

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
APRIL 20, 2016**

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 April 20, 2016.

Chairman Michael McLean called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Michael McLean, Chairman; Cliff Miller, Vice-Chairman; William H. Poe, Secretary; Dana McBroom, Treasurer; Michael Caraway, Member; Michael Bowdoin, Member; and Carlton Henley, BCC Member.

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

Others present: Stephen H. Coover, SCOPA Attorney; Brady Lessard and Jeremy Morton, CPH Engineering, Inc.; along with Joey Pozo and Angela Hornsey, Marinas, LLC.

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 March 16, 2016, Board Meeting. None were presented.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY WILLIAM POE TO APPROVE THE MINUTES OF THE MARCH 16, 2016, BOARD MEETING AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of March 2016 and year-to-date were presented to the Board. The revenues for the month were over budget by \$16,707 and over budget in the amount of \$102,502 for the year. Operational Expenditures for the month were under budget by \$78,768 and under budget in the amount of \$416,202 for the year. Chairman McLean asked if the board could expect to see a jump in expenditures soon. The Administrator confirmed that closer to summertime the board would see the expenditures increase as the planned projects are commencing. He stated that representatives of CPH were present to provide updates on the status of current projects later in the meeting. Year-to-date profit is \$494,411 which equals 48.6%. Occupancy is back up to 96% and the Administrator stated that he looks forward to being closer to 100% next year once the current projects are complete. Chairman McLean complimented the Administrator on the high profit and occupancy. There were no other questions on the March 2016 Financial Statements.

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MOTION WAS MADE BY WILLIAM POE, SECONDED BY CLIFF MILLER TO APPROVE THE MARCH 2016 FINANCIAL STATEMENTS, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Outstanding Bills to the Board for discussion and approval. He explained that item #8, the \$16,504.95 payment to CPH, Inc. represents a partial draw on task order # 1 and the 1490 Kastner Place build out. Item #14, the \$9,428.00 payment to Public Risk Management, represents the quarterly insurance premium. Item # 22, the \$5,305.00 payment to Exact Plumbing, represents the rehab and repair to a sewer line at 1511 Kastner Place. The standard May 1st checks were listed to be paid. Michael Bowdoin inquired as to whether any repairs had been done yet to the dock warehouse building as discussed during last month's lease addendum discussion. The Administrator explained that no repairs had yet to be performed and that Joey Pozo, the marina operator, was present for discussions later in the meeting. No other questions on the bills to be paid were proposed.

MOTION WAS MADE BY MICHAEL BOWDOIN, SECONDED BY DANA MCBROOM 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 reporting that there had been no change in the Acme Recycling Industries accounts. ARI Electronics, LLC, is current owing \$10,700 for April. G S Plant Food brought in a check today bringing them current. Ocean State Event Services, Inc., has brought their account current. Seminole Site Services, Inc., has a small balance. Thomas Companies, Inc., has been down sized and has made payments towards their balance. Chairman McLean noted that Acme Recycling Industries, LLC, makes up approximately 80% of the total aged receivables and that there were no other receivables over 60 days. No other questions or comments on the aged receivables were presented.

ATTORNEY'S REPORT

a) Administrator's Evaluation – Mr. Coover presented the board members with copies of the Administrator's annual evaluation explaining that responses were received from seven of the nine board members. Mr. Coover stated that he felt no need to go into detail except to say that Andrew scored well and that the originals would be turned over to Jennifer, the Administrative Assistant, to be retained on file. Administrator Van Gaale thanked the board members for their positive review. Chairman McLean congratulated Mr. Van Gaale stating that the scores were outstanding and reflected that the Board knows appreciates the consistent results.

