MINUTES OF THE REGULAR MEETING OF THE
SANFORD AIRPORT AUTHORITY
OCTOBER 7, 2025
8:30 A.M.

PRESENT:	Kenneth Bentley, Vice Chairman Chick Gregg, Sr., Secretary/Treasurer Benny Crosby Jennifer T. Dane Frank Ioppolo, Jr. William R. Miller Stephen P. Smith (appeared telephonically) Richard Sweat (appeared telephonically) 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 Admin. Chris Breese, Procurement Analyst Judy Desrosiers, Property Manager Stephen Fussell, VP & Chief Strategy Officer Tommy Gentry, Director IT Marc Gilotti, SAAPD Chief Lori Hunt, Executive Assistant Katee Mathis, Interim CFO Danette Maybin, HR Director Chris Metro, Financial Operations Manager Jeremy Owens, VP & Chief Development Officer Julie Sawyer, Executive Assistant Rick Shea, VP of Operations & COO Roberta Stanton, Director of Procurement Jennifer Taylor, VP & Chief Commercial Officer Raul Veizaga, Marketing Manager Shawn Ziegler, SAAPD Captain
OTHERS PRESENT:	April Armstrong Sonya Brauer, SER Marc Champiney, C&S Gui Cunha, Director of Economic Dev. & Tourism Kim Fabend, C&S Tracy Garcia, OEP Emory Green

Brady Lessard, Economic Dev. Director, City of Sanford
Paul Partyka, NAI Realvest
Steve Romme, Airport One, LLC
Lauren Rowe
Doug Saunders, C&S Companies
Sam Siracuse
Brian Smith
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. PUBLIC PRESENTATION REGARDING AIRPORT LAYOUT PLAN (ALP) UPDATE WITH NARRATIVE – C&S ENGINEERS INC

   Marc Champiney, C&S presented a public presentation on the ALP Update Narrative Report and explained there will be three opportunities for engaging stakeholders: 1.) a user group meeting this afternoon with tenants; 2.) one-on-one meetings; and 3.) three stakeholder & community meetings where there will be more details on alternatives to consider.

   President Martz explained this is very important to the Airport because the status of Runway 9C and 18-36 are in play here. We're not getting a lot of support from the FAA on either one of those facilities with respect to maintaining them. She noted Runway 9C is very important to the flight school and 18-36 is our second commercial runway. If the FAA is not supportive of a facility then funding does not come to that facility. This is a critical study for us and the outcome will hopefully improve our standing with the FAA in respect to those runways.

   Discussion regarding the Airport having the full support of our legislative delegations. And confirming we have a federal lobbyist.

   President Martz confirmed that the Airport does have a federal lobbyist, but right now we are at a technical phase. She suggested waiting to see if we can resolve this from the technical standpoint. She will keep the Board updated. Part of the process is to have a public meeting, and this the required public meeting.

   Chairman Zembower added if there is anything the county can assist with to let him know.

Brett Renton noted that the floor needed to be opened up for Public Comment.

COMMENTS FROM THE PUBLIC

None.

4. APPROVAL OF MINUTES OF THE REGULAR MEETING HELD (SEPTEMBER 2, 2025)

Motion by Board Director Miller, seconded by Board Director Crosby, to approve the minutes of the Regular Meeting held on September 2, 2025. Vote was taken, none opposed. Motion passed unanimously.

5. LIAISON REPORTS

A. City of Sanford

Mayor Woodruff updated the Board regarding: 1) Latest sewage system issues have been resolved. The City encountered a major force main break a couple of weeks ago, requiring 4000' of direct drilling 24/7. That has been completed, and all the lift stations were maintained with a fleet of septic tank trucks running 24/7 at a cost of $7M+; 2) The mall redevelopment project is moving along, there is a lot of interest. Some businesses moving to other locations, and new businesses moving in to those spots; 3) The CRA sunsets this year, the City is in the process of purchasing 3 lots downtown, 2 of which will be used for parking and the 3rd will be basically land banked. It could be used for parking if necessary; 4) The CRA approved payment of a small business platform that will be opened to all of the businesses in Sanford as an online training system offering guidance on how to do online marketing, how to build up your restaurant, and how to manage your building if you are the landlord. This will have a one year trial and opened to every business in the City that is interested and it's no cost to them; and 5) entering event season all fall & winter events are coming up.

