

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
JANUARY 17, 2024**

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 17, 2024.

The Vice-Chairman called the meeting to order at 4:07 p.m. with the following Directors constituting a quorum: Dana McBroom, Vice-Chair; Bill Spivey, Secretary; Michael Caraway, Treasurer; Harry Ellis, Member; Cliff Miller, Member; Amy Guilfoyle, Member; Steve Powell, Member; and Andria Herr, BCC Member.

Members Absent: Matthew Criswell, Chairman.

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

Also present: Darren Elkind, SCOPA Attorney.

An invocation was given by Michael Caraway followed by the pledge to the Flag.

The Vice-Chair opened the floor for corrections or additions to the minutes of the last meeting held on December 20, 2023. None were presented.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY STEVE POWELL TO APPROVE THE MINUTES OF THE DECEMBER 20, 2023, BOARD MEETING.

MOTION CARRIED UNANIMOUSLY.

The Administrator presented the Balance Sheet and Budget Statement for the month of December 2023. He reported that revenues for the month of December were over budget by \$24,433. The revenues for the year-to-date were over budget by \$71,557. The Administrator reminded the board that this year's budget has a 10% provision for vacancies which is down from the 15% of prior years. He reported that December's expenses were \$20,478 under budget. However, the year-to-date expenses were \$110,888 over budget. Building occupancy remained at 100% for December. The Administrator reported that one of SCOPA's four independent lots were vacant.

The Administrator then presented the Outstanding Bills for January 17th and February 1st. He noted item #7, the \$16,800.00 payment to Newmark Valuation & Advisory, which represents the appraisal of 26 Port leaseholds. Item #13, the \$26,560.00 payment to Public Risk Management, represents the second quarterly insurance premium for this fiscal year. Item #20, the \$2,198.03 payment to MGC Roofing & Construction, represents

minor roof repairs on four different leaseholds. The Administrator noted the standard first of the month bills for February.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY COMMISSIONER HERR, TO APPROVE THE JANUARY 17TH AND FEBRUARY 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. He reported that he was investigating still the best way to dispose of the vehicle abandoned by F4W Strike Team. He reported that the vehicle has a blown motor and without the title he does not anticipate any revenue out of it. Paul Newman's Dazzling Detailing, Inc., has vacated the lot at 4419 Schilke Way. He explained that they left behind junk that needed to be hauled off. The deposit will be applied to outstanding balance and the necessary clean up. AmeriGas' small balance is carried over from their recent deposit increase at renewal. Cliff Miller inquired if any response had been received from Amerigas. Jennifer Sykes explained that Amerigas is a large corporation and payment is set up on auto pay. It often takes a few months for them to catch up with changes in their rates. She said she would continue to send statements along with the invoices. The Administrator reported that Ricardo Zayas has promised payment next week. There were no other questions about the aged receivables.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

Leases – The Administrator explained that the appraisals had been received from Newmark Valuation & Advisory, LLC. He explained that staff did not prepare the January lease renewals anticipating discussion and direction from the board as a result of the appraisals. He stated that most of the leases are between 50-100% under market. He explained that due to the market escalation during the last few post-pandemic years, the low turnover, and the Port's historical leasing policy, the lease rates have quickly fallen behind market. He asked the board for direction on an equitable, standard methodology on how to implement the increases across the board. His recommendation would be a stair-step approach applying a similar percentage of increase across the board which would extend out over two or three years depending on how far the current lease was below market value. Dana McBroom noted that here at the Port the tenant pays the property taxes. She asked the Administrator about the lease language regarding limitations on rate increases. The Administrator replied that only the lease policy has dictated the rate of increases and that the leases include language allowing either party

to obtain an appraisal for rate negotiation. The Administrator suggested that once a methodology was established for implementation of the rate increases, staff would send out letters giving tenants advanced notice so they could prepare and budget accordingly. He stated that the nine leases listed would go into a month-to-month status under their current terms on February 1st unless the board desired staff to take particular action prior to the upcoming policy and rate changes. Discussion ensued. Darren Elkind recommended renewing the January leases as scheduled.

The Administrator presented the following nine leases for approval.

