

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
MAY 19, 2010**

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 May 19, 2010.

Vice Chairman Thomas Kuhn called the meeting to order at 4:12 p.m. with the following directors constituting a quorum: Thomas Kuhn, Vice Chairman; Matthew T. Brown, Secretary; Cliff Miller, Member; Elizabeth Dorworth, Member; Damon Chase, Member; and Michael Bowdoin, Member (arriving late).

Directors Absent: Jeffrey Triplett, Chairman; Kyle Kilger, Treasurer; and Dick Van Der Weide, BCC Member.

Staff present: Andrew Van Gaale, Administrator; and Irene Dolgner, Administrative Assistant.

Others present: Bob Williams, Millennium Luxury Coaches; and Stephen H. Coover, SCOPA Attorney.

The invocation was given by the Vice Chairman, followed by the pledge to the Flag.

The Vice Chairman congratulated Elizabeth Dorworth for graduating from law school and achieving her JD Degree.

The Vice Chairman introduced Bob Williams from Millennium Luxury Coaches.

The Vice Chairman asked for corrections or additions to the minutes of the April 21, 2010 Board Meeting.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE THE MINUTES OF THE APRIL 21, 2010 BOARD MEETING, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of April, 2010 were presented to the Board for discussion and approval. The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were over projections by \$26,271, and revenues for the year are under projections by \$18,563. Expenditures were over projections for the month by \$19,667, and under for the year by \$184,276. Profit totals \$494,174 or 42.8%, and occupancy decreased to 96.1%.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY ELIZABETH DORWORTH TO APPROVE THE BALANCE SHEET AND BUDGET STATEMENT FOR THE MONTH OF APRIL, 2010, AS PRESENTED.

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MOTION CARRIED UNANIMOUSLY.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator reviewed the list of bills explaining that the payment to CitiBusiness Card for maintenance & repair in the amount of \$1,748.90 is mostly for materials for Millennium Luxury Coaches' parking lot that we agreed to repair. The portion of the payment to Roger Pinkerton for Suite Upgrades, LLC in the amount of \$1,137.08 is for labor to remove and dispose of the armoires left in their unit that we were not able to sell or give away. He explained that we used 8-10 dumpsters from Keller Outdoor to load the armoires into, and once we receive all of those bills we will be able to tally the damages owed by Suite Upgrades and James Rinker, personally. The payment to Exact Plumbing, Inc. in the amount of \$1,240.00 is for various plumbing fixes; the payment to WeatherShield Coatings, Inc. in the amount of \$760.00 is for a roof repair at 1481 Kastner Place; the payment to Girard Environmental Services in the amount of \$750.00 is for removal of a large pine tree and two oaks; the payment to A~N~R Door Systems, Inc. in the amount of \$1,725.00 is for a roll-up door replacement at 1932 Dolgner Place; the payment to Yahn Electric Co., Inc. in the amount of \$685.65 is for outdoor light repair at 1980 Dolgner Place and irrigation pump re-wiring at the Administration building; and the payment to GEXPRO in the amount of \$464.50 is for six dusk to dawn outdoor lights for the 1461 Kastner Place building we are currently re-skinning.

MOTION WAS MADE BY CLIFF MILLER, SECONDED BY ELIZABETH DORWORTH 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 we are anticipating Allstar Concrete Cutting to come in today to pay for his first month's rent and deposit on his new Lease in the amount of \$2,043.00; and the amount owed by Amick Custom Woodcraft in the amount of \$365.06 is for his first Note payment.

Mr. Bowdoin joined the meeting.

The Administrator continued stating that EPSEC Corporation has vacated their unit and Allstar Concrete Cutting has indicated that they want to lease it. After applying EPSEC's deposit, the balance owed is \$1,179.63. Mr. Van Gaale stated that he received a phone call from EPSEC's attorney indicating that they are filing bankruptcy or some type of protection.

Mr. Van Gaale explained that we have left three messages for Florida Extruders who owe their current rent plus some past due late charges. They have indicated that they will be leaving when their Lease expires on June 30th. Ken, the owner of Ken's Tuff Trux, has been very ill for the past couple weeks, but we have been receiving small payments in an effort to catch up. Logoworks Embroidering owes a small balance of \$345.87 in the 31-60 day column,

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and has indicated that they will be in this afternoon to pay it. Mr. Van Gaale explained that he has a meeting in the morning with a prospective tenant for R. J. Arnold's leasehold at 1500 Dolgner Place. R & R Sheet Metal has been a long-time tenant of the Port and will be leaving the end of May. They currently owe three month's rent, and their deposit will be applied to cover one month. They are trying to sell their equipment to pay off their debt, but have indicated that they will pay one month's rent this week. Roberto Platero, the owner, has gone to work for another company and will either sell his business or liquidate it. Payment was received from Ryan & Reed, Inc. in the amount of \$4,383.66 which is not indicated on the List, and Edvarado Rojas has indicated he will pay \$500.00 on Friday toward his outstanding account. We had issued a Three Day Notice to him in the past, and if the payment that he promises does not materialize on Friday, we will issue another Notice.