Vice Chairman Bentley inquired of Mayor Woodruff whether the CRA lots will go back to the City?

Mayor Woodruff stated they'll belong to the City, they are all along 2nd street. Located at 2nd & Palmetto, 2nd & Magnolia across from the Ritz Theatre and one 2nd & Myrtle across from Tuffy's.

Vice Chairman Bentley noted tonight is National Night Out, being held at Fort Mellon Park right.

Mayor Woodruff replied yes National Night Out and everyone is invited to attend.

B. Seminole County

Chairman Zembower updated the Board regarding: 1) Recent meeting of he & President Martz at his office regarding a very important upcoming meeting regarding CFX – SR 417 E. Lake Mary Blvd. Connector. They concurred it would be wise if this Board had a representative as well as himself to be at that meeting to speak. The meeting is scheduled to take place October 7th at 9 a.m. and the vote will take place as to whether they are moving forward with the Connector to Lake Mary Blvd.; 2) No new projects came through DRC since the last report on 7/16/2025; 3) Economic Development: Multiple hotel developer requests around the airport area; 4) Comfort Inn and Suites near the Airport is expected to open in January 2026; 5) SCOUT mobility program ride share program, initial concerns with the interface with the app and people getting acclimated.; and 6) Kicked off Code Enforcement coming back to the County from the Sheriff's Dept. and deputized 4 Code Enforcement Officers.

President Martz stated that the 417 Connector is an item to be discussed in the Agenda under Chairman's Report. And inquired did Vice Chairman Bentley want to discuss that item now.

Vice Chairman Bentley replied yes and explained he would be out of town for the CFX-SR417 meeting and inquired if Board Director Ioppolo would represent the Airport at the meeting. He knew Board Director Ioppolo would be a great representative and he had been to the previous meeting.

Board Director Ioppolo stated he would be happy to represent the Board and would attend the meeting October 7th.

President Martz explained that another item on the Agenda is a Resolution that staff prepared for presentation to the Expressway Authority in support of the preferred alignment, alignment 2A, that goes directly into the Airport.

Chairman Zembower noted this alignment is the least impactful alignment.

President Martz noted that the resolution was prepared in a way that it could be used as talking points. This is a direct connection to the 417 and this alignment would bring it directly to Red Cleveland Boulevard. Two years ago, CFX did a feasibility study and now the team at CFX has wrapped up the PD&E study, which is how they landed on the preferred alternative 2A. It is going to the CFX Board on October 9th for consideration. At that time the CFX staff will be requesting that the Board accept this Alignment 2A. If that alignment is approved and the PD&E is accepted that will allow the CFX staff to put that project in to its work program, which will then allow them to start spending money on the project and keep it moving. There are a number of other steps they need to do design, right of way acquisition, and construction. We still have a ways to go to get shovels in the ground on this project but this brings it a whole lot closer. This scenario minimizes the environmental & community impacts and also provides some of the best benefits from moving capacity off of E. Lake Blvd. That's really what this project is about, it's not about accessing this Airport, it's about resolving congestion issues on E. Lake Mary Blvd. impacted by all the development along E. Lake Mary Blvd., as well as development in Volusia County.

COMMENTS FROM THE PUBLIC

None.

Resolution 2025-06 Supporting the 417 Connector

Motion by Board Director Ioppolo, seconded by Board Director Gregg, to approve Resolution No. 2025-06 Supporting the Preferred Alignment 2A for the SR417 – Orlando Sanford International Airport Connector and Affirming the Boarder Public Benefits of the Project. Vote was taken, none opposed. Motion passed unanimously.

Vice Chairman Bentley thanked Chairman Zembower as he realized he's been in the hot seat for the last month due to the tax hikes.

