

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
MAY 3, 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, May 3, 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 9:35 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

FURTHERMORE PRESENT:

Chairman Robert E. Smith Lupo

ABSENT:

Commissioner Romona Theresa Baudy
Commissioner Pearl Cantrelle

STAFF:

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

ALSO PRESENT:

Guy Williams
Charles Curtis
Gerard Metzger

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Hoffman offered a motion to approve the minutes of the Airport Committee meetings from February 1, 2011, March 1, 2011 and April 5, 2011 seconded by Chairman Lupo and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt advised that the issue of the Authority being able to recover funds for capital improvements for the Airport is being investigated. The Management Authority can go back 6 years from the date of approval. Once approved the Airport has 6 years to pay the Management Authority back. The loans can be repaid with interest but to date the FAA has never approved interest on these loans. The Management Authority cannot be repaid until the Airport is in the black.

Mr. Pruitt informed that Operations for March are up by just under 3,000. Fuel sales are up by a couple of hundred thousand and for this fiscal year are \$453,439.00. Another topic that was brought up was the possibility of sleep-a-boards at the Marina. This was researched and it appears that would be a violation of the FAA grant assurances. It is the Airport sponsor's obligation to control the zoning for its property and the properties adjacent to the Airport. The

FAA does not look well at residential use or housing sleep-a-boards at the Marina. A hotel is possible because it is not considered a residence. Mr. Capo informed that we do not allow live-a-boards at South Shore Harbor. At Orleans Marina there are approximately 40 live-a-boards.

Mr. Pruitt stated that the airport interior is ready to be bid. Mr. Capo informed that architects handle all aspects of the bidding which is based on the lowest dollar amount and would then come back to the committee and the full Board for approval.

Chairman Saizan informed that a low bid may be received by someone who does not have the capacity to perform the work but there are provisions that allow the 2nd and 3rd bidder to perform the work if their company has the capacity. Mr. Capo informed we are waiting for a letter from Hartford stating that we have money available to us so we can move forward. That is what is holding us up. Chairman Lupo stated that we cannot approve a contract without having the money in place. There is a problem with low bid contractors but our experts can glean through these bids and make sure we have someone who is qualified.

Mr. Capo informed that the State Historic Preservation Office from Baton Rouge came and toured the airport interior and took photographs of the interior and exterior. Alton Davis with Richard C. Lambert gave the Preservation Office a full report on the airport interior and they were very impressed with the work that has been completed. The airport is not designated as a historical building because it does not date back 100 years. The possibility of using the terminal building as a tax credit was investigated but cannot be done.

Commissioner Hoffman questioned how business with the Zurich Classic and the first weekend of Jazz Fest compared with the prior year. Mr. Pruitt stated that the airport was very busy but he has not looked at the numbers in comparison to last year. There was a lot of activity with the first weekend of Jazz Fest and the Zeppelin. The Zeppelin is here but is waiting on the wind restrictions to leave. There were some issues with the FBOs needing overflow parking due to Jazz Fest as we get almost all of the entertainers that usually come in. This activity should continue through next weekend.

Chairman Lupo questioned the status of potential clients for commercial air service on the accreditation that the Airport requires in order to have commercial traffic. Mr. Pruitt advised that the Airport can reapply for the Part 139 to rework the manual and it will be updated. This was part of the layout plan for the Master Plan which should be done shortly. Another key issue is we do not have adequate staffing at the Airport which will require three more staff members. Chairman Lupo requested a timeline and a deadline to present showing that we have a timeline to complete this application and a plan to put this in place. We could coordinate our timeline and put that in a packet to present to the full Board for the June meeting.

Chairman Saizan advised we need adequate staff and security, firefighters and EMTs for the Airport. Mr. Pruitt informed that the fire fighters are presently adequate in number. If we go to 24 hours we would need a minimum of 2-3 more fire fighters. We will continue to operate the Airport as if we were Part 139. There was a cursory Part 139 inspection 6 months ago in which the firemen were put through the drill and they passed. The Airport was in good shape operationally and with the fields and firemen.

Mr. Capo informed that the final part of the Master Plan was presented by URS and Andy Herman at a meeting held last Tuesday. There have been two public meetings on the Master Plan: one at the committee level and the town hall meeting. There are no mandatory requirements by the FAA but this meeting was

recommended so we have met the criteria. The meetings were advertised in accordance with the recommendations of the FAA.

A unanimous roll call vote was taken at this time to go into Executive Session. Upon return from executive session Chairman Saizan announced that no votes were taken.

OLD BUSINESS

1) Discussion on renovation to Building 101 (National Guard Hangar)

Guy Williams with ECM informed that completion of Phase 2 is approximately 1 month away and close out is 2 months away. Documents have been submitted to Facility Planning on Phase 3 for the build out. For Phase 3 we have an alternate to finish out the second floor which is not part of AeroPremier's lease hold. There is an alternate to finish the public spaces on the 2nd floor and the budget is very tight. The budget estimate is \$925,000 on the project and the base bid estimate is approximately \$943,000. The alternate was done to make sure we had enough. Facility Planning requires a letter of commitment for the \$200,000 because there is a statute which requires funding be in place before they do a bid. There are three things that can happen when it goes to bid: it is underbid but not enough to do the alternate; it comes under bid with enough money so you choose the alternate or the low bid is over the budget which means you have to redesign. Mr. Williams does not foresee needing additional money but Facility Planning still requires a letter stating that the Levee Board will provide funds in case they are needed.

