

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
AUGUST 20, 2014**

The regular Board Meeting of the Seminole County Port Authority was held in the Board Room of the Administration Building at the Port of Sanford on August 20, 2014.

Chairman Dana McBroom called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairman; Matthew T. Brown, Vice Chairman and Secretary; Kyle Kilger, Treasurer; Thomas Kuhn, Member; William H. Poe, Member; Cliff Miller, Member; Michael Caraway, Member; and Brenda Carey, BCC Member.

Directors absent: Michael McLean, Member

Staff present: Andrew Van Gaale, Administrator; and Jennifer Parker, Administrative Assistant.

Others absent: Stephen H. Coover, SCOPA Attorney.

The invocation was given by Mr. Poe followed by the pledge to the Flag.

The Chairman asked for corrections or additions to the minutes of the July 16, 2014, Board Meeting.

MOTION WAS MADE BY MATTHEW T. BROWN, SECONDED BY THOMAS KUHN TO APPROVE THE MINUTES OF THE JULY 16, 2014, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of July 2014 and year-to-date were presented to the Board. The Administrator referred to the revenue and expenditure charts explaining that revenues for the month were over budget by \$20,577 and over budget in the amount of \$159,784 for the year. Expenditures for the month were under budget by \$2,508 and under budget in the amount of \$40,886 for the year. The year to date profit is \$587,649, which equates to 37.4%, and occupancy was 94.8%. There were no questions on the July 2014 Financial Statements.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator explained that the payment to Greene, Dycus & Co., PA, in the amount of \$841.00, represents payment for an accounting review of the Marina's sales tax exemption request. Dana McBroom explained that she and the Administrator requested their review and opinion on the sales tax exemption direction that was received from the Florida Department of Revenue. Commissioner Carey suggested adding a clause in the Lease to include language restricting Subleases from

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exceeding the amount of the Lease. The Administrator confirmed that the Lease states that all Subleases must be approved by the Port Authority. Discussion ensued.

The Administrator continued, explaining that the payment to P&S Paving, in the amount of \$1,700.00, represents the final draw on SCOPA project #168. The payment in the amount of \$3,624.00 is to replace an air conditioner in one of our best units, 1450 Kastner Place, Suite 100. The payment to Seminole Site Services in the amount of \$4,245.00 was to repair a spill way that had collapsed due to erosion. The payment to General Maintenance & Contracting, Inc., in the amount of \$5,960.00, represents repairs and renovations made to the 4,000 square foot office building located at 1511 Kastner Place.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY CLIFF MILLER TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator referred to the Aged Receivables list explaining that Acme Recycling Industries, LLC, is current on their administrative rents. Bandit Performance has been issued a Three Day Notice. Integrity Management has a small balance, but he has been in contact with staff and intends to clear his account up. The Administrator stated that today he finally received correspondence from Robert Byrd, the attorney for Ryan and Reed, Inc., who has not made their June, July or August payments. Mr. Byrd reports that Joe Hunt, President and Guarantor for Ryan and Reed, has effectively closed his business and retired as of this June. The Administrator recommended turning the matter over to Mr. Coover. Commissioner Carey suggested pursuing the matter in small claims court. The Administrator explained that a Stipulated Agreement and Final Judgment were previously obtained in the matter so he felt collecting on that was prudent.

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – *In light of Mr. Coover's absence, the Administrator reported that Sapphire, LLC purchased the majority of the debt from BMO Harris. They pushed for a liquidation plan to be filed with the court. The bankruptcy attorney we obtained, Robert Pflueger, is reviewing the plan as filed. The creditors have until September 12, 2014, to submit their vote for or against the liquidation plan. Ultimately, the bankruptcy Trustee has the authority to accept or reject the plan regardless of the creditors vote. The Administrator explained there is concern about expense of rehabilitating the site for release. The Administrator reminded the Board that previously Mr. Coover obtained a letter agreement with BMO Harris that they would pay administrative rents and clean up the leasehold during the liquidation process. Due the recent sale of the debt to Sapphire, LLC, we do not know if that still holds true.*

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Therefore, the issue of administrative rent and site cleanup will need to be readdressed with the assertion of SCOPA's claim. The Administrator stated that after speaking with Mr. Coover on this topic, due to the deadlines, they suggested following the recommendations of the bankruptcy attorney, Robert Pflueger.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY BRENDA CAREY TO FOLLOW THE RECOMMENDATIONS OF ATTORNEY ROBERT PFLUEGER TO ACCEPT OR REJECT THE PLAN OF LIQUIDATION IN THE ACME RECYCLING, LLC, BANKRUPTCY.

MOTION CARRIED UNANIMOUSLY.

b) Odd Rodz, LLC – The Administrator reported that Odd Rodz, LLC, has made all of their agreed to payments and plan to move out by August 31, 2014. Cliff Miller inquired as to the condition of the leasehold. The Administrator explained that he had not yet had an opportunity to inspect the interior. He stated that it is his understanding that Odd Rodz had hired a local auction house to auction off the products inside which should help with clearing out the contents of the leasehold. The Administrator confirmed that the security deposit would be retained until any necessary repairs were completed.

