake stated which to him it's like he understands they want to get a launch from multiple places because they aren't going to abandon Texas if it's working there then leave it there in his opinion.

President Martz stated we'll keep the Board posted.

Discussion ensued regarding the “pro side” of this issue - the economic benefit.

The patriotism that they are trying to accomplish through SpaceX the launches are important. Interruption of operations economic and financial. It would have a huge impact on every airline flying into Florida, virtually every commercial service airport. At least 80% of your general aviation airports are going to be impacted as well.

President Martz noted there is a limited comment period and if the Board doesn't think that this is an issue that we should comment on, of course we'll respect that. We, along with FAC, think it is. It will have considerable impact on our operations which will impact our revenues, which will impact our ability to run the Airport.

8. COUNSEL'S REPORT

Brett Renton updated the Board regarding: 1) PFAS; 2) GOAA; 3) TBI; and 4) OSI.

9. CHAIRMAN'S REPORT

Vice Chairman Bentley re-appointed George Speake as SANAC Chairman for another year. And he requested George explain to the Board what SANAC is.

George Speake, explained that Sanford Airport Noise Abatement Committee is what SANAC stands for. It is a group that meets quarterly. The bylaws require monthly meetings, two meetings can be cancelled in a row, so we meet quarterly because there just isn't that much business that comes to the committee. We hear comments from the general public related to noise, present the data that is collected each month related to noise. And if there are any suggestions that the committee might come up with that might potentially help the community related to noise and then we'd bring that forward to the Board if it takes Board action. He also noted Steve Smith typically attends those meetings on the Board's behalf and he appreciates his attendance at the meetings. The meetings are held in the Vigilante Room.

Vice Chairman Bentley noted that next Monday September 8th we have a Legislative Update. President Martz explained that each year the Chamber of Commerce hosts a Legislative Update and the Airport has a table for that event if anyone is interested in attending. They present a Legislative recap.

10. DISCUSSION AGENDA

A. Consider approval of Lease No. 2025-064 for Freeman Holdings of Orlando, LLC, Inc. located at 2885 Flightline Avenue Sanford, FL 32773.

President Martz explained this is a good news item; we are excited about this. This is a new lease on the airfield, one of the last available areas to develop on the

airfield. This is a new a 30,000 sq.ft. hangar that Million Air is proposing to build. It will be an expansion of its existing operation, a 35 year lease with two 5 year options to extend. The options to extend would be a facility lease rate opposed to a ground lease rate. It's very exciting for us and a good indicator of the Airport's business and the Airport's attractiveness for air traffic to see what is really a critical operator in our airport expanding. A term sheet was included in the Board packet. This is our standard lease template for ground leases and most substantive issues were included in that term sheet.

Motion by Board Director Gregg, seconded by Board Director Ioppolo, to 1) Approve Lease No. 2025-064 with Freeman Holdings of Orlando LLC; and 2) Authorize the SAA President to execute the necessary documents. Vote was taken, none opposed. Motion passed unanimously.

B. Approve Resolution No. 2025-013 Amending the Sanford Airport Authority's Rates and Charges Schedule.

President Martz stated in 2024, the Board approved the Rates & Charges schedule. This request is similar with a few changes which are outlined in the attached table. We talked about the Budget she recognized that our "secret sauce" is our ability to offer a really favorable rate schedule. Obviously, Allegiant was part of our discussion regarding Rates & Charges because they are the engine that drives the Airport right now. Rates & Charges from airlines make up about 10% of our overall revenue, the real revenue comes from our passengers. Allegiant has asked us to rely on passenger growth, which has really impacted our revenue the last couple of years. The attached Resolution & rates schedule of Rates & Charges for airlines is substantially unchanged. There are a couple additional charges that would impact Allegiant, i.e. the DCS fee, which is a technology charge that is not applied to them now. It was interestingly applied to them by OSI through their ground handling agreement. Interesting because it should have been part of the terminal rates & charges that we were getting 12.5% but that's a discussion for another day. As a signatory airline they would get a discount, non-signatory airlines are already paying it. We are also imposing an employee parking fee that they have not had to pay. Other tenants at the Airport have been paying the employee parking rates, Allegiant has not.

George Speake estimated that the DCS would generate about \$220,000 and he estimated the parking based on the numbers we came up with was \$5,000 per month.

President Martz noted there is some significant revenue for us that we are not receiving. That kind of starts to close the gap, there are other rates & charges that have been adjusted to reflect our actual cost, the labor cost if people use us for maintenance and escorting, etc. The Resolution sets the rates for three years with the caveat that we'll review them every year as part of the budget process and if growth as it has been represented to us doesn't happen at a rate that helps keeps

us sustainable, the Board can come back and adjust those rates. It gives a certain degree of certainty.