Board Director Dane inquired about the Sports Complex what types of indoor sports will be housed.

Commissioner Zembower said he believed it's still open but it could be women's basketball, volleyball, indoor soccer, lacrosse, and a multiuse events center so it could also be used for jazz festivals & graduations. It also will be able to be utilized as the primary storm shelter for Seminole County instead of going in and disrupting the schools.

Board Director Dane inquired what is the anticipated date of completion.

Chairman Zembower explained the County hasn't decided how big it's going to be. Right now, money is being collected from hoteliers, that is being banked, we have a consultant on board that is going to advise the Commission on what size it should be and what we should be doing as far as what sports best fit the indoor complex. Ideally it's going to compliment our outdoor sports complex and there's all kinds of discussions to be had by the BCC regarding parking, restaurants on that property, and he thinks the Airport has some property the County may want to look at that as well.

Vice Chairman Bentley inquired of Gui Cunha, Seminole County Economic Development if he had anything to add.

Mr. Cunha added, we have an event review committee so events are rarely chosen by actual sport. With Boombah for example we have event organizers that submit requests to rent Boombah and then the event review committee that has tourism, parks & recreation, and other individuals as part of it, review all the bids for those dates and that's where they say okay this tournament has been around for 10 years, it has a proven track record, it fits in the complex whether its rectangular or a diamond shaped sport, this is our best economic impact, do we all agree, yes, that's what we go with. For the indoor complex your highest yield event from sports tourism is cheerleading. The complex will be big enough to house basketball, wrestling, possibly indoor soccer all that is being decided, but the actual event that gets the date depends on whose bringing the best bang for our buck into Seminole County.

Board Director Ioppolo said he assumed the County works with the Sports Commission.

Mr. Cuhna replied yes they part of event review.

6. COMMENTS FROM THE PUBLIC

None.

7. CONSENT AGENDA

A. Consider approval of Amendment No. 3 to Lease No. GS-04P-LFF60313 with General Services Administration Public Buildings Service (GSA) for the TSA office space.
B. Approval of NON-Signatory Airline Use Agreement with Arajet S.A.
C. Approval of the Air Carrier Incentive Program Agreement with Arajet Airlines.
D. Consider approval of Addendum H to Lease No. 2002-13 for The TORO Company d/b/a as TORO AG, Buildings #422 & #438 located at 3000 S. Mellonville Ave., Sanford, FL 32773.
E. Consider approval of Addendum E to Lease No. 2013-03 for The TORO Company d/b/a as TORO AG, Building #437 located at 1210 E. 29th Street Sanford, FL 32773.
F. Consider for Jetflow Aviation Training LLC, building #515-2 located at 2842 S. Mellonville Ave, Sanford, FL 32773.
G. Consider approval of Lease No. 2025-073 for Jetflow Aviation training LLC, building #132 located at 2805 Carrier Ave, Sanford, FL 32773.
H. Consider declaration and disposal of SAA Surplus Equipment items listed in Attachment A and Lost/Abandoned items in Attachment B.
I. Consider approval of a Six-Month Extension to the Non-Exclusive, Non-Binding Letter of Intent with O3 Worldwide Inc.

Motion by Board Director Dane, seconded by Board Director Crosby, to approve Consent Agenda items A-I. 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 present updates on the following topics:

- Stormwater Master Plan Update: Permit Received;
- Runway 9L Rehabilitation: Lighting/Shoulder Pave/Grooving remains – Q4 completion anticipated;
- Taxiway A Rehabilitation: Phase 1 complete. Taxiway November and Quebec opened;
- Remote Parking Lot: Clearing and Grubbing continues;
- Stormwater Pond Improvements: Permit Received. Finalizing plans. Q4 bidding anticipated;
- Midfield Water & Sewer Project: Working towards 90%;
- ARFF Truck 1,500 Gallon – (FAA) 9/2026 ETA;
- ARFF Truck 1,500 Gallon (FL) – 7/2026 ETA;
- Wildlife Project – Phase 1 (Twy B/B7) – Work Starts December;
- ALP Update with Narrative – Update was presented by C&S

Terminal Projects:

- Hudson Retail – Work continues. Estimate November reopening;
- FIS Renovations – HVAC cleaning complete. Currently installing lights;
- Generator Replacement (Admin/PBB) – December est. install;
- Observation Deck – Steel work complete, working on drainage;
- Elevator 10 (Welcome Center) Modernization – Awaiting updated schedule from Kone.
- Playground – Flooring and play pieces installed. Finalizing seating and signage installation. ETA two weeks.

