

NON-FLOOD ASSET PROTECTION MANAGEMENT AUTHORITY  
MINUTES OF THE AIRPORT COMMITTEE MEETING  
JANUARY 11, 2011 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Asset Protection Management Authority was held on Tuesday, January 11, 2011 at 9:30 A.M., in the Lake Vista Community Center, 2<sup>nd</sup> Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Saizan called the meeting to order at 9:40 a.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

**PRESENT:**

Chairman Darrel Saizan  
Commissioner Romona Theresa Baudy  
Commissioner William Hoffman  
Commissioner Wilma Heaton (9:45)

**FURTHERMORE PRESENT:**

Chairman Robert E. Smith Lupo

**STAFF:**

Louis Capo, Executive Director  
Randy Taylor, Airport Director  
Sharon Martiny, Non-Flood  
Vincent Caire, Non-Flood  
Dawn Wagener, Non-Flood  
Nina Marchand, Non-Flood

**ALSO PRESENT:**

Albert Pappalardo  
Steve Nelson  
Brayton Matthews  
Charles Curtis  
Alton Ochsner Davis  
Guy Williams  
Gerard Metzger  
Ken Allison  
Don Bucara  
Michael St. Martin  
Marc Bourgeois  
Andrew Vicknair

**APPROVAL OF AGENDA**

Commissioner Hoffman offered a motion to adopt the agenda, seconded by Commissioner Baudy and unanimously adopted.

**APPROVAL OF PRIOR MINUTES**

Commissioner Baudy offered a motion to approve the minutes of the November 30, 2010 meeting, seconded by Commissioner Hoffman and unanimously adopted (with noted changes).

### **CURRENT AIRPORT ISSUES**

Mr. Taylor addressed the Airport Master Plan and stated it was necessary to have a town meeting. URS suggested February 2<sup>nd</sup> or 3<sup>rd</sup>. We would like to hold that on either the 2<sup>nd</sup> or the 3<sup>rd</sup> at about 7:00 or 7:30.

Mr. Taylor also noted receipt of a generator that the state funded in the amount of \$50,000 which was received and installed.

Mr. Taylor stated that the Airport broke 2 million gallons in fuel sales this year. In 2008 we had 64,200 operations and in 2009 we dropped down to 54,394 with the economy and we are back up to 60,000 this year. Mr. Taylor further advised that Fred Pruitt the Assistant Director was invited by Councilman Jon Johnson to appear at the Economic Development Committee (EDC) meeting in the City Council Chambers to provide an update on Lakefront Airport.

### **PRESENTATIONS**

#### **1. Mr. Alton Davis - RCL Consultants Update on interior and exterior renovations**

Mr. Alton Davis with Richard C. Lambert, Consultants stated that the exterior of the Airport building is complete. Close out documents have been turned in to the Authority along with the clear lien waiver and the final payout. The interior drawings will be complete at the end of the month and we will be ready to go to bid the last week in January. There is a slight set back because of flow tests on the water pressure. There is not enough water pressure to support the sprinkler system which requires placement of a tank and a pump. There is a meeting with the Fire Marshall to get his approval on that system. Assuming that goes through, there are no other issues. We have everything in order to finish up the drawings. We had hoped to be finished by the third week but it is probably going to be the end of the month.

Chairman Saizan questioned where the generator was positioned at the Airport. Mr. Davis informed that the generator Mr. Taylor is talking about is for the fire station. There is a generator for the terminal building that will be located on the west side of the building near the old satellite dish.

Chairman Saizan questioned if there would be generators for the FBOs or if the FBOs have them. Mr. Taylor stated that Odyssey and Flightline have generators. As of right now, AeroPremier does not have a generator. Mr. Davis stated the Bastian-Mitchell and Wedell Hangars do not have generators. They did not have generators to begin with so FEMA did not fund generators for them.

Chairman Saizan questioned if generators would be critical in the future. Mr. Taylor stated it would be helpful but since they were not there previously, FEMA won't fund them. Generators would have to be funded out of airport funds or by a grant out from the state.

Mr. Davis added that for the interest of future generators, the hangars are set up so the panel boards for electrical needs of the hangar and the most critical areas could be easily tapped into by a transfer switch and a generator on site if need be. We would not have to reconfigure the panels.

Mr. Davis informed of a conversation with Mark Parker with FEMA regarding \$1 million of additional items we are trying to get FEMA funding for. After the meeting with the Fire Marshall, the package will be released to FEMA. It is between the platform, wood paneling and flooring, any upgrades and the new sprinkler system. It is approximately \$1 million of extra funding.

Mr. Davis informed we are still approximately \$2.5 million short on the interior. We are not at the point to get final detail estimates because there are many details relative to recreating historic items such as light fixtures and plaster work. Right now we could get a square foot cost but it would not be accurate. Mr. Davis stated he will have a detailed cost estimate at next month's committee meeting. That concluded Mr. Davis' presentation.

