

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
THURSDAY, DECEMBER 6, 2011 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, December 6, 2011 at 9:30 A.M., in the Lake Vista Community Center, 2nd 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 9:36 a.m. and led in the Pledge of Allegiance.

The roll was which constituted a quorum.

PRESENT:

Chairman Darrel Saizan
Commissioner Wilma Heaton
Commissioner William Hoffman

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Pearl Cantrelle
Commissioner Romona Baudy

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood
Fred Pruitt – Airport

ALSO PRESENT:

Alton Davis
Charles Curtis
Steve Nelson
Albert Pappalardo
Anthony Marino
Wesley Mills
Valentino Rovere
Addie Fanguy
Adrian Brumear
Joe Stablier
Sergio Capello
Jay Taffet
Frank Stuart
Tom Long
Walter Baudier

APPROVAL OF AGENDA

Commissioner Hoffman offered a motion to adopt the Agenda, seconded by Commissioner Heaton and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hoffman offered a motion to approve the minutes of the October 6, 2011 Airport Committee meeting, seconded by Commissioner Heaton and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Fred Pruitt, Acting Director of Aviation, reported fuel sales and operations are down over the last two months due to the present economy. Mr. Dick Hrabko has been working on the Part 139 application. The certification manual is nearly complete and the emergency plan is underway. The Authority will know shortly if there is a commitment from GLO Air so a Class 2 or Class 4 airport application can be filed. The application should be turned over to the FAA within the next 30 days.

The Airport should qualify with management consisting of a Director, Operations Manager and Administrative Assistant for a Class 4 Airport. A Class 2 airport requires more staff because the Airport will be federalized and will have to comply with federal regulations.

A Class 4 Airport is a Part 139 Airport that accommodates unscheduled large aircraft. The Authority should be able to meet FAA requirements with a Director, Operations Manager and an Administrative Assistant although a maintenance crew would be needed. There were 2 Alert three's in November, both of which were on Capt. Barronne's platoon A. The first was a Sirius 2 engine aircraft that had engine failure and ended up in the lake. The firemen accessed a boat and rescued the pilot from the tail of the aircraft resulting in no injuries.

The second incident involved an aircraft that was flying erratically and landed on the Airport on the closed runway. The aircraft hit a taxiway sign and came to rest in the grassy area. The firemen responded to the incident and retrieved one passenger who was incapacitated and placed into an ambulance. Mr. Pruitt requested Platoon A be recognized at the full Board meeting in January.

The Airport met with Mr. Gillen, Chief Boudreaux, Mr. Capo and Capt. Brown regarding OLD Police to discuss emergency procedures. There have been situations where NOPD forced their way onto the airfield and were driving on the Airport before the Airport was actually closed which was a dangerous situation. Mr. Gillen verbally agreed that OLD police would secure the gate until the firemen send someone out. Mr. Capo and Mr. Pruitt will meet with NOFD, NOPD and EMS to establish a point of access onto the Airfield.

Mr. Pruitt informed the FAA tower at Lakefront Airport will stay open for the Sugar Bowl from 6:00 p.m. until 2:00 a.m., reopen at 6:00 a.m. the following morning and close at the regular time. This schedule should be adequate to handle the departures. This schedule will be followed again on the 9th and the 10th for the BCS Conference.

Mr. Pruitt advised that Landmark was chosen by the NBAA to host a mini event at the Landmark facility in February. There have been several discussions regarding attracting the NBAA back to the Airport and this is a good first step. Mr. Addie Fanguy, General Manager of Landmark, will report to the committee about the upcoming event on February 2nd.