Development

Paul Partyka, NAI Realvest updated the Board regarding Development & Real Estate Activity: 1) UCF Turbo-Energy; 2) Siemens Energy; and 3) O3 Development.

Paul referenced development and stated on of the development team's goals is to change the way that the FAA is looking at non-aviation business arrangements. Underwriting in today's world is not the same as it was 50 years ago. There is a new FAA administrator Bryon Bedford, a former CEO for Republic Airways, he understands business. We're working to have a meeting with Mr. Bedford and talk about the possibility of extending the 50 year lease limitation to 60 or 70 years. For people that really want to underwrite this type of development and invest in our Airport but they need a longer duration to recoup their investment. He believes the Airport, has the opportunity to lead the way if everything goes right.

Robert Utsey, ZHA distributed information to the Board regarding developer risk thresholds as it relates to ground leases at the Airport. Private Developers who are interested in the non-aeronautical space for industrial development and manufacturing etc., and the Big Economic Projects of big companies looking to move or expand and they want to be near the airfields. Mr. Utsey referenced the non-aeronautical real estate and he explained how other airports are able to attract the private developers with a 50 year lease. He noted Daytona & Melbourne Airports and noted that both have existing industry clusters at their airports which reduces the risk for a new developer to come in and develop their project. They also both have work force development platforms at their airports Embry Riddle & Eastern Florida State College respectively. Developers at those airports, for example, are more willing to take a risk and sign a 50 year lease due to the clusters being there, they are more confident they will be successful.

Interim Chief Financial Officer

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

- August 2025 Dashboard; 233,000 passengers for the month of August, 14% increase vs last August; 8% over the forecast'; ATM's 15% over forecast. Total passengers for the fiscal year just over 3M, and for the calendar year 2.2M.
- Operating Revenues: Were overall positive 5% above Budget, and 9.5% increase month over month. All revenue categories are performing positive vs. the forecast. Non-terminal 25% of the revenue & Terminal 75%.
- Revenue & Expense Comparison was flat to budget, primarily because salaries marketing advertising and insurance are performing better than expected. A couple of vacancies on the salary side are adding to that. The three main players: Professional Contractual Services, Repairs & Maintenance and Ops & Admin for the Parks credit card fees are over budget. The end of this month we are finalizing FY25 funds budget and will get the numbers for the Board for approval.

President Martz explained that we have Special Board meeting October 21st to go over a reconciliation budget amendment.

Board Director Ioppolo inquired is it safe to assume that the primary driver of those two categories being over budget is our pending suit with our former manager.

President Martz replied that is correct.

- Overall Net Income from operations $3.5M if we include our Non-Operating Income, which is the Investment Interest which is still overperforming. July performed a lot larger than expected, which has increased our overall revenue.

Board Director Ioppolo inquired overperformed in terms of number of passengers that came through that drove the other factors.

Katee Mathis replied the passengers and the associated revenue, primarily the money that they spent here. Most of it comes from concessions, rental cars & parking.

Board Director Ioppolo replied so we saw an increase in the expenditure per passenger is that what he's hearing? And that means the investment we made in concessions apparently is bearing some good fruit, is that something we consider will be sustained?

President Martz reminded the Board that a month is not a trend.

Katee replied historically July is always our largest month but hopefully that is a trend.