### **EXECUTIVE SESSION**

Aeropremier LLC vs. OLD 09-8632, CDC, Section I

Commissioner Hoffman offered a motion to go into executive session, seconded by Commissioner Baudy. A Roll call was taken and unanimously adopted. The executive session was informational and no action was taken.

### **OLD BUSINESS**

#### **1. Status and update on policies and procedures using DBE vendors**

Nina Marchand, Compliance Director, addressed procedures using DBE vendors and referred to a Resolution that was put in place about 10-15 years ago regarding purchasing, construction, and all major contracts. The DBE program for the Orleans Levee District Non-Flood receives \$250,000 in contracts from the FAA. Because we receive FAA funding for the Airport, we must have a DBE program in place. This DBE program is not the same program as New Orleans. The only programs like this one are the Regional Transit Authority and the Department of Transportation. There are three agencies in the City of New Orleans that do DBE certification and DBE work; Louis Armstrong Airport, the RTA and the Lakefront Airport. There will be different percentages because of the dollar figures of the New Orleans International Airport, RTA and the Lakefront Airport. We have goals and we do projections every three years. In doing projections, goals are placed on those projects and submitted to the FAA regional office. These are just projections. When the FAA advises that Mr. Taylor can get the funding for those projects, I put the actual dollar figure and percentage on those projects. The methodology is put in place by the federal government and FAA. Once I come up with a participation number or percentage, I advertise and formulate a report. In advertising project goals, I have meetings with the business community as required by the FAA. I attend the meetings to make sure that they understand the participation piece that we advertise for. The goals we place on projects that come to the airport is not my doing; it is FAA that provides the methodology.

Commissioner Baudy inquired as to our participation percentage.

Ms. Marchand stated that she could not say what her percentage would be because it is based on the project – let's say the project costs \$2 million - you can't tell me you need 35% participation on that particular goal on that particular project because you may not have the companies out there to do the work. You must have companies out there to do the work. When goals are placed on projects, I go throughout the State of Louisiana and look at the Unified Certification directory.

Chairman Saizan added right now we are in the rebuilding phase at the Airport. We are reconstructing it and have had some success. We've got the exterior done and we are focusing on the interior. When we get to the next phase and we have leasable space we are going to be looking at DBEs again. What Ms. Marchand has said is sufficient because she has told us how she does this. I know what the FAA does and I know what the USDOT recommends. I know Armstrong's, RPC's and LADOTD's numbers are higher. We have to keep working to reestablish the Airport; that is the answer I have this morning.

Mr. Davis stated that when construction documents are issued for bid, there is a non-mandatory 17% DBE participation that is requested. Forms are issued to the contractors to see if they can comply with that 17%. Mr. Davis questioned if the FAA requires 9%.

Ms. Marchand advised that the goal for the Master Plan being done right is 9% based on companies that can do the work. You can't go and find just anybody to do the work, they have to be certified. We put 9% because that is what we were able to find. If we have a \$1 million project, it is not going to be 9% because it is based on the different areas, specs and companies that are ready, willing and able out there.

Mr. Davis stated on the terminal interior when we go to bid the project we have always put in there a non-mandatory 17% participation that was adopted by the Board. That language was adopted by the Orleans Levee Board a long time ago and is in all of our front end specs. Mr. Davis questioned if he had to change the non-mandatory participation of 17% for the upcoming bid for the terminal interior or stay with the way it is right now?

Chairman Saizan advised to adhere with the 17% for right now.

Commissioner Heaton inquired as to the time frame. Mr. Davis stated they would bid documents beginning in February and try to wrap up the terminal interior at the end of the month.

## **XI. NEW BUSINESS**

### **1. Odyssey Aviation Lease Transfer**

Ken Allison, President, Odyssey Aviation and Dan Bucaro, President/CEO, Landmark Aviation, addressed the assignment / transfer of their lease. Mr. Allison stated that Landmark Aviation is going to buy the assets of Odyssey.

Mr. Bucaro stated that after this transaction is completed, Landmark will have approximately 50 different FBO locations; the majority of them in the US, three in Canada and two in Western Europe.

Chairman Saizan questioned plans for the location in terms of increasing business. Mr. Bucaro informed that the sheer size of the network drives business to the locations that we come into. This year we are adding Miami, Florida and Atlanta, Hartsfield, two big metropolitan airports that will have continuous flights. We believe we can continue with our network and customer base to drive business here. We will look at opportunities to build hangar space here and drive more base customers to this location.

Chairman Saizan questioned if there were marinas close by any of the airports Mr. Bucaro operated around the country and how did they blend their business. Mr. Bucaro advised of San Diego and Miami. In San Diego the port is actually separate from the airport. Mr. Bucaro stated there are boat shows and things like that that cater to the customer as the clientele is the same for yachts as it is for private aircrafts.