ATTORNEY'S REPORT

a) Suite Upgrades, LLC - Mr. Coover reminded the Board that we have a Stipulation with Suite Upgrades, LLC and James Rinker, Managing Member, which says either he enters into a payment plan once we liquidated the amounts he owes us, or we will proceed legally against him.

b) Marinas, LLC - Mr. Coover explained that in 1990 the Port entered into a Lease with Dr. Leo Quinn, President, of Quinn Properties, Inc. During the term of the 20 year Lease, there were about six Amendments. The most significant Amendment relocated a portion of one of the original four parcels, which created a fifth parcel (Parcels A, B, C, D & E). A portion of Parcel D was relocated to Parcel E because we were trying to accommodate our tenant, Vantare'/Featherlite, with some parking adjacent to their property. In the course of the negotiations, they relocated their boat storage to Parcel E, an area on the Northern section of the Port by the river. On January 4, 2006, Joe Pozo, who owns Marinas, LLC, acquired Dr. Quinn's leasehold interests, and additional amendments were made to the Lease. One of the significant ones was that Mr. Pozo did not want his percentage rents to exceed 10% for the second and third renewal options, which the Board agreed to. The current renewal option extends for 25 years from June 1, 2010 through May 31, 2035, under the same terms and conditions as the last 20 years. They have one more option for 25 years under the same terms and conditions, and thereafter, it's negotiable for the last 100 years, or the four 25 year option periods.

Mr. Coover explained that what he has tried to do, with Mrs. Dolgner's help, is take all the amendments and changes and put them into one document so that we won't have to try and figure out how they inter-relate to each other in the future. He stated that today he needs a motion to authorize the Chairman and Secretary to execute the Lease renewal. We sent it to Mr. Pozo today, who most likely will have his attorney approve it, and if they have any changes we'll work those out and move forward. He stated that we had a couple of house cleaning items that came up, and Mr. Pozo is working on getting us some documentation for two lenders and an SBA loan that were involved when they acquired Dr. Quinn's interests. We have agreements

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with those lenders that allow them to cure, because their security was the leasehold interest of the tenant and they never provided us with copies of the executed documents. We are going to try to get the contact information for those notices into the Lease.

Mr. Chase questioned that since all these Amendments were approved, is there any room to negotiate. Mr. Coover replied that not unless there's a disagreement on interpretation. He saw two or three things that somebody may not agree to on the wording he selected, but are not significant. The rent is beyond question; we get ground rent for Parcels A, B & C, and we get no ground rent for parcels D & E. Parcel D is encumbered by an FP&L easement so it can only be used for parking, and Parcel E is being used for dry storage. We get percentage rent on Parcels A, B, C & D at agreed upon rates, and they have a descending percentage as the money accumulates throughout the year at certain brake points.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY CLIFF MILLER TO AUTHORIZE THE CHAIRMAN AND SECRETARY TO EXECUTE THE LEASE AGREEMENT WITH MARINAS, LLC BEGINNING JUNE 1, 2010 THROUGH MAY 31, 2035, UPON APPROVAL BY BOTH PARTIES.

MOTION APPROVED UNANIMOUSLY.

c) Millennium Luxury Coaches - Mr. Coover reminded the Board that at the last meeting we discussed a Subordination Agreement for one of Millennium's lenders, Volvo, and we discussed a couple of changes we'd like to see in the document. He stated that he talked to a gentleman at Volvo and told him what the choices are based on what the Board's vote was, and he gave him the language that he suggested. The gentleman came back with a couple other iterations, and he basically doesn't want to have to cure in order to keep us from recovering possession of the property. He only wants to pay as he goes. Therefore, if there's past due rent, in order for him to keep us from filing an action for possession or whatever we might want to do, he would have to pay whatever the back rent was and continue to pay rent for as long as they occupy. What he wanted to do is say, if they come in on day 20, we'll start paying from day 20 until we don't need it anymore. They're using it for a facility to store and liquidate collateral under a loan if something were to go south on the Millennium loan package. Mr. Coover stated it's really sort of a policy decision for the Board to make. Compare it to the Marina's Lease where the lenders have a security interest in the Lease, he would never agree to let a lender do anything with that Lease if they weren't willing to cure the default because it relates to the leasehold interest itself. In this case, they're only asking for basically a lien on personal property we subordinate to, and they're also asking us to stand down while they liquidate their collateral at our facility and they will pay us daily rent. So he told them that he would have to go back to the Board to get anymore authority to do that, but he said you could just roll the dice and if something went south, they could call us up and if we didn't have a tenant, we might rent it to them for the daily rate. He stated that he hasn't heard back from them for two weeks since he said he can't give them both, but he needs some direction from the

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Board.