<u>Marketing and Communications</u>

Raul Veizaga, Marketing Manager updated the Board regarding:
- Air Show – October 25th – 26th and the inaugural flight of Arajet
- True Health Be Healthy 5K
- CareerSource Rise & Thrive
- Best of Sanford – Exclusive Presenting Sponsor
- Hollerbach's Oktoberfest – Presenting Sponsor
- Strategic Collaboration – working with airlines, DMO's and airports to align marketing resources and help grow air service.
- New Co-op Announcement: SFB, Arajet, and Seminole County are about to launch a cooperative marketing campaign to promote travel between Orlando and the Dominican Republic.
- Travel Agent Event – September 16th
- New SFB Bee: Buzz the SFBEE

President Martz explained that Arajet's inaugural flight is on October 26th which is also the day of the Air Show and Board Appreciation Event. A promotional event will be held at the Airshow and in the terminal.

George Speake explained the Airport hosted the True Health Be Healthy 5K event. This event supports True Health, and this year's largest number of participants in the last four years this was held. They are looking forward to next year's event as it will be their fifth event held here and they want to make a big deal about it. ACRON participated and brought several of their planes over.

Allegiant indicated that they would be interested maybe they would want to pull a plane over next year. It's a great event that supports a great cause.

President Martz noted the next item we have and she's really excited about, we haven't talked about Strategic Planning efforts in a while so Steve Fussell is going to a present high level update. And we're going to want a head nod from this Board with respect to the guiding principles & values. We'd like to get affirmation from the Board that this is the direction you want us to go. After Steve Fussell's presentation we'll have Steve Romme who is the consultant we brought on to help us with the marketing side. And he is going to talk to you in some good detail about marketing and frankly things that should have been done at this airport that haven't. Again, another step forward in "intentionality" and really setting us up for some much greater success.

Steve Fussell, VP & Chief Strategy Officer presented the Strategic Planning Update:

- Strategic Planning Process
- 5 Guiding Principles
- Organizational Effectiveness
- Guiding Statements
- Growth Platform

President Martz informed the Board that marketing had been the responsibility of OSI. We did some shared marketing but they were ultimately responsible for the marketing efforts related to Terminal activity. This is new territory for us, so we asked Steve Romme's group to come in and help us develop a Strategic Marketing Plan. We learned a lot about what we should do and what we weren't doing and she's really excited because she feels like this is going to create a lot of good opportunities for us.

Steve Romme, Airport One, LLC explained that the Strategic Plan was kicked off in April/May. He explained there isn't such a thing as a Strategic Marketing Plan for an Airport so he had to develop something new for us. His company came in and interviewed staff and looked at the airport customers, understood where Allegiant was and where they were going and put together a plan for the Airport. And he noted that it's great to have a Strategic Marketing Plan he presented the SFB Strategic Marketing Plan:

- The Foundation
- The Approach
- The Initiatives
- Targets
- Marketing Approach
- Marketing Initiatives
- Initiatives Summary
- Growth Platform
- 25/26 Marketing Plan

Mr. Romme explained in the industry there are non-hubs, small hubs, medium hubs and large hubs and every airport has to report their financials so we can get the marketing spend of every airport. When you look at the SFB class of small hub airports, you're spending somewhere between a third and a half per passenger of what your peers are spending. He shared with Nicole & Steve that over time you're not going to win this race spending what you are spending. We can be efficient, but it's not like we're going to be three times more efficient and remember if we spent the same amount as other small hubs we would be growing at 3% that is the national average. We want to grow double that and we want to spend one third, he felt there is going to be pressure to spend that marketing. But he has also been on the other side, the business side and you have to show results before you spend more money. Part of what you'll see in this plan is a very data driven plan, you will see the number of searches per month, the number of seats per month, but he expected that if the Airport wants to continue to grow and grow aggressively that the marketing expenditure needs to be closer to the industry average over time.

President Martz noted when we developed the FY26 budget we included an increased marketing budget this year. When we took over the management of the Terminal, the marketing budget was consistent with what OSI historically had been. This year we decided to spend more, and even spending more we're at a third of the industry standard. She just wanted the Board to keep that in mind the handicap that we have had from a marketing standpoint and that we're still somewhat handicapped relative to the rest of the industry, we're going to monitor as Steve said, look at the results and we may come back to you mid-year and say hey there are some things that are working well and we might want to direct more sources to that.

