

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE AIRPORT COMMITTEE MEETING  
FEBRUARY 1, 2011 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, February 1, 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 9:39 a.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

**PRESENT:**

Chairman Darrel Saizan  
Commissioner William Hoffman  
Commissioner Wilma Heaton  
Chairman Robert E. Smith Lupo

**ABSENT:**

Commissioner Romona Theresa Baudy

**STAFF:**

Louis Capo, Executive Director  
Randy Taylor, Airport Director  
Sharon Martiny, Non-Flood  
Nina Marchand, Non-Flood

**ALSO PRESENT:**

Albert Pappalardo  
Steve Nelson  
Charles Curtis  
Alton Ochsner Davis  
Guy Williams  
Chris Fenner

**APPROVAL OF AGENDA**

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

**APPROVAL OF PRIOR MINUTES**

Chairman Lupo offered a motion to approve the minutes of the January 11, 2011 meeting, seconded by Commissioner Hoffman and unanimously adopted.

**REPORT ON CURRENT AIRPORT ISSUES**

Mr. Taylor reported that there are 17 cranes to the south of the Airport which require a lot of coordination to keep the Airport safe. They have come down today because of the weather. There are 500 foot ceilings; until the ceiling reaches 1,000 feet with 3 miles of visibility, the cranes can't go back up. Business was good last weekend due to a convention.

Mr. Taylor advised that a town hall meeting is scheduled for 7:00 p.m. on Wednesday, February 2, 2011 in this building. The meeting was advertised in the paper and Ms. Baudier took care of notifying everybody on the east side of the Industrial Canal.

## **PRESENTATIONS:**

### **ALTON DAVIS – Richard C. Lambert Consultants (Projects on Airport)**

Mr. Davis reported on the status of the Airport projects. A list of requirements for the Bastian Mitchell Hangar was issued to the contractor for the new construction meeting. Mr. Capo and Mr. Davis are coordinating a pre-construction meeting for next week. There is some small redesign on the Terminal interior underway which will be finished by the end of the month. It will be ready to go to bid at the end of February. Mr. Davis will give a budget and redesign costs associated with those changes. The Wedell Hangars were bid. We are in receipt of a bid which they will hold for another 12 days. They gave us an extra 30 days beyond the 90 days that we requested. That is the status of projects on the Airport.

Mr. Davis distributed copies of floor plans for the Bastian Mitchell Hangar and the Wedell Hangars. Floor plans were given for both Wedell Hangars because one hangar has 4,000 feet for office space and the other one does not. They are identical hangars so the perspective is identical. Mr. Davis estimates the completion date on the Bastian Mitchell Hangar will be approximately January or February of 2012. It is an 11 month schedule. Notice to Proceed should go out immediately after the pre-construction meeting.

### **GUY WILLIAMS – ECM Consultants (National Guard Complex)**

Mr. Williams, project architect with ECM Consultants reported that they are about 7 weeks into the Building 101 (National Guard) project. Phase 3 plans and specs are expected to be complete by mid March and then go out for bid. By mid June notice to proceed for Phase 3 is expected to be issued and that phase of the project will begin. Build-out is scheduled to start immediately after that and finished possibly by year end.

Chairman Lupo requested Mr. Williams describe the phases of the project. Mr. Williams stated that the project was divided into three phases to make sure there was enough money. Facility Planning does not allow you to move forward unless you have the funds budgeted. The project was divided into three phases. Phase 1, Demolition or gutting out the interior, is complete. Phase 2 is the white box or repair of all of the exterior doors, walls or anything on the exterior and installing HVAC, electrical and toilets. Phase 3 is build-out or putting up walls and laying the flooring and any finishes the client wants.

## **NEW BUSINESS**

### **Discussion of James and Walter Wedell Hangars**

Mr. Davis advised that the project was bid as two separate project worksheets but bid as one project. The successful low bidder is Citadel and they had 90 days to hold their bid price according to the specifications. That time ran out in January and they offered an extension of 30 days which expires February 19<sup>th</sup>. The total bid price is \$11,398,000. The smaller Walter Wedell hangar was \$5,271,366 and James Wedell Hangar was \$6,126,614. The James Wedell project will be short of funds because of the insurance offset so it might be better served to table the Walter Wedell Hangar and move forward with an alternate project capturing 75% of the funding which would be applied to make up the difference on the Terminal interior and additional monies for the James Wedell Hangar. Long term we may be successful in capturing additional monies that FEMA owes us for projects versioned and never reviewed for proper cost. Long term we could go back and potentially build the Walter Wedell at a later date. However, we want to build the infrastructure relative to the second hangar and do some things on the drawings that would allow us to easily put in the other hangar long term. We would condense the package to a one hangar bid package as opposed to a two. There will be the obvious 5% cost of re-bidding. I certainly

don't know where we would get funding to do the Interior without this. The suggestion was to take that \$5,271,366 and capture that as an alternate, which we would get \$3-\$4 million.