1. Lease Renewal – Florida Sealcoating, LLC; 1470 Kastner Place, Suite 100; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; at the budgeted rate of \$892.50/month (1,500 sq.ft. office/warehouse @ a blended rate of \$7.14/sq.ft./yr.) Personal guarantee.
2. Lease Renewal – Lentec Machining, Inc., 1559 Dolgner Place; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; with a 5% rate increase to \$985.29/month (2,000 sq.ft. warehouse @ a blended rate of \$5.91/sq.ft./yr.) Personal guarantee.
3. Lease Renewal – Lentec Machining, Inc., 1563 Dolgner Place; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; at the budgeted rate of \$925.30/month (2,000 sq.ft. warehouse @ a blended rate of \$5.55/sq.ft./yr.) Personal guarantee.
4. Lease Renewal – MGC Roofing of Florida, LLC; 1936 Dolgner Place; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; with the budgeted 5% rate increase rate to \$1,099.75/month (1,356 sq.ft. warehouse w/ 144 sq.ft. office @ a blended rate of \$8.80/sq.ft./yr.) Personal guarantee.
5. Lease Renewal – MGC Roofing of Florida, LLC; 1940 Dolgner Place; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; with the budgeted 5% rate increase rate to \$983.99/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$7.87/sq.ft./yr.) Personal guarantee.
6. Lease Renewal – MGC Roofing of Florida, LLC; 1950 Dolgner Place; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; with the budgeted 5% rate increase rate to \$931.61/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$7.45/sq.ft./yr.) Personal guarantee.
7. Lease Renewal – Southern Aquatic Management, Inc.; 1980 Dolgner Place, Suite 104; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; at the budgeted rate of \$1,105.26/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$8.84/sq.ft./yr.) Personal guarantee.

8. Lease Renewal – Back Country Customs, LLC; 4421 Schilke Way, Suites 124 & 128; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; at the budgeted rate of \$1,779.86/month (4,000 sq.ft. warehouse @ a rate of \$5.34/sq.ft./yr.) Personal guarantee.
9. Lease Renewal – Back Country Customs, LLC; 4417Schilke Way; 1-year Lease; term Feb. 1, 2024 -Jan. 31, 2025; at the budgeted rate of \$413.27/month (0.4553 acres MOL @ a rate of \$10,892.25/acre/yr.) Personal guarantee.

MOTION WAS MADE BY HARRY ELLIS, SECONDED BY COMMISSIONER HERR TO APPROVE THE LEASES, AS PRESENTED, ON THE NEW LEASE FORM WITH A LETTER STATING THE APPRAISED MARKET RATE FOR THEIR LEASEHOLD AND ADVISING THEM THAT THE BOARD IS DISCUSSING MARKET ADJUSTMENTS.

HARRY ELLIS, COMMISSIONER HERR, AND CLIFF MILLER VOTED IN FAVOR OF THE MOTION.

AMY GUILFOYLE, DANA MCBROOM, MICHAEL CARAWAY, STEVE POWELL, AND BILL SPIVEY VOTED TO OPPOSE THE MOTION.

MOTION FAILED.

MOTION WAS MADE BY AMY GUILFOYLE, SECONDED BY COMMISSIONER HERR TO APPROVE THE LEASES, AS PRESENTED, ON THE NEW LEASE FORM.

MOTION CARRIED UNANIMOUSLY.

It was the consensus of the board that Harry Ellis, Bill Spivey, Matthew Criswell, and Cliff Miller would make up the Industrial Market Review Committee. The committee would meet, create an equitable methodology to implement the rate increases along with a notice to tenants and report back at the February meeting. The Vice-Chair asked that the committee's data and recommendation be distributed for review in advance of the February board meeting.

ATTORNEY'S REPORT

Mr. Elkind reported that he discussed the board's proposed lease terms with La Mesa's new in-house counsel. He requested permission to negotiate the increase over two years. It was the consensus of the board to allow Mr. Elkind to negotiate a 50/50 two-year step-up rate increase with La Mesa.

Commissioner Herr asked the Administrator to present at the next meeting a list of tenants, their current lease, total rate, square foot rate, the appraisal rate, and apply a formula for increases as well as an occupancy study. The Administrator explained that the

Port is a unique entity and that most of the Port leases don't fit exactly into the NNN or full-service models presented in the appraisals. The Vice-Chair asked that the committee and staff take the necessary adjustments in the data into consideration when compiling the implementation plan. Bill Spivey stated that the board will also need to discuss how to handle the Seminole State College incubator. The Vice-Chair asked the Administrator to also include the Seminole State incubator data for the next meeting. Bill Spivey agreed and offered to assist in the data compilation and presentation.

There being no further business, the meeting was adjourned at 5:28 p.m. by Vice-Chair McBroom.

Dana McBroom, Vice-Chair

Bill Spivey, Secretary