

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JANUARY 21, 2015**

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 January 21, 2015.

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

Directors absent: Michael McLean, Vice-Chairman; and Cliff Miller, Secretary.

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

Others present: 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 December 17, 2014, Board Meeting.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY THOMAS KUHN TO APPROVE THE MINUTES OF THE DECEMBER 17, 2014, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of December 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 \$10,745 and over budget by \$8,434 for the year. The Administrator explained that due to the timing on some of the planned projects, expenditures for the month were under budget by \$101,947 and under budget by \$210,955 for the year thus far. The year to date profit is \$274,053, which equates to 60.4%. Occupancy was 90.9% and the Administrator explained that due to the Acme Recycling situation, which would be discussed further under the Attorney's report, there is an additional 11,500 sq. ft. vacant and presently not available for rent.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator asked the Board Members to review the list of outstanding bills and invited any questions. He explained that item #6, the \$4,874.00 payment to Stephen H. Coover, Client Trust, represents attorney's fees primarily due to the Acme Recycling and ARI matters. Item #15, the \$9,198.00 payment to Public Risk Management, represents SCOPA's quarterly insurance premium. The Administrator explained that item #16, the \$5,419.24 payment to Roger Pinkerton, consisted of work done to clean up the former Acme site, 1430 and 1440 Dolgner Place. Item #21,

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the \$7,211.00 payment to General Maintenance and Contracting, represents the repairs and refurbishing of a couple of units between tenants. Line item #28, the \$697.00 payment to Exact Plumbing, represents the required annual backflow testing of 17 backflow devices here at the Port. The Administrator explained that item #14, the \$955.00 payment to Tony Russi Insurance Agency, would be discussed later in the Attorney's Report and asked for approval of all items except item #14.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY KYLE KILGER TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED EXCEPT FOR ITEM #14. 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 the Acme Recycling outstanding balance would continue to be covered under the Attorney's report as in recent months. Big Mike's Boats, LLC, made an \$1,800.00 payment this week and is working on their balance. G&C Welding Specialists, LLC, is current and staff is in contact with them regarding rents due. The Administrator explained that we were in the process of the Twenty Day Response to the Three Day Notice for rent collection on Johnny Lucky Inthachack Athakhanh. The Administrator has spoken with Mr. Athakhanh recently asking him if he'd be willing to turn in the key to surrender the property and negotiate a payment plan on the balance due, however, he has not yet done such. Sanford Boat Storage, Inc., has made just over half of their monthly payment and is working on the balance. The Administrator went on to explain that the remaining small balances listed on the Outstanding Bills list represent the cost increase due to the increased sales tax effective on January 1, 2015. Staff has contacted those tenants explaining the reason for the balance due and increase in invoice amounts.

ATTORNEY'S REPORT

a) Acme Recycling Industries, LLC – Mr. Coover explained that SCOPA has a \$56,675.64 pre-petition claim against Acme Recycling and a \$33,340.16 post-petition claim for administrative rents. It is believed that the Trustee has liquidated enough assets to cover the post-petition administrative rents and those will be recovered once the claims period has expired. Mr. Coover proceeded to explain that he is working with the Tax Collector's office, who also has a substantial tax lien, with regard to the equipment. SCOPA has a landlord's lien on some of this same equipment. During those discussions, the Tax Collector proposed that if SCOPA would start collecting ad valorem and personal property taxes as part of our lease arrangement here he would give us due consideration.

Mr. Coover went on to explain that at this point, the Tax Collector is going through the legal process of liquidating some of the assets until the tax lien is met. If the equipment which SCOPA has its landlord's lien on is left then SCOPA will have an opportunity to recoup some of the pre-petition

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rents. However, if the Tax Collector's office sells that particular equipment then SCOPA will not be receiving anything from the liquidation of assets towards the pre-petition rents.

Mr. Coover explained to initially get the Distress for Rent he was required to get a Prejudgment Writ and the only way to acquire that is by posting a bond. The bond is due for renewal January 31, 2015. After some discussion, Mr. Coover recommended not renewing the bond, item# 14 on the Outstanding Bills List. It was the consensus of Board to not renew the bond and likewise not approve payment of item # 14, the \$955.00 to Tony Russi Insurance Agency, Inc.

Finally, Mr. Coover explained to the Board that he made the 75/25 split offer to LSREF3 Sapphire, LLC, as decided at the December 2014 board meeting, but has not received a response.