Mr. Andrew Vicknair, attorney for Regal Construction, Mr. Marc Bourgeois and Mr. Michael St. Martin of Regal Construction addressed the Odyssey matter.

Mr. St. Martin stated that he is a member and manager of Regal Construction Company. Regal contracted with Odyssey Aviation Group to rebuild that FBO hangar at the Lakefront Airport. The project has been complete and in operation since March of 2010. There remains an uncollected debt of \$750,000 owed to

the company representing work completed from January through March of 2010. This amount is extremely substantial to a company of our size and has reduced working capital by \$750,000. Regal has a lien in place against the project and the leasehold. Lawsuits were filed in an attempt to collect this money. Regal wants to be insured that the Orleans Levee Board and the new lessee is aware of this debt and the project and all of our rights reserved for us to collect this debt.

Andrew Vicknair, Shields, Mott, Lund, counsel on behalf of Regal stated a suit was filed naming the Levee District. Regal does not want to take action against the Levee District and has stayed the matter. If this transfer of the lease affects our rights, we will have to move forward against the Levee District to collect the outstanding amount and to see if Landmark has to be named as a party to collect the funds. There are no assurances this debt is going to be paid as things keep dragging out and it is more than overdue. If this is not paid we have no choice but to move forward to collect the debt and if that includes the Levee District we will have to do that.

Chairman Saizan deferred to general counsel, Gerard Metzger.

Mr. Metzger stated this litigation is pending. You would be voting on recommending an approval or not to the Board by vote of the committee. Mr. Metzger discussed this with Ken Allison and Mr. Bucaro this morning concerning this litigation and was informed that they are working on settling. Mr. Metzger declined to comment on increased liability of the District as a result of approving this assignment because Mr. Metzger is defending that action at present. It is up to the committee to vote to approve the assignment of this lease under these circumstances or to table it.

Commissioner Heaton suggested moving this forward to the full Board to have the opportunity to get a full briefing on it; keep it moving forward and not to rescind it without recommendation. Chairman Saizan stated he did not want to table it and to send it forward per Commissioner Heaton's suggestion. Commissioner Heaton suggested in the interim to get a briefing even if an executive session needs to be called for the Board meeting. Commissioner Heaton stated she would like to know about insurance proceeds and how we got to this point and suggested moving it forward without recommendation.

Commissioner Heaton made a motion to move this forward to the full Board, not to rescind it without recommendation, seconded by Commissioner Hoffman and unanimously adopted.

## **2. Construction of the Bastian/Mitchell Hangar**

Steve Nelson with Stuart Consulting Group, the project management company handling 7 projects under Non-Flood Authority gave a brief synopsis on the Bastian/Mitchell Hangar. Mr. Nelson stated the project was bid in June, 2010 with the low bid coming in at just under \$11 million by Ellis Construction. That amount was transmitted to FEMA who then obligated the project worksheet setting the funding in place. FEMA has obligated \$10,927,000 toward the construction costs with some deductions including the Delta of \$67,000 between what the bid came in at \$10,995,000 and the \$10,927,000. Mr. Nelson stated he is in discussions with FEMA regarding what that deduction is. There are three scope items included in this project that were not a part of the original hangars and FEMA indicated they will not be covering reimbursement of those items. These are the portico of the walkway and the glass window wall across the front and a few landscaping items. Mr. Nelson will ask the contractor to include those as separate line items on the schedule of values which will enable them to be built separately to avoid confusion with the state and FEMA when we request reimbursement. The next deduction is the largest; anticipated insurance

proceeds that FEMA is deducting in the amount of almost \$2 million. From looking at insurance statements and talking with Ms. Carol Kiefer, the Levee District has received somewhere in the neighborhood of \$1.5 - \$1.7 million, depending on how you split up the wind insurance. Mr. Nelson stated this is something he will have to go back to FEMA on because what FEMA has anticipated may not line up exactly with what was actually received.

Mr. Nelson clarified that funding was already received and that is where we are going to come up with covering this Delta because FEMA has indicated that they will not currently cover \$2,073,693. There is currently \$2.6 million in insurance funding available in the bank to cover the Delta on this particular project. As for design and project management costs; FEMA has obligated more than what the contract and the designer's contract is written for. Mr. Nelson's recommendation is to move forward with this contract and execution of a notice to proceed and start construction as Ellis is holding their bid.

Mr. Brayton Matthews of Flightline stated that the proposed hangar is being built for Flightline because it is on the Flightline leasehold. Mr. Matthews stated Flightline has never had the opportunity to discuss with the Board the impact this construction will have on Flightline's ramp nor what this will cost to lease if Flightline chooses to do so. Mr. Matthews referred to the insurance cost and stated if it is anything similar to what our insurance obligation is on our current hangar, Flightline can't afford this.