STEVE NELSON - Stuart Consulting Group

Mr. Nelson advised that we could pursue the Walter Wedell Hangar as an alternate project with the bids of \$5.3 million, 25% deduction of \$1.3, we also have an insurance deduction that we are not going to get from FEMA in the amount of \$958,000 and probably in the neighborhood of \$20-\$30,000 in redesign fees that FEMA would not likely reimburse. We would receive approximately \$2.5 million. The estimated cost for the Terminal is between \$7.5-\$8 million which leaves a delta of \$2.5 million. Mr. Nelson noted that \$9 million in reduced or zeroed request for reimbursements are being pursued from the State. If we receive 33% of that; that is \$3 million we can expect to receive over time. There is another \$2 million in alternate projects such as the Aviaport Hangar which FEMA valued at \$462,000. The estimated time is probably 4-6 months if we have to re-bid the project and take one of the Wedells and 6-12 months if we pursue the alternate funding. If you decide to get rid of the Walter Wedell, it is fairly unlikely that we will be able to recoup enough funding through other avenues to do the Terminal because they take that 25% or \$1.3 million, and we would never see that.

Chairman Lupo advised that this Authority had never seen the interior layouts on the Terminal building. We want to restore the terminal to get the highest and best use out of the Terminal and the Airport. We met with the architects, looked at the plans and gave them ideas brought to us by the types of tenants that we are looking to attract. Most importantly we realize that we needed to bring the Terminal back or we don't have an Airport.

Mr. Davis referred to Mr. Nelson's handout and stated that this was a budget number for the terminal. There is no cost estimating software to account for historic materials and labor relative to the historic plaster and stones. There is no way to price that detail. We have a specialist on board doing mock ups to the building; the plaster, the terrazzo and the wood. Mr. Davis is comfortable with the architectural estimate. The mechanical and electrical estimates have detailed break downs so those numbers are good. Mr. Davis is comfortable with the estimates, although the architectural estimate may be a little high. There is also an overhead estimate of 25%.

Mr. Davis noted a generator is going to be placed on a platform outside of the building at approximately 16 feet above ground.

Chairman Saizan questioned if the generator is large enough to keep the whole facility going. Mr. Davis stated that the current plan is to keep the fire suppression system active at all times. The most critical thing is the pump. There are discussions with the State Fire Marshall regarding requirements based on the NFPA (National Fire Protection Association) 415 Standard for Airport Terminals Buildings. We may have a waiver in that regard but we won't know until we have a meeting with the Fire Marshall. We think assembly space meets the requirements where we are below qualifying as a terminal building even though the operations are terminal operations. We believe that we have some leeway which will reduce the capacity needs of the sprinkler system and consequently the generator. The plan was to make sure that the airport operations, the Airport Director's office and his staff; all their air conditioning was operational along with the water and cold refrigeration units for these operations. There is not a capacity to connect into a generator to do the whole building. There are issues about the pump. If we have to go to the higher strength, we have to go to a diesel pump which takes load off of the generator.

Chairman Lupo advised that the spaces available for lease by tenants will have less build-out than originally conceived. Mr. Davis explained that the electrical estimate has to accommodate temporary lighting and enough circuitry and panel boards to cover full fledged lighting for a tenant wanting a build-out. The electrical estimate may be a little high because there may be more lighting than we actually have. The ceilings and carpet have been taken out which is a minor matter.

Mr. Nelson stated that this estimate was conservative provided we don't have change orders. The number right now is \$7.5 million, at which point we are looking at a delta of approximately \$3 million. We have \$1.2 million in alternate funding currently available with the former FAA Building.

Chairman Lupo requested an explanation of the \$3 million number in reimbursable pursuit funding and questioned what was available on the interior of the terminal. Mr. Nelson stated that there is \$3 million in a FEMA PW which is obligated. Mr. Nelson explained that this is a conservative estimate of what we can pursue on other projects. These are individual line items and if we retain 33% of that \$9 million out there using those avenues; that is another way to collect additional funding. Mr. Davis added that he is working with FEMA to increase the funding for the sprinkler system in the amount of \$800,000. FEMA has not captured that in the final version and it is something we are working on. I have approximately \$1,200,000 worth of items not in this version and if we get 80% of that, we have another \$900,000 for this job that is not accounted for in any of these numbers.

Commissioner Hoffman stated that this shows two alternative sources to fund this and one is going with the Wedell cancellations, which leaves us \$2.5 million short. The other one is to get it all out of the FEMA reimbursements. The trade off is that right hand side of the sheet there is more risk in it because these things have to fall in place and it will take a little longer to get the funding. On the left hand side is, we are in essence paying a financing cost of \$1.3 million to shave 6 months off of a schedule. Cancelling Wedell is a very expensive way to go. If it was the only source available, I would be supportive of it. Given we have other sources the questions is: is it worth paying that just to shave 6 months off. Today's market does not yield 25% in overhead and profit. This number could well be closer to \$7 million than \$7.5 million. That is the decision we have to make as far as Wedell because once we cancel it, it is cancelled. The Terminal has a much higher priority.

Chairman Lupo stated that once we cancel, we lose the potential of the 25%. My concern with going the other route is that nothing is done with FEMA in 6 months. I want to make sure the Committee realizes that 6 months may not be 6 months. If we don't have this Airport up and running for the Superbowl, it really misses an opportunity.