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b) Marinas, LLC – Mr. Coover explained that when the present marina operator, Marinas, LLC, bought the operation from Dr. Quinn approximately eight years ago, SCOPA entered into a ground lessors agreement with their bank. There were a couple of lenders involved in the purchase, and SCOPA subordinated its' landlord lien position to the banks' lien on the leasehold. Mr. Coover continued stating that Marinas, LLC, has a long-term lease on the marina portion with shorter term leases on the out parcels. Their balloon loan is being extended by their current lender. He explained that the initial lender failed during the most recent recession was then taken over by FDIC and their current lender was assigned the loan. Marinas, LLC, has a separate three year lease on 1690 Fitzpatrick Point, and the current lender is asking SCOPA to provide the same subordination, which they call a landlord estoppel, on that lease. Mr. Coover explained that he has worked with the bank's attorney making changes so that the agreement that the bank is asking for on 1690 Fitzpatrick Pt., is basically the same as what the board previously agreed to.

Chairman McLean asked Mr. Coover if he was comfortable with the terms of the extension and was there anything apart from what the previous finance entity had done. Mr. Coover stated that the bank doesn't have a mortgage on the Port's property. The bank has a security interest in Marinas, LLC's, lease and that lease has certain rights and benefits to it. The bank is extending a loan to Marinas, LLC, based on them having these occupancy rights for a number of years under the main lease and this particular lease is a three year lease with rights to extend. What the board is doing with this subordination is giving up lien rights to go directly against the tenant and giving the bank the opportunity to cure any defaults, should Marinas, LLC, default on the loan. Allowing them to pay SCOPA while they try to find another tenant to take over the lease and in that way get their money out. Mr. Coover stated that he had this agreement set up the same way as the agreement made several years ago. The highlights are if there is a default, SCOPA has to give the bank notice; they then have 30 days to cure.

Mr. Miller asked if both locations were due at the same time for renewal. Mr. Coover responded that no, Marinas, LLC, has several different leases with SCOPA and the lease in question is a three year lease that renewed April 1st, 2015. Mr. Coover stated that the Administrator could comment, but this particular building is in need of some substantial work in the near future. Commissioner Henley asked who was responsible for that work. The Administrator confirmed that SCOPA would be budgeting for and including it in the capital improvement plan in the coming years.

The Administrator recommended on Mr. Coover's counsel that the board assist Marinas and move forward with the Estoppel Agreement on 1690 Fitzpatrick Point as discussed with the Marinas, LLC, covering the associated legal fees.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY CLIFF MILLER TO AUTHORIZE THE CHAIRMAN TO SIGN THE ESTOPPEL AGREEMENT AS PRESENTED ON 1690 FITZPATRICK POINT, WITH MARINAS, LLC'S BANK, WITH THE CONDITION

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**OF MARINAS, LLC, REIMBURSING SCOPA FOR THE
ASSOCIATE LEGAL FEES.**

MOTION CARRIED UNANIMOUSLY.

ADMINISTRATOR'S REPORT

a) CPH Drainage Project Update – The Administrator invited Jeremy Morton and Brady Lessard of CPH, Inc., to update the board on the current projects. Jeremy Morton provided an update on phase 1 of the drainage project stating that since the last meeting CPH has proceeded with plan design and is approximately 70% complete. Engineers are finalizing the hydraulic analysis. CPH had a productive meeting with St. Johns Water Management District (SJWMD) in which the exemption for permitting was acquired which will save considerable time. Mr. Morton explained that they have met with the Administrator to review and discuss some of the existing issues and pipes. As soon as the hydraulics are finalized the plans will be wrapped up. That should occur near the end of next month as well as the specs and bid documents. Jeremy Morton clarified that this was all in regards to phase 1 of the drainage project which included closing the open ditch system, sizing the pipes large enough to convey the water to the existing ponds and tie into the main trunk lines. The cost estimate increased slightly to \$700,000.

Chairman McLean inquired if anything had surfaced that the engineers did not anticipate thus far in the design of this project. Jeremy Morton stated that when meeting with SJWMD they were expecting a permit but due to the type of entity SCOPA is and the work proposed an exemption was issued. Brady Lessard, also of CPH, stated that the water table here at the Port does present a challenge which is the reason for the additional hydraulic analysis. Jeremy Morton expanded stating that the project is requiring multiple smaller trunk lines of pipes rather than a large pipe as far as inverts go. The pond is shallow without a lot of fall from the front to the back. Jeremy Morton explained it would be less expensive to put in one large pipe but there is not significant room or depth to do so.