ADMINISTRATOR'S REPORT

The Administrator announced that Tuesday, August 26, 2014, was the annual Budget Hearing where SCOPA's 2014/2015 Budget would be presented to the Board of County Commissioners. He requested the Chairman's attendance at the Hearing if available.

There being no old business, the Administrator moved on to new business.

NEW BUSINESS

a) Leases - The following Leases were presented for approval:

- 1. New Lease – Seminole Site Services, Inc., 1924 Dolgner Place, beginning August 15, 2014 through August 14, 2015, at the budgeted monthly rate of \$800.00 (1,500 s.f. warehouse @ a rate of \$6.40/s.f./yr.). Personal Guarantee.*
- 2. Lease Renewal – Doug's Alignment, Inc., 4421 Schilke Way, Suites 124 & 128, beginning September 1, 2014 through August 31, 2015, at the budgeted monthly rate of \$1,575.00 (4,000 s.f. warehouse @ a rate of \$4.73/s.f./yr.). Personal Guarantee.*
- 3. Lease Renewal – D.T. Diesel, Inc., 1980 Dolgner Place, Suite 1040, beginning September 1, 2014 through August 31, 2015, with a 60 day termination*

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- clause, at the budgeted monthly rate of \$814.00 (1,500 s.f. warehouse @ a rate of \$6.51/s.f./yr.). Personal Guarantee.
4. Lease Renewal – D.T. Diesel, Inc., 1980 Dolgner Place, Suite 1044, beginning September 1, 2014 through August 31, 2015, with a 60 day termination clause, at a 5% increase to the budgeted monthly rate of \$813.75 (1,212 s.f. warehouse with 288 s.f. office @ a blended rate of \$6.51/s.f./yr.). Personal Guarantee.
 5. Lease Renewal – Dynamic Aspects, Inc., 1936 Dolgner Place, beginning September 1, 2014 through August 31, 2015, at a 5% rate increase to the budgeted monthly rate of \$892.50 (1,500 s.f. warehouse @ a rate of \$7.14/s.f./yr.). Personal Guarantee.
 6. Lease Renewal – Marinas, LLC, 1688 Fitzpatrick Point, beginning September 1, 2014 through August 31, 2015, at the budgeted monthly rate of \$194.00 (0.2026 acres @ a rate of \$11,490.62/ac./yr.). Personal Guarantee.
 7. Lease Renewal – Sanford Boat Storage, Inc., 1490 Kastner Place, Suite A, beginning September 1, 2014 through August 31, 2015, at the budgeted monthly rate of \$8,000.00 (27,500 s.f. warehouse @ a rate of \$3.49/s.f./yr.). Personal Guarantee.
 8. Lease Renewal – Treetop Concepts, LLC, 1450 Kastner Place, Suite 100, beginning September 1, 2014 through August 31, 2015, with a 60 day termination clause, at the budgeted monthly rate of \$975.00 (1,050 s.f. offices with 450 s.f. warehouse @ a blended rate of \$7.80/s.f./yr.). Personal Guarantee.
 9. Lease Renewal – The District Board of Trustees of Seminole State College, 1433-1453 Dolgner Place, beginning October 1, 2014 through September 30, 2015, at the budgeted monthly rate of \$3,280.00 (10,500 s.f. offices @ a rate of \$3.75/s.f./yr.).
 10. Lease Renewal – Freeport Fountains, LLC, 1510 Kastner Place, Suite 3, beginning September 1, 2014 through August 31, 2015, with a 60 day termination clause, budgeted for a 5% monthly rate increase to \$1,684.20 (1,375 s.f. offices @ a rate of \$14.70/s.f./yr.). Personal Guarantee. *Tenant has petitioned the Board to maintain their monthly rent for the next lease period at \$1,604.00 (letter attached).*

The Administrator reviewed the list of Leases and requested approval of Leases of one through nine as presented. In regard to item number ten, the Freeport Fountains, LLC, lease renewal, the Administrator referred to a letter received from the tenant requesting a flat rate for this next year. The Administrator explained that after

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doing some market research, their rent is consistent with comps in Sanford. Further, the Administrator recommended approval of Freeport's request referring their impeccable track record as tenants and the lack of interest in the vacant office building located at 1511 Kastner Place.

Commissioner Carey inquired as to the payment record of the tenants requesting lease renewals. The Administrator confirmed that all nine of the renewing tenants had maintained good payment performance and were desirable tenants.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY MATTHEW T. BROWN TO APPROVE ALL THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

b) Appoint Nominating Committee - Chairman McBroom appointed herself, Matthew T. Brown and Kyle Kilger to the Officer Nominating Committee for the fiscal year 2014/2015 SCOPA Board of Directors, and they accepted.

There being no further business, the meeting was adjourned at 4:40 p.m. by Chairman McBroom.

Dana McBroom, Chairman

Matthew T. Brown, Secretary