

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
AUGUST 17, 2022**

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 17, 2022.

Chairwoman Dana McBroom called the meeting to order at 4:02 p.m. with the following Directors constituting a quorum: Dana McBroom, Chairwoman; Susan Sherman, Vice-Chair; Cliff Miller, Member; Matthew Criswell, Member; Amy Guilfoyle, Member; and Harry Ellis, Member.

Members Absent: Bill Spivey, Secretary; Michael Caraway, Treasurer; and Andria Herr, BCC Member.

Staff present: Andrew Van Gaale, Administrator and Jennifer Sykes, Business Office Manager.

Also present: Steve Coover, SCOPA Attorney; and Edwin Barfield, Barfield Group.

An invocation was given by Cliff Miller followed by the pledge to the Flag.

The Chair opened the floor for corrections or additions to the minutes of the August 17, 2022, meeting.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY HARRY ELLIS TO APPROVE THE MINUTES OF THE AUGUST 17, 2022, BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Outstanding Bills list for August 17th, totaling \$56,381.36. He noted item #19, the \$5,924.50 payment to Barnes Heating & Air Conditioning, Inc., representing one service call and one AC replacement. Item #20, the \$4,494.18 payment to McKee Roofing, LLC, represents replacement of rusted exterior siding at 1980 Dolgner Place, Suite 1068. Item #21, the \$6,589.63 payment to MGC Roofing & Construction, Inc., represents skylight replacement at 4421 Schilke Way, Suites 116 through 128. Matthew Criswell inquired about what kind of skylights were replaced and recommended the Administrator check the manufacturer. He stated that his company has had 640 polycarbonate skylights by SunSky fail this year. He explained that the skylights are cracking and SunSky has an approved caulking and screw required. The Administrator confirmed the cracking issues and that the new buildings designed for the 1500 Dolgner site would have LED lighting and no skylights. The Administrator then presented the standard bills for September 1st, totaling \$9,837.66.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY MATTHEW CRISWELL TO APPROVE THE AUGUST 17th and SEPTEMBER 1ST BILLS AS PRESENTED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Aged Receivables List to the Board for review with no outstanding receivables. Matthew Criswell and Dana McBroom thanked staff for their diligent collection efforts.

LEASES

The Administrator then reviewed the following seven Leases Addendums recommending approval:

1. Lease Renewal – G&C Welding Specialists, LLC; 4421 Schilke Way, Suite 100 & 104; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; at the budgeted rate of \$1,627.50/month (4,000 sq.ft. warehouse @ a rate of \$5.23/sq.ft./yr.) Personal guarantee.
2. Lease Renewal – Kevin B. Hays Fire Consulting, LLC; 1470 Kastner Place, Suites 124, 128 & 132; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; at the budgeted rate of \$2,100.00/month (4,020 sq.ft. warehouse w/ 480 sq.ft. office @ a blended rate of \$6.03/sq.ft./yr.) Personal guarantee.
3. Lease Renewal – La Mesa RV Center, Inc. (Florida); 1430 & 1440 Dolgner Place; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; at the budgeted rate of \$6,945.75/month (11,500 sq.ft. warehouse w/ 1,000 sq.ft. office @ blended rate of \$7.20/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – Network Electrical Systems, Inc.; 1958 Dolgner Place; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; at the budgeted rate of \$1,041.86/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$8.77/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – New Price, Inc.; 1928, 1932 & 1954 Dolgner Place; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; with the budgeted 5% rate increase to \$2,362.50/ month (4,500 sq.ft. warehouse @ a rate of \$2,362.50/month (4,500 sq.ft. warehouse @ a rate of \$6.78/sq.ft./yr.) Personal guarantee.

6. Lease Renewal – ProlinQ, Inc.; 1417 Dolgner Place; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; with the budgeted 5% rate increase to \$918.75/month (1,396 sq.ft. warehouse w/ office @ a blended rate of \$8.41/sq.ft./yr.) Personal guarantee.
7. Lease Renewal – Rhoades Construction Services, LLC; 1970 Dolgner Place; 1-year Lease Addendum; term Sept. 1, 2022 – Aug. 31, 2023; at the budgeted rate of \$1,543.50/month (3,000 sq.ft. warehouse @ a rate of \$6.63/sq.ft./yr.) Personal guarantee.