He stated that the Administrator's position is that we do nothing until we hear back from Volvo. After discussion, it was the general consensus of the Board to wait until we hear back from Volvo.

ADMINISTRATOR'S REPORT

a) Project #153-Re-Sheeting 16,000 s.f. Metal Building (1461 Kastner Place)/Update - The Administrator reported that there was a permitting hangup because, although the project is one building, it has two parcels. The project is now underway and should be completed within 4-6 weeks.

b) Project #155-Pavement Improvements/Bid Results - The Administrator reported that this project is for Dolgner Place. We have been delaying it until the County finished upgrading the water and sewer lines, which is now done. He referred to Memorandum #2136 showing the results from bid opening on May 14, 2010, with only two bidders responding. The bid results are as follows:

3. Hubbard Construction/Orlando Paving Company, 1936 Lee Road, Suite 200, Winter Park, FL 32789-7229. **Bid Amount: \$350,569.00.**
4. Ranger Construction Industries, Inc., 1200 Elboc Way, Winter Garden, FL 34787. **Bid Amount: \$267,974.00.**

The Administrator stated that after reviewing the scope of services and talking with the companies, he would like to recommend something where we are allowed to make substitutions in our bid documentation. Right now our bid calls for removing 10" of the base, excavating, removing material, and bringing lime rock back to the site. Ranger Construction has informed him that they can save us a considerable amount of money by full-depth reclamation which gives you the same product. It's a machine that comes in and tears up the existing asphalt and base, emulsifies it and brings it back into the base. This process will save time and money at about a \$40,000 savings, which is closer to our budgeted amount. Because of the rainy season coming soon, he would like to do the reclamation process in lieu of re-bidding the project. Mr. Van Gaale recommended accepting the low bid from Ranger Construction Industries, Inc., subject to appropriate material substitution and value engineering. He explained that both companies bid the exact same thing, however, our bid documents gives us authority to value engineer and do a deduct as long as it's the same product in the end.

MOTION WAS MADE BY DAMON CHASE, SECONDED BY MIKE BOWDOIN TO APPROVE STAFF'S RECOMMENDATION TO AWARD THE CONTRACT TO RANGER CONSTRUCTION INDUSTRIES, INC., SUBJECT TO APPROPRIATE MATERIAL SUBSTITUTION AND VALUE ENGINEERING.

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MOTION CARRIED UNANIMOUSLY.

c) Millennium Luxury Coaches/Sign - The Administrator reported that he met with Allison Stetner, the County's Planning Manager, last week about an off-site sign for Millennium that the Board approved last month. He stated that both he and the applicant were denied. Mr. Williams is going to meet with Ms. Stetner on Friday. Mr. Van Gaale stated that sign regulations are very strict in the County, and because it's an off-site sign they classify it as a billboard advertising goods and service somewhere else. In order to have a billboard we would have to eliminate three other signs. If Mr. Williams negotiations are unsuccessful on Friday, we may have to move for a variance, special exception, or some type of permit.

Referring to Project #155, Mr. Miller added that we should caution the contractor that he always needs to leave the job so that if we get a sudden rain, it doesn't put us in a position where we've caused an additional flooding hazard to our tenants. Mr. Van Gaale replied that currently the shoulders of the road are keeping the water sitting on the road, but the new road will allow the water to sheet off of it into the ditches.

OLD BUSINESS

a) Featherlite Coaches, Inc. - The Administrator reported that we received the first of twelve Note payments.

b) House Bill 423 Legislative Update/Purchasing Policy - The Administrator reported that our legislation is sitting on the Governor's desk waiting for his signature. He reminded the Board that approximately 1½-2 years ago we prepared a Purchasing Policy with the help of our Attorney and CPA, which was approved by consensus of the Board. He referred to the Policy, copies of which were distributed to the Board, stating that it had not changed and is in its final draft form. After briefing the Board on it once again, he asked for Board approval to be effective once the Governor signs our Bill into law.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY ELIZABETH DORWORTH TO APPROVE THE PURCHASING POLICY TO BECOME EFFECTIVE CONCURRENT WITH THE GOVERNOR'S SIGNATURE ON HOUSE BILL 423.

MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

a) 2010/2011 Budget Presentation - Mr. Kuhn, Chairman of the Budget Committee, thanked the other members for their time reviewing the Budget as prepared by the

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Administration. He briefly stated that projected revenues for the new year total \$1,922,171, and projected expenditures total \$1,324,193, giving us a cash in-cash out profit of \$597,978, and giving \$550,000 to the County. He turned the floor over to the Administrator.

Mr. Van Gaale explained that the Committee met last Wednesday, May 12, 2010, and the budget was approved as presented. After reevaluation of the last six months of the current budget year, we are projecting nearly a \$700,000 profit, which a majority of that will be transferred to the Seminole County General Fund as surplus revenue. Referring to Memorandum #2135, he touched on the highlights, explaining that salaries remain the same, a 10% increase in insurance is budgeted based on the recommendation of our agent, and the majority of our expenses are in "Maintenance & Repair-Property", as follows: Port Master Plan improvements over the course of the year totaling \$100,000, 1451 Kastner Place Re-Skin in the amount of \$150,000, 1490 Kastner Place Re-Skin and Re-Roof in the amount of \$350,000, and Parking Lot Re-Paving in the amount of \$100,000. He announced that the 2010/2011 Budget totals \$2,930,035. The Budget Committee accepted his recommendation of keeping a healthy reserve of one million dollars based on the condition of the economy, the interest we accrue from it, and the uncertainty of the future; and we are still contributing significantly to the County. Our cash balance as of September 30, 2011 is projected to be \$1,055,842. The Administrator reviewed the Budget package.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY CLIFF MILLER TO APPROVE THE 2010/2011 BUDGET, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

Mr. Chase questioned the contribution of \$150,000 to the Seminole State College Foundation for their Small Business Services Department, and Mr. Van Gaale replied that we recommend that the Board of County Commissioners give that amount to the College out of the money we give them. Mr. Coover added that our legislation says we can only give surplus money to the General Fund of the County.

b) Leases - The following list of Leases was presented for approval:

1. Lease Termination - EPSEC Corporation, 1954 Dolgner Place, beginning July 1, 2009 through June 30, 2010, at the monthly rate of \$975.00, effective May 31, 2010.
2. New Lease - Allstar Concrete Cutting & Coring, Inc., 1954 Dolgner Place, beginning June 1, 2010 through May 31, 2011, at the monthly rate of \$950.00 (1,068 s.f. warehouse, 432 s.f. office @ a blended rate of \$7.60/s.f.). Personal guarantee.
3. Lease Renewal - J. L. Pandolfi Painting Contracting, Inc., 1928 Dolgner Place, beginning June 1, 2010 through May 31, 2011, at the current monthly rate of \$756.00 (1,500 s.f. warehouse @ \$6.05/s.f.). Personal guarantee.

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4. Lease Renewal - We're Organized, Inc. FL, 1441 Kastner Place, Suite 111, beginning June 1, 2010 through May 31, 2011, at the budgeted monthly rate of \$2,006.00 (4,685 s.f. warehouse, 315 s.f. office @ a blended rate of \$4.81/s.f.), a 5% increase. Personal guarantee.
5. Lease Termination - Dynamic Aspects, Inc., 1936 Dolgner Place, beginning February 1, 2010 through January 31, 2011, at the monthly rate of \$672.00, effective May 31, 2010.
6. New Lease - Dynamic Aspects, Inc., 1980 Dolgner Place, Suite 1008, beginning June 1, 2010 through May 31, 2011, at the monthly rate of \$1,750.00 (2,712 s.f. warehouse, 288 s.f. office @ a blended rate of \$7.00/s.f.). Personal guarantee.
7. New Land Lease - Michael James Blackburn d/b/a Advanced Recovery Florida, 4417 Schilke Way, beginning June 1, 2010 through May 31, 2011, at the monthly rate of \$322.00 (.4553 acre @ \$8,487/acre/yr).

The Administrator explained that, as previously stated, Allstar Concrete (#2) is taking over the unit previously leased by EPSEC Corporation (#1), Dynamic Aspects, Inc. (#5) is leaving one unit for a larger unit (#6), and the new Land Lease with Advanced Recovery Florida (#7) was previously leased by Harry's Towing Services, Inc.

MOTION WAS MADE BY ELIZABETH DORWORTH, SECONDED BY MATTHEW BROWN TO APPROVE ITEMS 1-7, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 5:06 p.m. by Vice Chairman Kuhn.

Thomas Kuhn, Vice Chairman

Matthew Brown, Secretary