Steve Romme explained it's like drinking out of a fire hose this is a lot to take in, but he thought what it really provides is a platform and you're going to see very consistent messaging, and very consistent ads. When you see them they're going to say the same thing over and over again, and that's how you condition a market. And he thought the key thing for us here is to start to own this market. The other markets will send passengers here. He said he's from Venice but he has family that lives in Sanford, Casselberry & Longwood. And he knows the area and feels we can build serious affinity locally but we have to spend money and have a good plan that's consistent on why here and not the alternative airport.

Board Director Miller noted Daytona is a comparative airport and when you look at the scope of the marketing areas that you want to concentrate on. He stated in the future he'd like to see what we can tap out of that market with the airlines that they have serving them and are those airlines really serving them or are they connection airlines. He stated he flies to Chattanooga frequently on Allegiant and it takes his son and his wife 90 minutes to come and meet him down at the airport.

Steve Romme noted that's a great example. He's a perfect example, when he said the target audience. There are vacationers and then there are personal travelers. Personal travel you're going to see your family you're doing that multiple times a year, once we convince you to come here and it's the most effective way to get to Chattanooga you're going to do it all the time because it's a direct connection. There you have the flexibility to do it a different day of the week, so Allegiant works really well. We have to find those people and convince them this is the place.

Steve Romme noted this happens on every airport where we'll get the Spirits, Avelo's and Breeze and you'll see what they can't do is fly in to SFB. So, if we can make your travel because you flew out of here or flew in to here then they're always going to fly on Allegiant. Now that's changing some, Allegiant is now growing that footprint at MCO, we need to make sure and pull that back here. And the reason they are going to pull that back here is because those flights are more profitable. We have to make them more profitable by filling the seats. But he loves the personal example because that's the people we need to get.

President Martz she didn't need any formal action or motion, but she'd like to get a head nod, thumbs up or thumbs down on where we're headed with the foundational principals & values, vision & purpose statements. She just wanted to keep the Board informed, we're using Airport resources and we're really setting the foundation for everything else we're going to do from a strategic planning standpoint.

The Board affirmed unanimously.

George Speake referenced the upcoming Air Show and noted that Julie has sent you an email regarding tickets please let her know as soon as possible.

9. COUNSEL'S REPORT

Brett Renton updated the Board regarding: 1) Litigation updates have been sent out on most items; and 2) Mr. Renton requested a Shade Session regarding the SAA v. TBI Operations litigation per 286.0118. The Board consented.

10. CHAIRMAN'S REPORT

Vice Chairman Bentley reminded the Board of the upcoming Special Called Meeting October 21st at 8:30 a.m.

11. DISCUSSION AGENDA

A. Consider approval of First Amendment to Ground Lease 2024-117.

This item is the Amendment of a Ground Lease 2024-117 with LP Aviation located at 1601 Hangar Road. This involves a piece of property over on the southwest ramp. This was a previously approved lease. The tenant has been working on the development plans for its hangar, but when they got in to the plans they realized there was not enough room on the site to accommodate some of the developer's requirements such as stormwater. This amendment revises the lease to incorporate some additional property into the Premises and also to incorporate some non-exclusive use property that's on the ramp for stormwater. We're excited to get them moving on the development and she knows they are excited to get moving as well. She recommended the Board approve the amendment.

Motion by Board Director Gregg, seconded by Board Director Miller, to 1) Approve the First Amendment to Ground Lease No. 2024-117 as presented; and 2) Approve SAA President to execute necessary documents. Vote was taken, none opposed. Motion passed unanimously.

President Martz explained that she would like to discuss Discussion agenda items B, C & D at one time as they are all connected to each other. Item B is the UCF lease that we've discussed at every meeting for the last twenty months. It has finally come together and we're so excited. This was such a complicated circumstance that we needed three agenda items to discuss them. She will discuss all three of them and then the motions will be made individually.