MOTION WAS MADE BY MATTHEW CRISWELL, SECONDED BY CLIFF MILLER TO APPROVE THE LIST OF LEASES AS PRESENTED.

Harry Ellis asked the Administrator if he had an analysis of the Port rental rates in comparison to the market. Dana McBroom explained that the board reviewed rates just a couple of months ago. The Administrator stated that he had just reviewed an article in the Orlando Business Journal with a Cushman Wakefield study and the Port rates are in line with the market. Matthew Criswell commented that SCOPA has to be on the lower end of the spectrum because the product offered does not compare to the large, new business parks within the Orlando market. Harry Ellis agreed and suggested a visual graph showing historical rates for the board when approving leases. The Administrator reminded the board that while rates in the area are going up ten to twelve percent annual, that represents new product hitting the market. The Port has older product and without changing the leasing structure, is limited to the five percent every other year except on new leases. Harry Ellis acknowledged that explaining that seeing the steady increase visually would be beneficial to expedite discussions going forward. There were no other questions or comments on the lease addendums.

MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

1500 Dolgner Place Redevelopment –The Administrator updated the board on the CPH Consulting lump sum proposal in the amount of \$89,000 to begin the building design for the 1500 Dolgner Place redevelopment. He explained that at the July meeting Bill Spivey requested additional time to review the proposal. The Administrator stated that a copy was forwarded to all members of the board. Mr. Spivey had returned a copy of the proposal with comments that were forwarded to SCOPA Attorney Steve Coover. The Administrator stated he would have the clean, edited version for approval at the September meeting.

ADMINISTRATOR'S REPORT

Seminole County Acquisition Proposal for Orange Boulevard Improvement Project – The Chair turned the floor over to Ed Barfield who presented the plans for the Orange Boulevard Improvement Project section that impacts the Port. He started at the western most point notating where the County would be tying into the stormwater outfall on the adjacent property with only a top of bank on the Port side. He showed how the portion of the taking widens to about five feet as you travel east towards Dolgner Place. The to accommodate the turn lane onto Dolgner Place, it widens to accommodate the west bound turn lane. Mr. Barfield also pointed out a drainage easement at the Orange-Dolgner intersection to install an inlet to capture the water that is currently ponding along the frontage. He explained that a right-of-entry or a license agreement to allow the County's contractor to tie in the curb lines, radius of turns and asphalt is depicted in green where both Dolgner and Kastner intersect Orange Boulevard. However, neither of those two portions of property will not change ownership. Mr. Barfield then pointed out the stormwater outfall connection east of the Kastner Place-Orange Boulevard intersection that would continue to feed into the existing ditch along Kastner Place. He explained that the County was acquiring the La Mesa property, currently used for employee parking, east of Kastner Place. The structure on the La Mesa property would be removed and the property used for water retention. Mr. Barfield pointed out a triangular section of the Port property just past the La Mesa employee parking. He explained that the County is going to stabilize and grade the swale to water will properly flow to the ditch adjacent to the railroad rather than ponding like it does currently. Mr. Barfield stated that from the Lockhart Smith Canal to Interstate 4, Orange Boulevard will be a three-lane section without medians to accommodate the Port's large trucks and RVs. He confirmed that the east bound turn lanes would be bi-directional and there would be dedicated west bound turn lanes at Kastner and Dolgner. Mr. Barfield then pointed out the bike lanes on both sides of Orange Boulevard, the north or west side will have a five-foot sidewalk, and the south or east side will have ten-foot-wide multiuse path. Dana McBroom asked if the redevelopment east of Kastner would improve the visibility when exiting the Port. Mr. Barfield confirmed that the vegetation and building would be cleared for the retention pond allowing drivers to see all the way to Interstate 4. Finally, Mr. Barfield presented the cure plan in which he obtained a general contractor's bid to replace anything existing that is removed or requires relocation due to the County's taking. He explained that the Port does not have to replace or replicate what is existing, or utilize a particular contractor, but the cost for a general contractor to do so has been included.

