

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MARCH 18, 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 March 18, 2015.

Chairman Matthew T. Brown called the meeting to order at 4:00 p.m. with the following members present: Matthew T. Brown, Chairman; Michael McLean, Vice-Chairman; Cliff Miller, Secretary; Thomas Kuhn, Member; William Poe, Member; Kyle Kilger, Member; and Carlton Henley, BCC Member.

Members Absent: Michael Caraway, Treasurer and Dana McBroom, Member.

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 February 18, 2015, Board Meeting.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY MICHAEL MCLEAN TO APPROVE THE MINUTES OF THE FEBRUARY 18, 2015, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of February 2015 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 \$12,098 and revenues were over budget by \$24,647 for the year to date. The Administrator explained that due to the timing on some of the planned projects, expenditures were under budget by \$30,091 for the month and under budget by \$320,554 for the year thus far. The year to date profit is \$442,480, which equates to 57.6%. Occupancy for the month of February was 93%. Kyle Kilger inquired about the vacancies. The Administrator explained that the two sites still tied up in the Acme Recycling bankruptcy situation were contributing to the drop in occupancy.

The Outstanding Bills and Aged Receivables were presented to the Board for discussion and approval. The Administrator asked the Board Members to review the list of outstanding bills. He explained that item #12, the \$22,798.29 payment to McKee Construction, represents the final draw on Project #169. Item #18, the \$3,199.01 payment to General Maintenance & Contracting, Inc., represents maintenance to units between tenants. Item #20, the \$2723.10 payment to Yahn Electric Co., represents repairs to two units as well as the SCOPA office building. Item #21, the \$5,747.80 payment to Sanford Carpet, is for the labor to re-carpet the recently rented 4,000 square foot office

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building at 1511 Kastner Place. Item #23, the payment to Seminole Site Services, Inc., in the amount of \$8,040.00 represents the payment to replace several culverts along Kastner Place. Item #28, the \$24,440.00 payment to Don Reid Ford, Inc., represents the previously approved and ordered fleet vehicle that should be delivered next week. Finally, the Administrator reviewed the standard first of month checks and invited questions.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY WILIAM POE 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 the Acme Recycling outstanding balance was the prepetition rent. Proceeds from the Trustee sale of assets is expected in the amount of \$22,000 for Acme Recycling's post bankruptcy, administrative rents. Staff has been attempting to collect on the balance owed by Big Mike's Boats, LLC, but will most likely be issuing a three day notice soon. F4W is current owing only this month. GS Plant Foods is carrying a little balance due to the sales tax increase. Johnny Lucky Inthachack Athakhanh has left the Port and staff is continuing to send statements in an attempt to collect the balance due. LaRue Structural Fab, LLC and Sanford Boat Storage are current with a balance from this month. Thomas Company has promised to bring in his payment next week. There were no questions on the Aged Receivables.

ATTORNEY'S REPORT

a) Easement Issue – Mr. Coover reported that after the last meeting, he did some research and confirmed that prescriptive rights cannot be obtained against government owned property. Therefore, as directed, Mr. Coover sent a letter to the plaintiff's attorney in the Ray vs. Campbell matter stating that SCOPA was made aware of the pending lawsuit and that the Board does not want motorized vehicles utilizing the easement areas. While Mr. Coover has not yet heard back, he explained that the letter should end the matter because there is no point in getting prescriptive rights that do not allow you to go anywhere.

b) Acme Recycling Industries, LLC – Mr. Coover reiterated that the Trustee sent out a letter stating that we would be paid \$22,000 towards administrative rents. The total claim for administrative rents was for \$33,430.16 and the difference represents the rent the Trustee attributed to ARI Electronics' use of 1500 Dolgner Place. Mr. Coover reminded the Board that when SCOPA entered into the month-to-month lease with ARI, they included that rent to provide the ability to collect in the event the Trustee did not pay for that portion.

Mr. Coover reported that the Seminole County Tax Collector has flagged some assets on site and are preparing to sell it to recover the outstanding tax lien. Mr. Coover and Mr. Van Gaale have both tried to let the Tax Collector know that SCOPA would appreciate them leaving the Caterpillar for the Port to pursue through a landlord's lien. Like SCOPA, the creditor who holds the Note and security interest, is not doing anything against the collateral or property sitting on site because the

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Tax Collector has priority. The attorney reported that the creditor, LSREF3 Sapphire, LLC, are proceeding against the principles with garnishments and repossessions with a hearing in June. ARI Electronics, LLC, is current after paying their March rent today. Mr. Coover explained that presently the situation is waiting for the Tax Collector's sale which takes time to go through all the required processes. A hearing is scheduled for March 30, 2015. It was the consensus of the Board to send a letter to the Tax Collector requesting they fulfill the tax lien through the sale of other assets besides the Caterpillar.

ADMINISTRATOR'S REPORT

a) Projects 169 & 170 – *The Administrator reported that the contractors were almost complete 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, will be scheduled thereafter.*

b) Landscaping Proposal – *The Administrator explained that he received a proposal from our contracted landscaper which contains several elements including: irrigation, refreshing the entrances, and replacing vibernum hedges along existing buildings along with the administrative building. The total package is \$19,100 which is under the \$20,000 that was budgeted. Discussion ensued as to which portions of the proposal should be completed at this time with concerns expressed about the tenant perception of landscape improvements at the SCOPA office building. The Administrator explained that the improvements to the front beds at the office could be cut, however, there are four trees which have matured and are now too close to the building. The removal of those trees is included in the proposal.*

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY THOMAS KUHN TO PROCEED WITH THE LANDSCAPING IMPROVEMENTS NOT TO EXCEED \$19,100.