Returning to the Tax Collector's proposal, the Administrator expressed that the Port has operated for forty years collecting rent and sales tax. We are not prepared to collect and escrow ad valorem and intangible property taxes. Unlike the Tax Collector, SCOPA is not equipped with legal rights, warrants, and seizures to handle that business. The Administrator recommended that the Port continue to do what it does best and leave the collecting and escrowing of ad valorem and intangible property taxes to the Tax Collector's office. Mr. Poe interjected that he did not believe we were equipped, prepared or educated enough to take on that responsibility. Chairman Brown agreed reminding the Board about the recent confusion with the Marina's sales tax. Commissioner Henley concurred with Mr. Poe's opinion. After a brief discussion, it was the consensus of the Board to continue to cooperate and work with the Tax Collector's office, but not to assume any responsibilities for collecting ad valorem or intangible property taxes.

ADMINISTRATOR'S REPORT

a) Projects 169 & 170 – The Administrator reported that the contractors will be on site February 9th, to commence with Project #169- the roof over of 1601 Dolgner Place which is leased by Millennium Luxury Coaches. Project #170, the re-roof and resheeting of 1515 Kastner Place which is leased by Water Specialists, will be scheduled promptly thereafter.

OLD BUSINESS

There was no old business.

NEW BUSINESS

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

1. New Lease – Medieval Armory, LLC, 1928 Dolgner Place, 1 year Lease, lease term of January 15, 2015 - January 14, 2016, at the rate of \$850/mo. (1,500 s.f. warehouse @ a rate of \$6.80/s.f./yr.). Personal Guarantee.

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2. New Lease – Brand O’ Guitar Company, 1904 Dolgner Place, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at the rate of \$756.00/mo. (1,500 s.f. warehouse @ a rate of \$6.05/s.f./yr.). Personal Guarantee.
3. New Lease – Acme Industrial Supply, LLC, 1461 Kastner Place, Suite 117-129, 1 year Lease, lease term of January 1, 2015 – December 31, 2015, at the budgeted rate of \$3,049.20/mo.(8,000 s.f. warehouse, plus lot @ a rate of \$4.57/s.f./yr.). Personal Guarantee.
4. Lease Termination (in conjunction with above) – Acme Industrial Supply, Inc., 1461 Kastner Place, Suite 117-129, 1 year Lease, lease term of November 1, 2014 – October 31, 2015, at the budgeted rate of \$3,049.20/mo.(8,000 s.f. warehouse, plus lot @ a rate of \$4.57/s.f./yr.). Personal Guarantee.
5. New Lease – Acme Industrial Supply, LLC, 1451 Kastner Place, Suite 101-109, 1 year Lease, lease term of January 1, 2015 – December 31, 2015, at the budgeted rate of \$2,205.00/mo.(5,040 s.f. warehouse with 960 s.f. office @ a rate blended of \$4.41/s.f./yr.). Personal Guarantee.
6. Lease Termination (in conjunction with above) – Acme Industrial Supply, Inc., 1451 Kastner Place, Suite 101-109, 1 year Lease, lease term of March 1, 2014 – February 28, 2015, at the budgeted rate of \$2,205.00/mo.(5,040 s.f. warehouse with 960 s.f. office @ a rate blended of \$4.41/s.f./yr.). Personal Guarantee.
7. Lease Renewal – Legacy Glass & Supply, Inc., 1980 Dolgner Place, Suite 1068, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at a 5% rate increase to \$1,575.00/mo. (2,330 s.f. warehouse with 670 s.f. office @ a blended rate of \$6.30/s.f./yr.). Personal Guarantee.
8. Lease Renewal – Ocean State Event Services, Inc., 1461 Dolgner Place, Suites 101-113, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at the budgeted 5% rate increase to \$3,125.85/mo. (8,000 s.f. warehouse, plus lot @ a rate of \$4.69/s.f./yr.). Personal Guarantee.
9. Lease Renewal - Southern Aquatic Management, Inc., 1980 Dolgner Place, Suite 1048, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at the budgeted rate of \$909.30/mo. (1,212 s.f. warehouse with 288 s.f. of office @ a blended rate of \$7.27/s.f./yr.). Personal Guarantee.
10. Lease Renewal – CFLSS, Inc., 1509 Dolgner Place, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at a 5% rate increase to \$840.00/mo. (1,500 s.f. warehouse with 500 s.f. of office @ a blended rate of \$5.04/s.f./yr.). Personal Guarantee.