Mr. Barfield then presented the County offer which includes \$293,800.00 for the Land, Improvements and Damages, along with a \$94,770.00 incentive offer amount. The land value included was twelve dollars a square foot equaling \$103,500, three easements at 90% equaling \$6,373.00, the general contractor's bid to cure equaling \$171,800, and the incentive offer amount of \$94,770.00 for a total offer of \$388,570.00. Mr. Barfield then stated that the County asked him to ask the SCOPA Board if they would donate the land

component, but that according to Florida Statutes SCOPA is entitled to compensation for the land under the law. The Administrator inquired as to who at the County the land donation request came from. Mr. Barfield responded that it was a John Dredge, the head of public works who made the request then he reiterated that it is only a request and SCOPA has every right to full compensation. Matt Criswell inquired about the exact monetary amount of the donation request and Mr. Barfield confirmed it would be the land and easement amount of \$109,900. Dana McBroom advised the board that if SCOPA voted to make the land donation it would be to Public Works and not the General Fund that SCOPA budgets for and contributes to at the end of the fiscal year. The Administrator informed the board that he conferred with the Property Appraiser regarding the FDOT offer and received a valuation of \$13.57 per square foot and he utilized some of the same comps the Mr. Barfield's appraisal used. Ed Barfield stated that the incentive included brings the per square foot price to \$15.00 per square foot. He also explained that the offer was generated using the Federal Highway Administration (FHWA) and Department of Transportation (DOT) approved incentive program which is a sliding scale formula. The Chair opened the floor for further discussion or a motion.

MOTION WAS MADE BY HARRY ELLISE, SECONDED BY MATTHEW CRISWELL TO ACCEPT THE COUNTY'S STATEMENT OF OFFER IN THE AMOUNT OF \$388,570.00 AS PRESENTED WITHOUT A DONATION OF LAND.

MOTION CARRIED UNANIMOUSLY.

Harry Ellis inquired about the timeline on the improvements. Mr. Barfield stated that the intent is to start the utility adjustments in early 2023. He stated that the Port can begin planning and contracting with the subcontractors of their choice the cure items as soon as they receive payment. He continued stating that anything left in the property being purchased will be removed by the County's contractors once work begins. He thanked the board for their time and stated he would request the Purchase Agreement be prepared and forwarded to the SCOPA Administrator and Attorney.

FDOT Appraisal and Acquisition Proposal for Ultimate I-4 Project – The Administrator explained that the FDOT sent a purchase agreement and a resolution to be approved by the board that states the property is not needed. He stated that he did not like the resolution language and has forwarded copies to SCOPA Attorney Steve Coover for review. He presented a breakdown of the FDOT offer which includes a map. The Administrator pointed out that the property being purchased by FDOT for the Ultimate I-4 project is currently part of the Acme Industrial Surplus lease. He explained that it is a portion of their inventory yard which has no permanent structures. FDOT has made Acme an offer cure since he will have to move some inventory racks and a couple of storage sheds. The Administrator explained that FDOT has presented a purchase offer of \$59,800. Within the purchase off is \$46,900 for the land valued at \$9.00 per square foot, \$7,900 for improvements, and \$5,000 for cost to cure. The Administrator explained that he

contacted the Property Appraiser's office who pulled the comps and recommended \$13.57 per square foot. He stated that he has passed that information along to the FDOT representative. He stated that he also checked with his fence contractor who confirmed the fence modifications can be completed within the FDOT estimate. The Administrator recommended a counteroffer with the land at \$13.57 per square foot which totals at \$70,645.42, plus \$2,500 for legal fees to cover Mr. Coover's time reviewing the documents, the \$7,900 for improvements, and the \$5,000 cost to cure which brings the counteroffer to \$86,045.42. Dana McBroom inquired if the board should ask for incentives like the County is offering. The Administrator stated that the board can ask for anything, but that the Orange Boulevard project was being funded out of Seminole County's one cent sales tax whereas the interstate project could be federally funded. Therefore, he did not know if the same incentives would be available. Steve Coover stated that there was only about \$10,000 to argue over outside of the land value. Matthew Criswell asked if Acme Industrial was going to want a rent reduction after the sale of the property. The Administrator stated no because it's minimal and FDOT is compensating them. Steve Coover stated that the lease should be amended with an accurate exhibit showing the piece carved out for the FDOT purchase. The Administrator stated he would present the counteroffer of \$86,045.42 as discussed and inquire about the incentive program as offered by Seminole County.

