

**SEMINOLE COUNTY PORT AUTHORITY**  
**MINUTES OF THE REGULAR BOARD MEETING**  
**June 16, 2021**

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 June 16, 2021.

Chairman Matthew Criswell called the meeting to order at 4:00 p.m. with the following Directors constituting a quorum: Matthew Criswell, Chairman; Dana McBroom, Vice-Chairwoman; Cliff Miller, Treasurer; Michael Caraway, Member; Harry Ellis, Member; Bill Spivey, Member; Amy Guilfoyle, Member; and Andria Herr, BCC Member

Members Absent: Susan Sherman, Secretary.

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

Also, present: Steve Coover, SCOPA Attorney.

An invocation was given by Bill Spivey followed by the pledge to the Flag.

Chairman Criswell opened the floor for corrections or additions to the minutes of the May 19, 2021, meeting. None were presented.

**MOTION WAS MADE BY CLIFF MILLER, SECONDED BY HARRY ELLIS TO APPROVE THE MINUTES OF THE MAY 19, 2021, BOARD MEETING, AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

The Administrator presented the Balance Sheet and Budget Statement for the month of May 2021. The Administrator reported that revenues for the month of May were over budget by \$13,899 and \$193,870 for the year-to-date. Expenditures for the month of May were under budget by \$83,621 and, due to the timing of capital improvement projects, remain underbudget by \$489,655 for the year-to-date. Occupancy for May raised slightly at 99.6% and will increase more in June with the filling of the last vacancy. There were no questions on the May 2021 financial statements.

The Administrator presented the Outstanding Bills list for May 16, 2021, to the Board for discussion and approval. After giving the board time to review the list, the Administrator noted Item #15, the \$5,245.00 payment to Exact Plumbing, Inc., represents several plumbing repairs including a valve repair under the asphalt feeding the five Kastner buildings. Item #18, the \$1,400.00 payment to R. L. Surfacing Corp., represents the grinding and sealing of the floor at 1980 Dolgner Place, Suite 1032. Item #21, the \$2,800.00 payment to Florida Sealcoating, LLC, represents the forming and pouring of a

concrete slab around the Kastner Place mailboxes. Item #22, the \$1,965.00 payment to Syntech Group Corp., represents the cleaning, pressure washing and painting of 1980 Dolgner Place, Suite 1032. The Administrator then noted the standard July 1<sup>st</sup> bills and invited questions.

**MOTION WAS MADE BY HARRY ELLIS, SECONDED BY CLIFF MILLER TO APPROVE THE JUNE 16<sup>TH</sup> AND JULY 1<sup>ST</sup> 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 explained that F4W has a balance of \$12.53 for June; he is having difficulty getting in touch with Jason Rhoades who is the principal of Rhoades Construction and Southeast Custom Auto. The Administrator stated that Thomas Companies has vacated, and staff have had no response from attempts to collect.

#### **ATTORNEY'S REPORT**

Mr. Coover stated he had nothing to report at this time.

#### **ADMINISTRATOR'S REPORT**

The Administrator reminded board members that the annual Financial Disclosure Forms were due by July 1<sup>st</sup>. He then updated the board that the development application for 1500 Dolgner Place was submitted under the maximum development scenario proposing four buildings at thirty to forty thousand square feet. It was reported that the Dolgner Place road core samples were complete, and a layout is due next week. The Administrator anticipates going to bid by the end of June with an estimated contract amount between \$150,000 to \$250,000 at the next meeting. The Administrator provided an update of the meeting with Mr. Smith, held on May 29<sup>th</sup>. He explained that prior to the meeting he met with both the sheriff's and county's building code enforcement. While there are unpermitted structures, they were built prior to 1983 and are, therefore, grandfathered in as legal, non-conforming, existing structures. Regarding enforcement, they are working on a new system to allow for the citation of users, but unfortunately it has not yet been implemented. Therefore, currently citations are issued to the landowner. At the May 29<sup>th</sup> meeting, the Administrator provided the tenant with possible resources to help with the site cleanup and disposal of tires. While staff desires to continue to work with the tenant, so far it appears that only items with perceived value are being sorted and removed from the site. Finally, the Administrator informed the board that staff was preparing a Request for Proposals for insurance and requested volunteers for an Insurance Review Committee. Cliff Miller, Matthew Criswell and Michael Caraway volunteered to participate on the Insurance Review Committee which would meet most likely in August.

## OLD BUSINESS

There was no old business to discuss.