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11. Lease Renewal – Lentec Machining, Inc., 1563 Dolgner Place, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at a 5% rate increase to \$761.25/mo. (2,000 s.f. warehouse @ a rate of \$4.57/s.f./yr.). Personal Guarantee.
12. Lease Renewal – Marinas, LLC, 1681 Fitzpatrick Point, 1 year Land Lease, lease term of February 1, 2015 - January 31, 2016, at the budgeted monthly rate of \$1,200.00/mo. (2.2 acres m.o.l. @ a rate of \$6,545.45/ac/yr.) Personal Guarantee.
13. Lease Renewal – Miller Lights, Inc., 1441 Kastner Place, Suite 1, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at the budgeted monthly rate of \$1,025.00/mo. (2,500 s.f. warehouse @ a rate of \$4.92/s.f./yr.). Personal Guarantee.
14. Lease Renewal – R.C. Cabinets, Inc., 4421 Schilke Way, Suite 108, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at the budgeted rate of \$891.45/mo. (1,928s.f. warehouse with 72 s.f. of office @ a blended rate of \$5.35/s.f./yr.). Personal Guarantee.
15. Lease Renewal - Bryan Riesbeck, 1962 Dolgner Place, 1 year Lease, lease term of February 1, 2015 - January 31, 2016, at the budgeted rate of \$882.00/mo. (1,500 s.f. warehouse @ a rate of \$7.06/s.f./yr.).
16. New Lease- Polished Concrete Floors, LLC, 4421 Schilke Way, Suite 116-120, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at the rate of \$1,500.00/mo.(4,000 s.f. warehouse @ a rate of \$4.50/s.f./yr.). Personal Guarantee.
17. New Lease – Artik Enterprises, Inc., 4421 Schilke Way, Suites 124-128, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at a rate of \$1,575.00/mo. (4,000 s.f. warehouse @ a rate of \$4.73/s.f./yr.). Personal guarantee. As a new business, tenant requests rate reduction.
18. Lease Termination (in conjunction with #17 above) Doug’s Alignment, Inc., 4421 Schilke Way, Suites 124-128, lease term September 1, 2014 – August 31, 2015, at the budgeted rate of \$1,575.00/mo. (4,000 s.f. warehouse @ a rate of \$4.73/s.f./yr.). Personal guarantee.
19. New Lease – Artik Enterprises, Inc., 4417 Schilke Way, 1 year Lease, lease term of February 1, 2015 – January 31, 2016, at a rate of \$340.00/mo. (0.4553 acres @ \$8,961.12/ac./yr.). Personal guarantee.
20. Lease Termination (in conjunction with #19 above) Doug’s Alignment, Inc., 1 year Lease, lease term of June 15, 2014 – June 14, 2015, at the budgeted rate of \$340.00/mo. (0.4553 acres @ \$8,961.12/ac./yr.). Personal guarantee.

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The Administrator reviewed the list of Leases and requested approval of all the leases as presented except items #17 and 18.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CARLTON HENLEY TO APPROVE THE LIST OF LEASES, EXCEPT ITEM #17 AND #18, AS DISCUSSED.

MOTION CARRIED UNANIMOUSLY.

The Administrator referred to a letter of request from Timothy Kipp, the President of Artik Enterprises, who has purchased a business in the Port called Doug's Alignment. Mr. Kipp is petitioning the Board for a rent reduction to assist in the costs associated with setting up a new business. The Administrator felt that this was in line with SCOPA's new business incentive policy and the mission of the Port. A short discussion ensued.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM POE TO APPROVE ITEM #17, THE NEW ONE YEAR LEASE WITH ARTIK ENTERPRISES, LLC, AT THE MONTHLY RATE OF \$1,500 WITH A 2.5% INCREASE AT THE ONE YEAR LEASE RENWAL, AND TO APPROVE ITEM #18, THE RELATED LEASE TERMINATION.

MOTION CARRIED UNANIMOUSLY.

b) Banking Committee RFP Report and Recommendation – Michael Caraway, Chairman of the Banking Committee, reported that the Committee received four banking proposals for review on January 9, 2015. The respondents were invited back to give an oral presentation to the Committee on January 16, 2015. Mr. Caraway reported that there was not a great difference making any one truly stand out. Therefore, the Committee looked at the proposals from two different stand points. From a purely financial stand point, CenterState Bank offered the best interest rate; however, they have monthly charges. Whereas, our current bank, Seacoast National Bank, offered an interest rate of only 0.1% less than CenterState Bank without any monthly fees. Mr. Caraway reported that from a relational stand point, the Committee inquired with the staff as to any complaints or issues with Seacoast National Bank and were told there were none. Therefore, it was the consensus of the Banking Committee to stay with Seacoast National Bank due to the competitive interest rate Seacoast National Bank offered, the satisfaction of the staff on the service being received, and everything that would be involved in changing banks.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY CARLTON HENLEY TO FOLLOW THE RECOMMENDATION OF THE BANKING COMMITTEE, AS DISCUSSED.

MOTION CARRIED UNANIMOUSLY.

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There being no further business, the meeting was adjourned at 4:56 p.m. by Chairman Brown.

Matthew T. Brown, Chairman

Cliff Miller, Secretary