MOTION CARRIED WITH CHAIRMAN BROWN, COMMISSIONER HENLEY AND CLIFF MILLER OPPOSED.

c) CCNA – *The Administrator reminded the Board of the discussions had at the previous work session about moving forward with a CCNA, Competitive Consultant's Negotiation Act, to formulate solicitations for some master planning services as needed.*

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY KYLE KILGER TO PROCEED WITH A MASTER PLAN OF THE SEMINOLE COUNTY PORT AUTHORITY.

MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

There was no old business.

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NEW BUSINESS

a) Administrator's Evaluation – Chairman Brown asked the Board to complete and return the provided Administrator's Evaluation forms to Mr. Coover's office by March 31, 2015.

b) Budget Committee – The Chairman appointed Michael Caraway, Cliff Miller and Michael McLean to the Budget Committee with Mr. McLean acting as Committee Chairman. The Committee will schedule a meeting with the Administrator who will ensure it is publically advertised as required.

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

1. New Lease – Real Estate Support Services, Inc. ; 1511 Kastner Place; 3 year NNN Lease; lease term of May 1, 2015 – April 30, 2018; at the rate of \$1,900/mo. for first year, \$2,150/mo. for second year, and \$2,400/mo. during the third year. (4,000 s.f. office @ a starting rate of \$5.70/s.f./yr.). Personal Guarantee.
2. Lease Renewal – Executive Auto Connect, LLC; 1954 Dolgner Place; 1 year Lease; lease term of April 1, 2015 – March 31, 2016; at the budget amount of \$800.00/mo. (1,068 s.f. warehouse with 432 s.f. office @ a blended rate of \$6.40/s.f./yr.). Personal Guarantee.
3. Lease Renewal – Marinas, LLC; 1690 Fitzpatrick Point, 3 year lease; Lease term of April 1, 2015 – March 31, 2018; at the current rate of \$5,988.00/mo. the first year with a 5% increase to \$6,287.40/mo. for the following two years, (20,000 s.f. warehouse @ \$3.59/s.f./yr.). Personal Guarantee.
4. Lease Renewal – Roger Pinkerton; 4419 Schilke Way; 1 year Lease; lease term of April 1, 2015 – March 31, 2016; at the budget 5% increase to \$289.80/mo. (0.40 acre m.o.l. @ a rate of \$8,694/ac./yr.).
5. Lease Renewal - Poland's Drywall, Inc; 1501-1505 Dolgner Place, 1 year lease; Lease term of April 1, 2015 – March 31, 2016; at the budget 5% increase to \$1,680.00/mo. (3,850 s.f. warehouse with 150 s.f. office @ a blended rate of \$5.04/s.f./yr.). Personal Guarantee.
6. Lease Renewal – Rampart Gun Works, Inc; 1450 Kastner Place, Suite 104, 1 year lease; Lease term of April 1, 2015 – March 31, 2016; at the budget 5% increase to \$840.00/mo. (1,356 s.f. warehouse with 144 s.f. office @ a blended rate of \$6.72/s.f./yr.). Personal Guarantee.

The Administrator reviewed the list of Leases. He brought to the Board's attention that the Lessee in item #1, Real Estate Support Services, Inc., has complained about the odors from the adjacent businesses, Water Specialists. The Administrator asked to make a note on record that if at some point the odor becomes unbearable, the Lessee should have the right to come talk to and make

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arrangements with the Board. The Administrator then requested approval of lease items 1, 2, 4 & 5 as presented.

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY WILLIAM POE TO APPROVE LEASES 1, 2, 4 AND 5 AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator directed the Board's attention to the copies of letters provided from Marinas, LLC, and Rampart Gun Works, Inc., items #3 and #6 on the list of leases. The Marina has approached the Board not only regarding the current lease renewal but also the upcoming 25 year renewable long-term lease. The Administrator cautioned the Board that these are long-term agreements that were negotiated with the involvement of a lot of attorneys. In regards to the current renewal of the three year dock warehouse, the Administrator outlined several renewal options. Discussion ensued.

MOTION WAS MADE BY WILLIAM POE, SECONDED BY MICHAEL MCLEAN TO APPROVE LEASE # 3, TO MARINALS, LLC, WITH THE SCHEDULED INCREASE AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator explained that Rampart Gun Works, Inc., has requested for the Board waive the 5% rate increase for this renewal. The company owner has invested quite a bit of money getting licensed and permitted as well as setting up a paint booth with proper ventilation. The Administrator recommended granting the request as it was in line with the Port's mission as well as the tenant's plans to add further improvement like air conditioning.

MOTION WAS MADE BY MICHAEL MCLEAN, SECONDED BY WILLIAM POE TO APPROVE LEASE RENEWAL # 6, TO RAMPART GUN WORKS, INC, WITHOUT THE 5% RATE INCREASE, AS REQUESTED.

MOTION CARRIED UNANIMOUSLY.

Mr. Coover brought to the Board's attention the sad passing of former board member, Claire Paul. Several members present acknowledged her long term, dedicated service to the SCOPA Board.

MOTION WAS MADE MY MICHAEL MCLEAN, SECONDED BY CLIFF MILLER TO FORMALLY REMEMBER CLAIRE PAUL FOR HER FAITHFUL SERVICE TO THE SCOPA BOARD AND TO SEND CONDOLENCES TO THE FAMILY.

MOTION CARRIED UNANIMOUSLY.

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There being no further business, the meeting was adjourned at 4:46 p.m. by Chairman Brown.

Matthew T. Brown, Chairman

Cliff Miller, Secretary