Mr. Fanguy informed that the NBAA event is scheduled for February 2, 2012 and will be the first time the NBAA returns to New Orleans since Katrina. This is a trial run which will attract interest in getting the NBAA Convention back. There will be educational seminars, tax seminars and maintenance seminars for all NBAA (National Business Aircraft Association) participants. This event could draw 500-600 people who will be arriving via automobile or commercial flight. There will also be 15-20 new aircraft on static display. Landmark is not charging the NBAA anything in order to push the Airport forward. The NBAA will be occupying both the Landmark hangars for the one day event and will be arriving the day before to prepare for the event. The last time the NBAA was in New Orleans, the Airport pumped ¼ million gallons of jet fuel in three days with 1,200 aircraft in and out of the airport.

funding for projects on the airport. The state trust fund presently has \$29.8 million a year off of a \$.04 per gallon tax. 35% of the fund is dedicated to the 61 general aviation airports in Louisiana which equals to approximately \$10.5 million. There is also entitlement money of \$150,000 per year through the FAA, distribution of proportionment money to the airport and there is a discretionary fund that the federal and state governments have. U.S. Airports reviews funding sources that are available.

Mr. Thrasher informed that U.S. Airports is uniquely qualified to ensure compliance issues are ironed out as that is the first hurdle toward obtaining FAA funding. Mr. Marino has secured almost ½ billion dollars in funding for the Baton Rouge Airport. New Orleans Lakefront Airport is a crown jewel and the U.S. Airports team would love to be a part of it.

Mr. Bruneau added that given the placement of the Airport and the fact it has a marina attached to it there is much potential. U.S. Airports will do an assessment and review all paperwork, operational services and facilities and identify all compliance issues, potential revenue streams, where we can find money and where we can bring monies in to make the airport self sufficient and revenue generating. We will outline and identify what you need from a project perspective, RFQ's, project funding, grant and revenue advising and management and operational consulting. A general aviation airport running on all cylinders is a key component to conventions and conferences. If you do not have this airport, you don't get Super Bowl and you don't have a tie into the BCS – it is an absolute critical component when they come to town.

Chairman Lupu suggested both groups come before the Finance Committee and explain how this can be funded. The Marina Committee should be briefed as well. The Airport Committee will have a special meeting to handle the idea of a management group looking at the Lakefront Airport before that recommendation is made to the full Board. All appropriate steps should be taken so the full Board and all Committees are informed because this is a big step forward for this Airport. It is very important and definitely needs to be done but we need to ask all the appropriate questions.

Commissioner Heaton questioned Mr. Marino if U.S. Airports was the manager of Baton Rouge Airports. Mr. Marino informed that U.S. Airports was his company. Mr. Marino worked for a period of time at the Baton Rouge Airport under a contract which allows Mr. Marino to engage in other ventures in the aviation business. Baton Rouge Airport has brought Mr. Marino back twice under contract and U.S. Airports is Mr. Marino's consulting company. Baton Rouge Airport has contracted their director for the last 13 years. Mr. Marino advised that his tenure at the Baton Rouge Airport ends in 2012.

3) Stuart Consulting Group, Inc.

Mr. Steve Nelson of Stuart Consulting Group, Inc. informed that Lakefront Airport will have approximately \$70 million in construction by the end of 2013. Lakefront Airport will mirror the look of the mid 30's and will be a phenomenal opportunity for New Orleans East, an area devastated by Hurricane Katrina.

The Authority is running on a limited budget and staff. Stuart Consulting Group can partner with the Authority going forward in areas such as overall asset management, utilization and planning. Stuart can assist with reviewing the needs of the facilities, equipment and infrastructure going forward along with current uses and existing conditions. Once the buildings are built and the pieces in place, it is not going to keep itself running. There will be a need for assistance and Stuart will be able to advise on how to fund the maintenance, what maintenance is needed and how to carry that forward.

Stuart will also assist in staff coordination and being able to publicize, manage and utilize the resources that the Authority has along with the revenues and marketing usage fee scheduling through either a commercial carrier or a small private carrier along with grants pursuit.

Security also needs to be reviewed as coordination with DHS and TSA is going to be crucial going forward. We need to assess rescue and recovery along with equipment and training going forward. Stuart will finish up with public relations, development coordination, marketing and the Authority's needs along with community action and development.