Board Director Ioppolo asked when was the last time rates & charges were adjusted.

President Martz replied 2011.

Board Director Ioppolo took issue with the fact we haven't adjusted rates in 14 years, and they are substantially the same as the rates we charged 14 years ago. He noted that everything is more expensive. And he didn't see how we can justify that. He understood it's our secret sauce, but winning the race to the bottom in terms of the cheapest fees that any of their airports charge them doesn't seem to be a viable business model for this Airport. And if the potential for growth is what they're being, he asked if they don't perform is there a catch up provision or they just didn't perform and we gave up the fee. Why not charge them the fee that they should be charged and if they hit the growth number they'll get a rebate or discount. But in the event they don't perform he didn't want to underwrite a reward if they are not performing. He understood this is a very difficult conversation around a whole bunch of interlocking things but he expressed a real concern about not trueing up the fees. It took 14 years and these guys haven't had a price increase, he'd bet our budget that there isn't a single vendor that they have that hasn't increased their fees in 14 years. He just didn't see how that is sustainable. That's just his visceral reaction, and it shouldn't surprise anyone because that was his reaction when we had the conversation months ago.

President Martz explained we haven't given them an increase in 14 years but our revenue stream has increased significantly over the last 14 years because of Allegiant's growth and because of the service they have here. We have one carrier, we have a good partnership with them, and we have recently encountered a lot of change. We've changed our operation significantly, we have much more strength and effort in air service development and having low rates makes us competitive. We have a huge competitor up the road where everybody wants to be, so we have to give people a reason to want to be here. And we think the rate structure is an important thing to have. We also have Allegiant, while these fees aren't just about Allegiant, these are rates that would apply to anybody, we can't single out Allegiant everybody has to be treated the same.

Board Director Ioppolo replied but Allegiant has the benefit of preferred carrier agreement meaning it doesn't pay us a 100% of these rates, they pay some.

President Martz replied we have two sets of rates now. One of our issues is we haven't exactly had the perfect setup for our rates. We have this set of rates for signatory airlines and non-signatory airlines. Signatory airlines are airlines that meet a certain number of flights, which we have one but we may have more and we set it up so that we could have more.

George Speake noted if Arajet adds Santa Domingo, Arajet will be signatory.

President Martz noted it's not a hugely high bar for folks to become a signatory airline, but there is a very high opportunity that we would have more signatory airlines and they will all be paying the same rate. Allegiant doesn't get special rates, everybody qualified as a signatory rates would pay those rates, so it's not as though there is a really attractive rate for Allegiant and the other rate for everybody else, this is a rate structure that is attractive to everybody.

Discussion regarding TUI was the only other signatory airline we've had.

President Martz explained we changed the definition of signatory airline, and Flair would have been a signatory under this definition. And she thought #1 this is our competitive edge; #2 it has been a rate structure that has been sustainable and keeps things stable which she thinks stability is something important right now especially when you do have only one primary carrier. We are vigorously pursuing revenue diversification and she understood that one of Board Director Ioppolo's goals has been for us not to rely on airline fees at all so this sort of plays into that. She felt we are in a condition where we have a very good partnership and preserving that partnership is important to us, it's important to this Airport and it has been what has kept this Airport going over the last several years.

Board Director Ioppolo said he imagined that the partnership is important to them because we're their number one destination, because every dollar we save them, it drops right to their bottom line. And although he's thrilled and delighted they are healthy and doing remarkably well their reason for it we have to ask how much of their return can we underwrite because that's what we're doing, we're moving dollars from our operations to their bottom line. And he's not saying that we go from these numbers to market but he's saying that there ought to be some recognition that after 14 years, again find him another partner that has held their rates for 14 years. He thought it's almost offensive that they would not expect us to increase something.

President Martz replied it's not just about them though, it's about airlines and attracting other airlines.

Board Director Ioppolo stated well clearly our rates haven't gone up in 14 years and no one has shown up.