## NEW BUSINESS

**Leases – The Administrator presented the following Leases Agreements and terminations for approval:**

1. Lease Addendum – Artik Enterprises, Inc.; 4421 Schilke Way, Suite 116-120; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$1,323.00/month (4,000 sq.ft. warehouse @ a rate of \$\$3.95/sq.ft./yr.) Personal guarantee.
2. Lease Addendum – Automotive Lift Experts, LLC; 1421 & 1425 Dolgner Place; one year lease addendum; terms July 1, 2021 – June 30, 2022; at the budgeted rate of \$1,575.00/month (3,000 sq.ft. warehouse @ a rate of \$6.30/sq.ft./yr.) Personal guarantee.
3. Lease Addendum – Brand O’Guitar Company; 1910 Dolgner Place; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$1,323.00/month (3,000 sq.ft. warehouse @ a rate of \$5.29/sq.ft./yr.) Personal guarantee.
4. Lease Addendum – Filtration Direct, Inc.; 1539 Dolgner Place; one year lease addendum; terms July 1, 2021 – June 30, 2022, with existing 90day termination clause; with the budgeted 5% rate increase to \$972.40/month (2,000 sq.ft. warehouse @ a rate of \$5.83/sq.ft./yr.) Personal guarantee.
5. Lease Addendum – HydroTech Solutions, LLC & Riken Construction & Design, LLC; 1450 Kastner Place, Suites 112 & 116; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$1,433.25/month (3,000 sq.ft. warehouse @ a rate of \$5.73/sq.ft./yr.) Personal guarantee.
6. Lease Addendum – Maintenance Management Group, Inc.; 1471 Kastner Place, Suite 109; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$972.41/month (1,856 sq.ft. warehouse w/ 144 sq.ft. office @ a blended rate of \$5.83) Personal guarantee.
7. Lease Addendum – Polished Concrete Floors, LLC; 1401, 1405 & 1409 Dolgner Place; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$2,315.25/month (3,924 sq.ft. warehouse w/ 576 sq.ft. office @ a blended rate of \$6.17/sq.ft./yr.) Personal guarantee.

8. Lease Addendum – Rampart Gun Works, Inc., 1450 Kastner Place, Suite 108; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$840.00/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$6.72/sq.ft./yr.) Personal guarantee.
9. Lease Addendum – TCI Contracting, LLC; 1471 Kastner Place, Suites 113 & 117; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$1,470.00/month (3,712 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$4.41/sq.ft./yr.) Corporate guarantee.
10. Lease Addendum – TCI Contracting, LLC; 1980 Dolgner Place, Suites 1052, 1060 & 1068; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$4,341.10/month (6,542 sq.ft. warehouse w/ 958 sq.ft. office @ a blended rate of \$6.95/sq.ft./yr.) Corporate guarantee.
11. Lease Addendum – TEM Systems, Inc.; 1980 Dolgner Place, Suite 1024; one year lease addendum; terms July 1, 2021 – June 30, 2022; with the budgeted 5% rate increase to \$1,041.86/month (1,212 sq.ft. warehouse w/ 288 sq.ft. office @ a blended rate of \$8.33/sq.ft./yr.) Personal guarantee.

The Administrator reviewed the list of Leases recommending approval as presented. Chairman Criswell inquired about the rate difference between items 9 and 10. The Administrator explained that the leases were very different units and commenced several years apart. Dana McBroom inquired about the corporate guarantee on items 9 and 10 wanting to know if Installed Building Products own TCI Contracting, LLC, or if they were just guaranteeing the lease. Cliff Miller stated that the board reviewed that initially, and staff confirmed that it was the same guarantee as approved in 2017 when TCI purchased the long-standing tenant Legacy Glass. Mr. Coover stated that if the addendum was duplicating what was done in the past there should not be any issue. Discussion ensued and the board requested staff ensure that the ownership of TCI had not changed since originally reviewed and approved.

**MOTION WAS MADE BY DANA MCBROOM, SECONDED BY TO HARRY ELLIS TO APPROVE THE LEASE AGREEMENTS, AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

**Fiscal Year 2021/2022 Proposed Budget** – The Administrator presented memorandum #2328 explaining that the budget committee met on June 1<sup>st</sup>. Section one of the budget reviews the current year by looking at the actual revenues and expenditures for the first six months and the projections for the last six months. The projected operational profit for fiscal year 2020/2021 is anticipated to be \$344,440. Commissioner Herr inquired about the difference in revenues between the two halves of 2020/2021. The

Administrator explained that the revenue included for the first six months is the actual amounts received while the revenue for the last six months includes the budgeted provision for vacancy. When the budget was approved in June 2020, with uncertainties surrounding the COVID Pandemic, the provision for vacancy was increased from 10% to 15%. He stated that with the current heavy concentration of RV and boating industries along with potential continued affects from the COVID Pandemic as the CARES ACT money decreases, the budget committee included 15% provision for vacancy within the proposed 2021/2022 budget. Dana McBroom explained that while the committee is hoping the current low vacancy rates continue, the committee felt it was prudent in the current economy to include the higher provision for vacancy for one more year which amounts to \$298,489.