Cliff Miller asked what the time frame was for phase 1. Jeremy Morton stated that the project would go out to bid the end of May with a 30 day bid cycle. Construction is estimated at approximately 3 months. Mr. Miller expressed concerns about being exposed during the hurricane season. Jeremy Morton stated that the contractors will start in the downstream end thus having the main pipes in place first as you go back into the system. He also stated that the existing swale system is already in place if we are hit with a large rainfall this project is designed to move the water faster.

b) CPH 1490 Kastner Update – Brady Lessard with CPH, Inc., explained that the plans and design for 1490 Kastner Place has been put out to bid with a low bid of \$329,375 from Morton Construction, a Sanford Company, and a high bid of \$392,257, from R. B. Marks, which is a Longwood firm. Mr. Lessard explained that while price has remained steady, the availability of contractors has proven to be more difficult. While

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there were only two respondents to the bid, the bidder has confirmed that they are available to commence work promptly. Mr. Lessard explained that he has spoken to the Administrator and architects about some value engineering opportunities and he felt Morton Construction would be amenable to those. Mr. Lessard explained that there were seven or eight plan holders as well as copies at plan rooms for bid. He reminded the board that public work requires a performance bond costing about \$10,000. The Administrator also explained that this work included a two hour fire wall, led fixtures, automatic light sensors and other code requirements that are unavoidable. Mr. Lessard explained that a \$120 per square foot is not excessive for the 2,600 square foot office which will provide a segregated space that will be leasable to an identified user. The Administrator explained that the Port has lost revenue with the long term vacancy at 1490 Kastner Place. With a five year lease with a good, existing tenant here at the Port that was planning to leave the Port for increased space, SCOPA will recoup the investment with additional years of revenue in the future.

Dana McBroom inquired if we budgeted \$275,000 for this project. The Administrator explained that this project was not specifically budgeted for, however, due to what has been saved on roof projects and what was budgeted for miscellaneous capital improvements SCOPA has the money to precede with this renovation to make the space leasable. Brady Lessard stated that not only did the contractor confirm they are available to proceed they also stated they believe the build out could be completed in 90 days rather than the 120 days stated in the bid.

Dana McBroom asked for confirmation, due to the upcoming budget session, of the phase one drainage cost estimates. Jeremy Morton confirmed that the estimate was between \$700,000 and \$750,000, but will have a definitive bid amount once the plans are completed and bids are received. Brady Lessard stated that phase 2 of the drainage project would be a similar investment. Chairman McLean stated that he believed the board should use the resources at hand while we can because no one can predict the future.

MOTION WAS MADE BY MICHAEL BOWDOIN, SECONDED BY MICHAEL CARAWAY TO ALLOW THE ADMINISTRATOR TO ENTER INTO CONTRACT WITH THE LOW BIDDER, MORTON CONSTRUCTION, AND CONTINUE VALUE ENGINEERING THE RENOVATIONS AT 1490 KASTNER PLACE.

MOTION CARRIED UNANIMOUSLY.

c) Fencing Projects – The Administrator explained that he has received proposals for two fencing projects. Fence A is to replace the old chain link fencing behind the log cabin and that proposal came in at \$7,771.80. Fence B is to provide secure outdoor storage space at 1490 Kastner Place and that proposal came in at \$12,425.50. The Administrator explained that the proposals were from an existing contractor, Commercial Fence, which allows us to piggyback on DOT and Duval County

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Schools. The SCOPA purchasing policy allows the board to piggy back on any government contracts within the state. The Administrator recommended approval of both fencing projects.

MOTION WAS MADE BY DANA MCBROOM, SECONDED BY WILLIAM H. POE TO AUTHORIZE THE ADMINISTRATOR TO ENTER INTO CONTRACT WITH COMMERCIAL FENCE FOR TWO PROJECTS IN THE AMOUNT OF \$7,771.80 AND \$12,425.50.

MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

a) Budget Committee Meeting – The Administrator explained that a draft budget was prepared and provided to the Budget Committee members who would be meeting on Tuesday, May 3rd, 2016, at noon to discuss the fiscal year 2016-2017 budget. He confirmed that the meeting would be properly advertised as well as notification sent to the County Manager, Nicole Guillet, as agreed last year.

NEW BUSINESS

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

1. New Lease – Thomas Companies, Inc.; 1980 Dolgner Place, Suite 1032; 1 year Lease; Lease term April 1, 2016 through March 31, 2017; at the rate of \$775.00/month (1,500 sq. ft. warehouse @ a blended rate of \$6.20/sq. ft./yr.). Personal guarantee.
2. New Lease – Freeport Fountains, LLC; 1450 Kastner Place, Suite 120; 1 year Lease; Lease term May 1, 2016 through April 30, 2017 with a 60 day termination clause; at the rate of \$550.00/month (1,212 sq.ft. warehouse with 288 sq. ft. office @ a rate of \$4.40/sq.ft./yr.). Personal guarantee.
3. New Lease – Bennett & Sons Air Conditioning, LLC; 1962 Dolgner Place; 1 year Lease; Lease term March 1, 2016 through February 28, 2017; at the rate of \$ 800.00/month (1,500 sq. ft. warehouse @ a rate of \$6.40/sq.ft./yr.). Personal guarantee.
4. New Lease – William Suehn Sr.; 1509 Dolgner Place; 1 year Lease; Lease term April 1, 2016 through March 31, 2017; at the rate of \$800.00/month (1,500 sq.ft. warehouse with 500 sq. ft. office @ a blended rate of \$ 4.80/sq.ft./yr.).
5. New Lease – Monica Jenkins; 1980 Dolgner Place, Suite 1028; 1 year Lease; Lease term April 1, 2016 through March 31, 2017; at the rate of

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\$875.00/month (1,212 sq. ft. warehouse with 288 sq. ft. office @ a blended rate of \$7.00/sq.ft./yr.).

6. Lease Renewal – Kevin B. Hays Fire Consulting; 1470 Kastner Place, Suite 112&116; 1 year Lease; Lease term May 1, 2016 through April 30, 2017; at the rate of \$1,470.00/month. (2,907 sq. ft. warehouse @ a rate of \$6.07/sq.ft./yr.). Personal guarantees.
7. Lease Renewal – J. Dalton Enterprises, Inc.; 1980 Dolgner Place, Suite 1000; 1 year Lease; Lease term May 1, 2016 through April 30, 2017; at the rate of \$1,653.75/month. (2,181 sq. ft. warehouse with 819 sq. ft. office @ a blended rate of \$6.61/sq.ft./yr.). Personal guarantee.
8. Lease Renewal – Daniel E. Wurl; 1450 Kastner Place, Suite 124-128; 1 year Lease; Lease term May 1, 2016 through April 30, 2017; with a 5% increase to the rate of \$1,779.75/month. (2,328 sq. ft. warehouse with 672 sq. ft. office @ a blended rate of \$7.11/sq.ft./yr.).

The Administrator reviewed the list of leases and invited questions. Cliff Miller inquired about the new lease with Freeport Fountains. The Administrator explained that it was space in addition to those spaces which they have rented for years. Freeport asked to use the space temporarily but, since it has been some time now, the Administrator felt it was prudent to get them under lease. Mr. Miller inquired about Thomas Companies' existing outstanding balance. The Administrator replied in the affirmative explaining that downsizing his footprint should make it easier for Thomas to catch up. He also explained that another existing tenant was waiting to absorb the space that Thomas Companies was vacating. There were no other questions.

MOTION WAS MADE BY WILLIAM H. POE, SECONDED BY CLIFF MILLER TO APPROVE THE LIST OF LEASES AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:47 p.m. by Chairman McLean.

Michael McLean, Chairman

William Poe, Secretary