President Martz said she's not sure the air service development efforts were the same as what they have been now, and she wasn't sure that really reflects more about how the airport was marketed. But she does know that the feedback we've received from Arajet in particular, which is our next airline, is that we made a strong business case for them to be here. And the rate structure is part of that. Now they are new and get some fee waivers initially as any new service would but

eventually they will move into a rate paying airline and this signatory opportunity is very attractive to them. And those are the kind of airlines that we're going to be attractive to. She added that she sees the airlines as a means to an end here, because the real revenue comes from the passengers. And we want somebody that's going to bring us passengers. If you look at our revenues only 10% comes from the airlines so 90% of our terminal revenue comes from the passengers. And if we can set up a rate structure where airlines can economically have frequencies, have new routes like Huntsville & Atlantic City, and take a chance on those routes then we have the opportunity to increase the real revenue which comes from the passengers. She thought that it is in the Airport's best interest to have a rate structure that encourages an airline to take a chance on us and to take a chance on a new route and to try to bring in more passengers. If the growth doesn't come in the way that we expect it to come and the way we modeled it out, this Resolution contemplates that this Board will revisit those rates.

Board Director Ioppolo inquired what is the number, what does growth mean is it 1% growth or is it 50% growth.

President Martz replied we estimated growth at 4.5% in this budget, and frankly the schedules we were given were higher than that but we hedged a little bit because we know things can change. And that is the growth that we based our budget on this current rate structure. She thought that is a good business practice to keep the stability in the operations and keep this rate structure that is attractive and appropriately market the airport to other airlines. And if we don't see the growth and we're not getting the revenue that we need to get off of the passengers then we can certainly go back and revisit the rate structure.

Board Director Sweat agreed with Board Director Ioppolo that the costs are the same after 14 years it's kind of absurd. But he thought, to Nicole's point, you would think that an airport makes a lot of money from the airlines but they really don't. It's from the parking & the rental cars that comes from the passengers and the restaurants and the miscellaneous. He thought that Nicole said it very well, and that is the key part we just want more people at the airport and certainly more airlines will bring more people but that seems to be where we make the most revenue from people not from the airlines.

Katee Mathis added we haven't increased the rates but we have added a handful of new rates that the airlines will be charging and there is a breakdown of the changes in the agenda packet. We are adding more fees to them and will be getting a little bit more from them.

Board Director Ioppolo inquired from Katee if that were not a new separate charge just simply an addition to the existing rate structure would that be a 1% raise or 3% raise.

Katee replied most of them are additional fees to cost, our labor cost and our equipment cost so it really would depend, there are some late fees in there late arrival fees and ground power units but they are not appropriately charged.

Board Director loppolo noted not properly charged so another dig at our former partner okay.

President Martz replied yes most of those new fees are not really pure revenue generators they are intended to help us recoup our costs that we haven't been able to do under the previous rates.

Board Director loppolo appreciated the goal of moving towards a passenger based opposed to an airline based model, we're not there yet, and the competitive landscape is such that there are no airports in the US that are there yet. So, our competitor down the road has substantially higher airline charges and substantially more passengers. And although he wants to go in the direction we talked about he's not there yet. And he thinks there is some room here to preserve a good partnership that preserves stability. Fourteen years is pretty stable, they don't have that stability in any other line item or any other business he's certain. So, he thought that from his perspective he would want to see a modest increase before he would be able to vote for another year or fifteen years of no increases. He can't do that, and he appreciates where we are and everybody is free to make their own call.

Motion by Board Director Gregg, seconded by Board Director Crosby, to Approve Resolution No. 2025-13 Amending the Sanford Airport Authority's Rates and Charges Schedule. Vote was taken, Board Director loppolo voted in opposition. Motion passed.

11. OTHER BUSINESS

Vice Chairman Bentley thanked the Airport and all the Board Members that came out Saturday to Northland Church to show Robbie Robertson's family some love. The Airport really represented. He then asked Board Director loppolo about the plans for a Memorial from the Board Directors to be installed at Mayfair County Club in honor of Board Director Robertson. Board Director loppolo informed the Board that he had spoken with Mayor Woodruff who has put him in contact with the operators of Mayfair Golf Club where Robbie had played many times and had a long history there. He believed that because of Robbie's love of the game and that course it would be a fitting tribute for them to place a bench with a plaque honoring Robbie at the course. This is something from the Directors personally to recognize Robbie's service to the community and this Airport, as well as his friendship over the years. He is waiting for staff at the golf course to come back to him and then he will share that with the Board Directors. The Directors as a whole felt it was important to recognize Robbie's long history with the Airport with a special contribution and that is what they want to do to honor his service.

President Martz added that we are working on doing something here at the Airport as well, she chatted with Lisa, Robbie's wife, and will find a way to appropriately honor his service at the Airport.

Vice Chairman Bentley noted that Robbie has sponsored a Little League Baseball team for 25-30 years with his business name Thermotane Propane.

12. NEXT MEETING REGULAR BOARD MEETING (OCTOBER 7, 2025)

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:02 a.m.

Respectfully submitted,



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