Mr. Davis stated he met with Flightline several times and gave them a copy of the plans. Square footage wise, it is less than 10% greater than the size of the hangars that were there before. It is configured in such a way that it actually gives you more apron. Mr. Davis stated the old hangars had doors on both sides of the hangars. The hangar has been rotated so you have access on one side giving more apron space. Mr. Davis explained in terms of location, the hangar has been rotated. There is a FEMA obligation to keep a certain amount of the footprint on the original location or we lose money as it becomes an improved project, in which case we lose 25% of the funding.

Mr. Taylor stated these plans were in effect prior to signing the lease with Flightline. It looks like it is moving forward for all three. The leasehold actually excludes that ramp area. Currently, he does have a month to month on that leasehold right now. We have a long term lease on the area that goes within 25 feet of the former location of the Bastian/Mitchell Hangar. There is no long term lease on it

Commissioner Hoffman offered a motion to recommend it go to the Board for full approval, seconded by Commissioner Heaton and unanimously adopted.

Mr. Nelson commented that on all FEMA projects going forward, the Fire Marshall requires a review for code compliance as they are starting to require a third party review codes for mechanical, electrical and IPC. They transmitted to us an example contract allowing them to perform that review in-house. It is an inter-governmental agreement. Mr. Nelson stated it is something we need to have for the Bastian/Mitchell, the Wedells or any of these projects as it is something you could use beyond this FEMA related scope. It would allow the Authority to be autonomous in terms of standing aside from a permitting authority meaning you would not have to go through Orleans Parish or the Flood side; you could use this agreement.

Mr. Davis stated the way it reads is you are required to have it reviewed by a licensed professional or the State Fire Marshall. Mr. Davis announced a meeting with the State Fire Marshall regarding a full energy and code analysis for all hangars and the terminal building and he is hoping they will accept that as having been reviewed for code. There may be a conflict of interest because it is our

code review but it is very well documented and if they accept it this goes away. If not, Steve has the option allowing us to get the full review done because the City of New Orleans does not permit on this side of the levee.

Mr. Capo stated per discussions with the Fire Marshall, the cost of the Bastian/Mitchell would be in the neighborhood of \$1,500-\$1,600. Mr. Nelson stated cost for their total code review would be about \$1,500, which would be FEMA reimbursable because it is something that the Fire Marshall has required in writing.

Commissioner Heaton thanked everyone responsible for getting us to this point because we want to get this Airport up and running and be respectful of all tenants. This does not dissuade anyone opposing to come forward at the full Board meeting. Commissioner Heaton stated there is a fiduciary responsibility because of construction.

### **3. Discussion of Flightline First Insurance and Ramp Repairs**

Mr. Capo stated that number three, Discussion of Flightline First Insurance and Ramp Repairs, has been pulled.

### **4. ECM Contract Extension for National Guard Complex**

Mr. Guy Williams, architect with ECM Consultants, updated work on rehabilitation of Hangar 101. Phase 2 is about one month into the process on the 6 month project. Demolition is complete and underground plumbing for the new bath rooms is underway. Phase 3, tenant build-out, is also underway. Mr. Williams stated that ECM's contract time expired at the end of last year and proposed an extension for time only until the end of 2012 which would allow completion of this phase. Mr. Williams advised of funds from FEMA available for other buildings, such as building 103, and stated they would be able to do that as well.

Mr. Capo stated this is a time extension similar to the RCL extension. RCL was extended 1 year; this will be a 2 year extension. ECM is under contract with us and we submit the invoices to State Facilities Planning for payment. FPC is under contract with a contractor to build-out and complete Phase 2 and Phase 3. Our contract is with ECM and this particular extension is for time only; no change in any other aspect of the contract. Mr. Capo recommended to move this forward.

Commissioner Heaton offered a motion to extend the ECM contract, seconded by Commissioner Hoffman, and unanimously adopted.

Chairman Saizan in closing addressed moving the fountain into the circle and stated it is a great idea. Mr. Davis stated there have been discussions about moving the fountain from its current location to the neutral ground in center of the new terminal building creating a monument as opposed to a fountain. The Fountain of the Four Winds was done by Enrique Alferez. Mr. Capo stated DEI is working with FEMA address the damage and then design the repairs and at this point the damage estimate is approximately \$200,000-\$300,000.

### **XIII. ANNOUNCE NEXT MEETING**

Mr. Capo announced the next meeting on February 1, 2011 at 9:30 a.m.

### **IX. ADJOURN**

Chairman Saizan then asked for Public Comments and hearing none requested a motion to adjourn. A motion to adjourn was offered by Commissioner Hoffman, seconded by Commissioner Baudy and unanimously adopted. The meeting adjourned at 10:52 a.m.