The eight murals are going to be crucial once the Terminal is ready to open. Taking into consideration the financial situation of the Authority, Stuart has pulled together a team that would maximize expertise and minimize workers. Project Manager David Blackshear would be the primary contact. Mr. Blackshear served as the assistant secretary for aviation and public transportation in LA and worked on more than 40 general aviation airports state wide and is very familiar with airport operations across the country. Mr. Blackshear served as Executive Director of New Orleans International Airport and obtained \$38 million in funding along with an additional \$82½ million Letter of Intent. He worked for Maryland Aviation Administration as Executive Director and oversaw a \$1.8 billion dollar infrastructure program. Mr. Blackshear is also licensed to fly anything that can be lifted.

Stuart Consulting has Ms. Betsy St. Pierre in Public Relations, educated at Carnegie Mellon with significant background in aviation history and community outreach. Ms. St. Pierre would partner with a local entity to provide the national and international contact that the Airport needs. Ms. St. Pierre has publications ranging from Passenger Terminal Today to Railway Terminal World.

Mr. David Blackshear added that Lakefront Airport is the premier general aviation airport in Louisiana and has a great history. The major events are a potential revenue stream. National recognition will give FBOs (Fixed Based Operators) the kind of income needed to make investments in airport development.

Mr. Blackshear informed that Stuart would assist the Board, Mr. Pruitt and staff in learning all of the parts and pieces of airport management. The Authority's requirement now that the Levee Board has been disassembled by the legislature is very important because previous tools in security or fire are elsewhere leaving the Authority to figure out what to do. There is going to be a huge amount of community involvement in terms of the NOPD and the Fire Department.

The master plan needs to be reviewed to analyze what the master plan and tourists recommend. Sometimes what the master plan recommends is not what you need as airport master plans are standard from a-z and forms the foundation of what is needed. The Authority must then decide what is going to be done in dealing with the FAA, State and other entities.

One of the issues is money. The Authority needs to know how it will increase revenues. There is raw land which is developable and hangars are coming back on line which can be used for various aviation purposes to generate revenue. The second floor of the Terminal Building could be used for executive office space which could generate revenue.

There is an interest to have air traffic operation closer to downtown New Orleans rather than in the swamps of Kenner so Lakefront Airport is the game in town. Charters are important as you develop the airport and get the airport certificated to meet the federal government's requirements. Air cargo operations are very difficult currently. Most air cargos go to Moissant because the runways are long but the fees are high so some air cargo operations can be reviewed.

FAA funding is a matter that is temporarily on hold. All airports received some state funding for economic development. The state is a potential source of revenue. Marketing and advertising is important because there are events in the near future that the Authority should involve the Terminal Building in, such as restoring the murals and using them as sales tools at gift shops.

The Authority should form a 501C3 foundation so private sectors can make donations to use for a tax deductible entity. This would be under the Authority's control and would be an IRS legal entity. This will give the Authority the opportunity to raise significant revenue.

The controlled access security system needs to be evaluated. As the owner of Lakefront Airport, there are buildings and assets to protect. There is another unfortunate problem at Lakefront with respect to fatalities and accidents over the years. Lakefront Airport is a difficult airport. Those who like to use Lakefront are private pilots. When you lift off of the ground at Lakefront Airport over the lake, the horizon disappears leaving no point of reference. There are unique experiences other airports don't have that you have to deal with. The work done at the Airport Terminal is of national interest and the murals are national treasures. There will be people from all over America interested in the murals and the Terminal Building itself as the Airport itself is quite historic.

OLD BUSINESS

1) Update on Airport Terminal Interior Renovation

Mr. Davis stated that the abatement is on schedule with planned completion in January. Construction will continue with a July completion date. The redesigned platforms for the water tank and the pump to accommodate elevating the water tank are in the process of being priced by the contractor. FEMA will look at the Terminal and give some funding based on the platform issues. Mr. Nelson informed that there are bi-weekly abatement meetings. The construction manager is photographing the site daily and talking to Lasko. FEMA has surprised us with funding at least a component of the abatement. Funding is in place to cover the cost of the Terminal. Should we come back with less than expected, there are alternate projects. There were no environmental or financial surprises and the Terminal will be completely abated. Chairman Saizan informed there were legislators and council people questioning the completion date for the Terminal Building because of the potential upcoming events. Mr. Capo will be busy establishing a leasing rate when the Terminal Building is completed in July.