The UCF lease involves the Center for Advanced Turbo Machinery & Energy Research moving into half of the first floor in building #310, which you probably know as the dormitory building for the flight school. It has been empty for a number of years. That building has historically been barracks or residence, then an office building, and back to a dorm. The Airport invested a significant amount of money in this years ago, renovated it, and furnished it for the flight school. It became vacant for a number of years, as the flight school experience has changed and students have a different expectation for living quarters. It has been somewhat of an albatross for ACRON, formerly L3, as they've had to pay the operating costs to keep the air conditioner running, etc. There is this great opportunity to re-purpose the building right now, and to re-purpose it with a tenant that we're really excited about and that we think creates some great opportunities for the Airport in the long run which is UCF. So, we found a place to put UCF, but somebody else actually has the lease on that building, so unraveling the lease with ACRON was one of the first things we had to resolve in order to get this lease to work. The things we had to consider in releasing that building from the portfolio that ACRON has out here was capital obligations ACRON has with respect to that building. They were responsible under the terms of the lease for the maintenance of the building, and there are some significant repairs of the building, as it's been vacant for a while. There are issues with the chiller and some other repairs that need to be done because it's just not been an occupied and maintained building. There were also some repairs that would need to be done by the Authority in 35 months when the ACRON lease would terminate on this building. The other element that we had to consider is the revenue stream and the cost of the use of that building. We receive about $10,000 a month in rent from ACRON for the building. And then ACRON is now responsible for the operating costs that run about $8,000 per month to keeping the air conditioning running and anything they need to do to keep the building from deteriorating further. That was an $18,000 give or take per month that we were going to take as a loss of revenue and the operating costs if ACRON moved out. We looked at all of those costs, and the capital obligations for ACRON and estimated $420,000 for actual repairs to the building and then another $52,500 in ACRON's pro-rata share for replacement of the Chiller. And then we looked at the lost revenue and the operating cost compared against the revenue that we would receive from UCF for both operating costs and rental fees. UCF is only taking up half of the first floor, they're not taking up a significant portion of the building however they are paying a much higher rate. ACRON pays $2.95 a square foot right now, UCF will pay $19 a square foot we'll also get an operating fee from them $4.50 a square foot. It's going to be a common use building so the Authority will be paying for the electricity, etc. and be charging back an operating fee to any of the tenants that move in. There is a shortfall in the revenues for both rent & operating costs compared to where we are right now with the obligations with respect to revenue from ACRON and the actual operating costs of the building. We went through this whole calculus and multiple spread sheets, ending up with one spreadsheet and it's attached to the lease amendment documents for ACRON, which is item B. We setup a scenario where ACRON would continue to pay us over the next 35 months, which is the term that is left on their lease, a fixed fee for the capital costs. We would take the capital repairs on the building necessary to move new tenants in. They would pay us a fixed rate of $13,500 a month to reimburse us for those costs; they would also underwrite the difference in the revenue & operating costs from the revenue that we would receive from UCF. That could turn into a sliding scale because we have an agreement that says as we take down more of the building, the obligations from ACRON and rent and operating costs would adjust commensurately with the additional revenue that we would receive from any new tenants up to the amount that ACRON was obligated to pay. The intent going into the termination agreement was that we would come out at least whole on the lease as we sit today and we've accomplished that. It is a good deal for us as it gives us the opportunity to 1) remain whole, and 2) get a really desirable tenant and 3) create some real opportunities for us ahead of three years from now when we would actually be able to start leasing that building. It is a good deal for ACRON because they get to spread the capital costs out over 35 months and they have the opportunity to recapture some of the rental costs and operating cost through the new tenants. We mentioned the termination fee in the release, it's $1M and change which covers the capital, actual and rental costs. She reminded the Board that a year ago we brought a proposed termination when L3 still had the building and that was going to be a flat fee of $750,000, so we're in a better situation to more accurately capture what our costs might be through the termination agreement, we had a little more time to spend on it.