The Administrator explained that section three outlines the projected revenue for fiscal year 2021/2022 is \$1,891,224 not including the cash carried forward amount of \$2,641,326. The Administrator proceeded to section four which outlines the budgeted expenditures totaling \$2,010,781. Finally, section five outlines the projected cash flow, the surplus fund transfer to Seminole County in the amount of \$400,000, and the projected loss of \$119,557. The Administrator explained that the Port would be dipping into reserves to fund the budget as proposed totaling \$4,532,550. It was noted that the current year's surplus fund contribution was budgeted at \$500,000 and will be transferred to the County in September 2021. Commissioner Herr asked how many years the Port has run into the deficit. Dana McBroom stated probably four years if you include what is given to the County as a surplus fund transfer. Commissioner Herr noted that in the proposed budget the Port is running a deficit prior to the County contribution a scenario that does not look sustainable in the long-term. Commissioner Herr stated that as a county asset, it is fair to ask for a return, however, looking at the cash-in cash-out there's a deficit. She asked what the answer to the deficit issue is and suggested raising rates. Bill Spivey stated that he felt it was critical to define surplus funds. He stated that surplus funds should be the surplus funds or profits within a fiscal year rather than the current draw down of capital reserves that the Board has saved for projects. Matthew Criswell explained that it is difficult to raise rates on old buildings with existing tenants, however, the board should be able to increase rates with the new buildings included within the capital improvement plan. Cliff Miller noted that the mission of the Port is an economic incubator for the County by providing a facility for businesses to work, create jobs, tax revenue, the SSC business incubator, etc. thereby increasing revenues for the County. Dana McBroom explained that in years prior the SCOPA Board has been told our budget would not be passed without sufficient surplus fund contributions, therefore, this Board has included it even though we know it is not sustainable. Commissioner Herr noted that the \$400,000 proposed as the fiscal year 2021/2022 surplus fund contribution stood out as a \$100,000 less than the current year which equates to a 20% decreased return on an asset. Dana McBroom explained that the goal is to pay cash for the new buildings included within the capital improvement plan, which will increase the profits and contributions to the County in future years. Michael Caraway noted that if the vacancy

rates remain lower than the provision for vacancy, the Port will recognize higher revenues and profits and those funds would not be earmarked. Thereby, more accurately fitting the definition of surplus funds for the County. Cliff Miller noted that the SCOPA Board has never gone to the County asking for money to fund the operations here at the Port. He explained that SCOPA is a self-sufficient, income producing asset while providing business incubation and support. Steve Coover clarified that the SCOPA legislation dictates that surplus funds are contributed to the Seminole County General Fund, but it is up to the SCOPA Board to determine what are surplus funds. The Administrator stated that the process was reversed somewhere in the past requiring the SCOPA Board to predict what the surplus funds will be in order for the County to include that within their annual budget. The Administrator noted that revenue numbers within the last audit show that assets are increasing even though the cash is decreasing. Commissioner Herr asked how much the 1500 Dolgner Place building project was projected to cost. The Administrator estimated \$3,000,000 with an anticipated added annual income from the project of \$300,000. Commissioner Herr inquired about how long a business gets to participate in the incubator program. The Administrator stated that participation was limited to seven years, but that incubator operations are run by Seminole State College, whom SCOPA has never increased rents on. Dana McBroom summarized the proposed budget by stating that the committee did limit the contribution to the County based on the fact that there was not an actual surplus which means we will be utilizing allocated funds. Mrs. McBroom noted the five-year capital improvement plan is included in section five of the budget. She also noted that the Board does have the right to increase the surplus fund contribution to the County if at the end of the year we realize better profits.

**MOTION WAS MADE BY DANA MCBROOM, SECONDED BY J CLIFF MILLER TO APPROVE THE FISCAL YEAR 2021/2022 BUDGET AS PRESENTED.**

**MOTION CARRIED UNANIMOUSLY.**

The Administrator stated that the budget would be transmitted to the County in July for adoption at a public hearing in August.

There being no further business, the meeting was adjourned at 5:14 p.m. by Chairman Criswell.

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Susan Sherman, Secretary

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Cliff Miller, Treasurer