July Balance Sheet and Budget Statement - The Administrator presented the Balance Sheet and Budget Statement for the month of July 2022. The Administrator reported that revenues for July were over budget by \$25,502 and over budget by \$249,419 for the year-to-date. Expenditures for July were under budget by \$151,164 and remain underbudget by \$1,108,221 for the year-to-date. The current year-to-date profit totals \$1,185,243 and occupancy for July maintained strong at 99.9%. Matthew Criswell asked what was missing. The Administrator explained that the approximately \$250,000 Dolgner Place full depth reclamation road project was back out to bid because the low bidder could not perform. He stated that the road is stable so we have time to go out to bid and will hopefully have a contract before the end of the fiscal year. Susan Sherman asked if the money was already earmarked, and the Administrator confirmed that the project was included in the annual budget. Dana McBroom advised staff to make sure that all contracts and construction in progress is properly identified on the yearend financial statements.

The Administrator explained that in addition to the road project, the 1500 Dolgner Place site redevelopment plan has been in review since December 2021. He explained that the budget included \$500,000 for that project that will now carry over into next fiscal year. He explained that the St. Johns Water Management District permit was obtained weeks ago, and he keeps being told the permit should be issued any day. However, the last kick back was due to a comment on the parking, so the table was removed, and the plans resubmitted. Now the original reviewer for the fire department is on maternity leave and

the new reviewer is requesting the FPA tables for the gallons per minute flows on industrial buildings that were already provided and exceed the County requirements.

The Administrator stated that the new reviewer had for recent comments, and it was kicked back to site review, therefore, he reached out to Commissioner Herr's office for assistance. He stated typically a site permit takes six months. Steve Coover suggested that when the County asks for more money SCOPA should explain the amount of revenue that is being lost. The Administrator confirmed that it equates to \$40,000 a month in lost revenue plus lost tax revenue while the property sits fallow. He summed it up that the large profit is due to the inability to get the budgeted capital improvement projects completed this year. Dana McBroom reiterated that the loss of revenue and construction in progress need to be properly identified on the yearend financial reports to provide a more accurate picture of the unexpected profit numbers.

ATTORNEY'S REPORT

SCOPA Attorney Steve Coover informed the board that he received an email from Marinas, LLC, regarding the landlord waiver. However, he never received any documents yet to review for approval.

NEW BUSINESS

Florida Surplus Asset Fund Trust- The Administrator explained the SCOPA board member Bill Spivey has recommended that SCOPA put some money into a trust pool to increase the interest return. He stated that Bill Spivey recommends one fund called FL SAFE who he has worked with in the past. He explained that Bill Spivey wanted to do a presentation to his fellow board members but was unable to attend the meeting. The Administrator explained that there are several funds with different values with different rates of return and management structures. The Administrator asked if the board would like a committee to review the funds and make a recommendation. Dana McBroom stated that, like the task order, she would like to see and understand the different options available. Matthew Criswell and Susan Sherman volunteered to participate in an investment committee along with Bill Spivey. Dana McBroom asked SCOPA Attorney, Steve Coover, if there were any conflict-of-interest concerns with Bill Spivey participating in this matter if he was seeking a board seat with FL SAFE. Steve Coover explained that it would depend on whether Bill Spivey receives anything monetarily out of it. Mr. Coover continued stating that the ethics portion of Florida Statutes must also be considered. He explained that the normal rule is that a board member cannot have a contract with anyone that has a contract with the Port Authority. He said that presently he does not understand the makeup of the FL SAFE board and that the Administrator has said that other elected officials sit on the board. He said, therefore, there may be an exception for this fund, but he needs additional information. The Administrator explained that it is an executive board made up of the participants just like Public Risk Management (PRM). He explained that

SCOPA is a voting board member of PRM because it participates in the insurance pool. He stated that he believes that how these other funds operate naming several other examples. The Administrator also informed the board that SCOPA does not have an investment policy, but the State of Florida has one SCOPA can fall under. Dana McBroom stated that Bill Spivey had indicated that the money was accessible. The Administrator agreed stating it was more like a money market account with a better rate and not like a CD. Dana McBroom recommended tabling the item until the committee can review it in depth and make a recommendation.

There being no further business, the meeting was adjourned at 5:16 p.m. by the Chair.

Dana McBroom, Chairwoman

Bill Spivey, Secretary