The next component is the lease with UCF. UCF is going to take half of the first floor, with common area, common bathrooms. They will pay us $19 per square foot the first year, there is an escalator, and an option to extend five years. Then there is $4.50 operating cost to cover electricity, cleaning and the common services that they'll receive in the building, that also escalates with the rent every year. There are some improvements related to it in addition to the repairs that need to be done to the building in order to move any tenants in regardless if its UCF or anyone else. These tenant improvements involve reconfiguring offices. The estimated cost of that is $260,000 and UCF will pay for that. They are going to escrow that money up front as part of this lease then we'll draw down on it. They also asked us to upfront the cost of a transformer for their outside testing facility, we estimate it to be about $150,000. They will pay that back over the first 60 months of the lease with 6% interest.

Then the final item is the budget amendment that is associated with this because there are a lot of improvements that need to be done to the building that were not included in this fiscal year's budget. The total cost for all of the improvements that are going to need to be done including the tenant paid improvements is $1.1M. A significant portion of that will be paid either by the existing tenant (ACRON) or the proposed tenant UCF and our share of that would be $373,000, which is money that we would have to pay anyway in 35 months when ACRON's lease expires. We would have to expend at least what we estimate to put that building in shape for rental by someone else, so "it's pay me now or pay me later" on that side. The net effect of the budget amendment for us this FY26 is about $700,000 out of reserves. The potential total rent on the building, shifting from the $2.95 a square foot to the $19 per square foot, assuming 80% of that building is leased, we would generate about $500,000 more revenue a year then today if the building is fully leased out. There is very good return on the investment on that initial upfront cost and again a good portion of that too will be re-paid by the current and future tenant.

B. Consider approval of a Partial Termination and Release of Aviation Lease 2019-15 between the Sanford Airport Authority and Acron Aviation Academy, Inc.

C. Consider approval of Lease No. 2025-069 with The University of Central Florida Board of Trustees, a Constituent Member of the Florida State University System, on behalf of its Center For Advanced Turbomachinery &

Energy Research (CATER) for a portion of Building 310 located at 1345 E. 28th Street.

D. Approval and Authorization to amend the 2025-2026 Fiscal Year Capital Budgets and Operating Revenue.

Motion by Board Director Dane, seconded by Board Director Crosby, to 1) Approve the Partial Termination and Release of Aviation Lease 2019-15 between the Sanford Airport Authority and Acron Aviation Academy, Inc.; and 2) Authorize SAA President to execute the necessary documents. Vote was taken, none opposed. Motion passed unanimously.

Motion by Board Director Dane, seconded by Board Director Crosby, to 1) Approve Lease No. 2025-069 with The University of Central Florida Board of Trustees, a Constituent Member of the Florida State University System, on behalf of its Center For Advanced Turbomachinery & Energy Research (CATER) approval of the Budget Amendment by both the Authority and the City of Sanford; and 2) Authorize the SAA President to execute the necessary documents. Vote was taken, none opposed. Motion passed unanimously.

Motion by Board Director Dane, seconded by Board Director Gregg, to Approve and authorize the amendment of the Fiscal Year 2025-2026 Capital and Operating budgets as proposed in Table 2 and Table 3. Vote was taken, none opposed. Motion passed unanimously.

12. OTHER BUSINESS

Vice Chairman Bentley thanked the public for attending the meeting and he acknowledged our neighbor Midway Coalition in the audience and thanked them for attending.

Board Director Dane requested an update on the memorial to Robbie Robertson from the Board.

Vice Chairman Bentley replied that Board Director Ioppolo was handling that and he had left the meeting. The last thing that he did was meet with the Mayfair County Club about the memorial bench to be placed at one of the holes on the green and show them where he wanted it placed.

13. NEXT MEETING SPECIAL CALLED MEETING (OCTOBER 21, 2025) AND REGULAR BOARD MEETING (NOVEMBER 4, 2025)

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:02 a.m.

Respectfully submitted,

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