Commissioner Heaton questioned the operational benefit of having that second hangar out there for the next 10 years of the Airport. Mr. Taylor explained that in 10 years it will probably be needed. We are going to build the 28,000 square foot hangar equivalent to the one knocked down in the storm. We have the National Guard Hangar in commerce by being a military hangar. Commissioner Hoffman added that this is a significant point because it is uncertain as to whether we need that additional hangar capacity in the next 3-5 years.

Mr. Davis stated that The Wedell hangars are geared to be corporate hangars and the Bastian Mitchell is much larger and is set up as an FBO. Mr. Taylor added that there has been interest from the corporate level. The McDermott hangar at one time was a 24,000 square foot corporate hangar. This will be a 20,000 square foot hangar, about the size of the one that Odyssey built. Corporations have called to inquire about 20,000 square foot hangars in which to put 7-8 medium sized aircraft. If we put the tank in and did some plumbing we

would have everything ready in case we needed to build in the future. We already have the water system as it is a shared system. It is best to get that hangar going for two reasons. We have been trying to get NBAA back here because that is a huge sell for the Airport. NBAA was here in 2000 and sold \$4 billion of aircraft and services in 3 days.

Commissioner Hoffman questioned if there is any way we can negotiate with Citadel on doing the one hangar. Commissioner Hoffman expressed concern regarding additional time to rebid because of future increases in steel prices. If the project is delayed another six months, costs will increase.

Mr. Davis stated this deals with the Public Bid Law. Mr. Davis is unsure if you can legally segregate it and take one hangar out because there may be issues with the Attorney General because all of the other bidders didn't get the opportunity. Secondly, if we do re-bid one hangar Mr. Davis assumes that FEMA is responsible for the additional cost because it is FEMA who we are waiting on funding. We have done our due diligence and held the bid for 90 days. We are doing everything to work with FEMA on the money. If it comes back in and it is \$14 million for the two hangars, I think FEMA has to re-obligate the \$14 million.

Commissioner Hoffman questioned the possibility of taking the funding from Wedell and do a like kind with Bastian using those funds for a similar hangar and not being hit with 25%. Mr. Nelson informed this was a possibility but it would require re-versioning the PW.

Commissioner Hoffman stated his whole point for doing this is we could take the action to cancel Wedell and have options on going back and recouping it. We know we have funding available to go ahead and do the Terminal interior so we would not have to slow down that project.

Mr. Davis added the option is you are going to have shortage of funds on James Wedell because of insurance. You may be able to do an improved project. Then we can take the other money and put it towards the terminal building and maybe get 100% and not 75%.

Mr. Capo advised of one other source of funding. The Naval Reserve Facility still has approximately 1.6 million remaining. We used \$4.4 to do the exterior and have approximately \$1.6 left in the PW. That money has already been reduced by 25% from FEMA. We could use that money but there is the question of structuring the funding as a loan to the Airport to recover that \$1.6 million.

Commissioner Hoffman offered a motion to cancel the Wedell Hangar and table construction and pursue other alternative uses of the funds as an improved project, seconded by Chairman Lupo and unanimously adopted.

Mr. Davis stated that by the next meeting we should have a feel on what FEMA will agree to in additional money for the Wedell. We are expecting to get more in the PW. They have agreed to some of this already.

Chairman Saizan questioned if there was anything the full Board could do, such as pass a resolution that might be noticed by FEMA. Mr. Davis stated that GOSHEP representatives are our liaisons, we deal with FEMA directly but really we have to go through GOSHEP and they can be slower than FEMA.

Mr. Nelson advised of regular weekly meetings in Baton Rouge with GOSHEP in which over the past two weeks almost \$400,000 was received.

Chairman Lupo suggested a recommendation to the full Board to cover the extra expenses of the redesign. Mr. Davis stated this is strictly for the Terminal interior. The cost of the redesign is \$28,058. I will put together the same thing for the next meeting on the Wedell hangars but I would rather see what we are

going to do before because this is not reimbursable by FEMA. It is minimal but I think it is reasonable.

Commissioner Hoffman offered a motion to approve the re-design fees, seconded by Chairman Lupo and unanimously adopted.

Mr. Taylor addressed the hangars referred to earlier stating that prior to Katrina the National Guard hangars were not commercial. We have two hangars that will hold G-4s. We had no aircraft in commerce that would hold a G-5 . After these hangars are built we will have several hangars on the Airport that will hold G-5s.

Chairman Lupo thanked the consultants for thinking out of the box because we have to do this in this Authority because of the constraints we have due to storm damage and lack of funding from any outside source.

**ANNOUNCEMENT OF NEXT AIRPORT COMMITTEE MEETING**

Chairman Saizan announced the next Airport Committee meeting scheduled for March 1, 2011 at 9:30 a.m.

**ADJOURNMENT**

Commissioner Hoffman offered a motion to adjourn, seconded by Commissioner Heaton and unanimously adopted.

The meeting adjourned at 10:17 a.m.