2) Update on construction of the Bastian-Mitchell Hanger

Mr. Davis informed the site was cleared at the Bastian-Mitchell Hangar resulting in unforeseen conditions below ground including a broken water pipe. There are no infrastructure or structural drawings for the Airport. These unforeseen conditions delayed us slightly along with the FAA crane study which took longer than expected. Scheduled completion is set for November or early December, two months before Super Bowl. The crane study was returned with a request from the FAA that the pile driver be taken down each night which causes a delay with pile driving operations. Cranes come down each night. There is one 250 foot crane that is hard to lower on site so the site will be expanded. Mr. Pruitt forwarded Mr. Velayos an alternative plan to enable the pile driver to be erect at all times.

Mr. Davis informed that the Wedell Hangars will go to bid shortly. The platform is being re-designed for that hangar because the tanks have to be raised. We are going to use the numbers for Bastian-Mitchell because it is a bigger hangar so we will be a step ahead of that and there won't be delays.

3) Discussion and approval to delete Section 8.3 in its entirety from RCL contract regarding the architect/engineers retainage fee

Mr. Davis informed that the original contract signed with the Levee District in 2006 was a standard contract containing a retainage fee of 5% of all fees. This creates paperwork for Stuart Consulting and it is not industry standard to retain fees. We are requesting this be eliminated. Mr. Capo added that no other contracts have a retainage for the A&E portion. Legal counsel has no objection. Commissioner Hoffman moved to recommend that Section 8.3 be deleted, seconded by Commissioner Heaton and unanimously adopted.

4) Update of Phase 3 construction for the National Guard Building and Hangar 101

Guy Williams reported Hangar 101 is in Phase 3 construction and ahead of schedule. There is an issue with fire suppression with the Bastian-Mitchell Hangar. Mr. Williams will request a waiver from the Fire Marshall to be under the fire watch and be extended to full use until we are on line with the fire suppression and until there is the required water pressure. Occupancy of the building is scheduled for January 27, 2012. There is an issue with plumbing as we tied into the existing sewer line that the contractor has been using. The line is backing up because the existing line does not have enough fall. We will possibly add a lift station or dig under to create a fall. This can be accomplished with a change order and should not cause a delay.

NEW BUSINESS

1) Selection of A&E firms for the construction and repairs to the South Shore Harbor Master Building, former Delgado Hangar, and former Chevron Office Building

Mr. Capo requested this item be delayed until the full Board meeting to allow time to complete the grading. Commissioner Heaton agreed to delay but requested this be turned in prior to the Board meeting so the members would have time to review the documents, seconded by Commissioner Hoffman and unanimously adopted.

2) Discussion and approval to repair roadway in front of the Airport Director's Office at the New Orleans Lakefront Airport

Mr. Capo informed this road runs to the horseshoe and is the area where NBAA is going to conduct their conference. We are requesting that certain parts of the roadway be repaired in preparation for the NBAA conference. This was anticipated in the 2012 budget with \$75,000 put aside for the repair work, however Mr. Nelson's analysis projects the cost to be approximately \$90,000.00.

Chairman Lupo added that some of the road is literally gravel and in terrible condition. Mr. Nelson is working with FEMA to get this covered by FEMA. The \$75,000.00 cost is in the budget. The total repair cost is approximately \$90,000. Commissioner Hoffman voted to proceed forward with the roadway repairs, seconded by Commissioner Heaton and unanimously adopted.

Mr. Capo requested to add to the Agenda the extension of Richard C. Lambert's contract. The resolution was passed on November 18, 2010 to extend the contract for 1 year for all the projects on the Airport regarding the terminal. My recommendation would be to extend that for another year.

Commissioner Hoffman made a motion to amend the Agenda to add the RCL contract extension, seconded by Commissioner Hoffman and unanimously adopted by a roll call vote. The Agenda item is to extend Richard C. Lambert's contract for one year until December 31, 2012. Commissioner Hoffman made a motion to extend the contract for one year, seconded by Commissioner Heaton and unanimously adopted.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Thursday, January 12, 2012 at 9:30 a.m.

The meeting adjourned at 10:55 a.m.