Mr. Williams has proposed to take funds from Building 103 along Stars & Stripes. Chairman Saizan questioned if a settlement was received for wind damage on this building. Mr. Capo informed that this was a state building at the time and that it is complicating the issue. It was a state building under the National Guard when the storm hit, insured by Office of Risk Management. We received no funding from the state. This building is being repaired because Jerry Jones and FP&C got the whole complex re-obligated and reviewed by FEMA. It is taking time to align the scope of work and what repairs are needed which has complicated the process. Building 103 has 10,000 sf with a small mess hall on the bottom floor and offices on the 2nd floor.

Mr. Williams informed that the reason you do an alternate is in case you get bids under you can get more work done for the funds you have available. This was done to have funds available for construction for the base bid if it comes in tight. We had to redesign and put a lot of fire suppression into this phase and redesign the lay out to get that budget; that he when I thought of using an alternate. The estimate was conservative so there is no issue about being over. It is a fluid situation with the contractor. It may be under so it may not be necessary to do the alternate. Mr. Williams informed that there was an issue with pricing on steel for this project coming up and on the next project also, that is why it becomes fluid. If it is under budget you can do the base bid and build out the first floor and place a conference room on the 2nd floor. The alternate bid provides public hallway space and there will be unfinished space for future tenants and future build-outs. The majority of the rest is providing the corridor, the ceilings, lights and flooring up on the 2nd floor on all of the public spaces.

Commissioner Hoffman was supportive of issuing a letter to allocate \$100,000 because there is zero risk of that causing the Authority harm. Anything that happens with the bids will come back to this Board which has the authority to accept or reject the alternate. Steel prices are going to remain the same for the next 30 days so the sooner we get the bid out the better chances we have of taking the lower cost. Mr. Williams informed that the timeline to get this out depends on how fast Facility Planning can advertise. Mr. Williams has given

Facility Planning all the documents. The bidding process is 25 days and then the contract will be produced. There is a 4 month construction time on this. There will be one month of bidding time and 1½ months of contractual time with Facility Planning. Facility Planning requires a letter that guarantees additional funds. Facility Planning wants an additional 20% for cushion and design fees. Mr. Metzger stated we could issue the letter advising it is subject to Board approval and that the funds would be transferred. Commissioner Hoffman informed that in this particular case we are not transferring any funds; we are identifying this as a source of funds to use for the project. Commissioner Heaton suggested a motion authorizing the Director to issue the letter and inform the Board in a report of that action. In doing so, there is a paper trail and everything is transparent. Commissioner Saizan offered a motion authorizing the Executive Director to issue the letter required by State Facility Planning to keep the project on track, seconded by Commissioner Heaton and unanimously approved for recommendation to the Authority.

Chairman Lupo questioned if Phase 1, 2 and 3 were obligations under the lease to AeroPremier, what has been finished and when will it be completed. Mr. Curtis informed all three phases are an obligation under the lease to AeroPremier; that we have a building tenant that can move in and put their own tenant finishes into it. As per the settlement agreement with AeroPremier, those stages have to be completed and when complete they start paying full rent. Mr. Metzger advised they are presently paying half rent under the settlement agreement. Building 101 should be completed by the end of the year.

NEW BUSINESS

1) Discussion on A&E selection in reference to RFQ for Airport development projects, runway/taxiway resurfacing/sealcoat and painting, construction of new airfield lighting regulator building facilities and the Airport wildlife mitigation assessment

Mr. Capo advised that an RFQ was sent in March to select an architect and engineer to perform runway and taxiway resurfacing and seal coat, construction of a new air field regulator light building and Airport wildlife mitigation management. A four member team was selected to review the RFQs. Nine firms responded to the RFQ. A spreadsheet was issued listing the firms in by highest points given. URS (first selection) received 131.5 points: Richard Lambert (second selection) received 129.5, and Lambert Engineering (third selection) received 126.5 points. These were ranked the top three firms. An RFP will now be issued to these three firms who will then respond with costs to do the work. We will then select the lowest responsive bidder. The 4th place will perform an independent cost analysis to match against the top bidder.

The FAA requires a Fee Analysis be performed by a non interested party to give a base fee to compare to the competitive bids received which basically keeps everybody honest and is used as a comparison to get the lowest possible fee for the project. The first three firms are given an invitation to bid and an estimate is performed by the fourth to use as a comparison. Mr. Lupo made a recommendation to follow the FAA guidelines, seconded by Commissioner Hoffman and unanimously adopted for approval by the committee for recommendation to the Authority.

Commissioner Saizan questioned what types of wildlife is spotted at the Airport. Mr. Pruitt advised of an abundance of wildlife including multiple species of birds, coyotes, rabbits and the occasional alligators because of the large section of swampland located near the Airport. There have been eagles lately, which is good because they take care of the other birds and hawks. Mr. Capo stated that we did have sound blasters to scare off the birds. We do have a permit to shoot

the birds and we have to keep track of what birds we shoot. There is a wildlife program in place.

2) Approval of mutual release with Ellis regarding the bidding on the Bastian Mitchell Hangar request

Mr. Metzger informed that Ellis Construction was the lowest responsive bidder on the Bastian/Mitchell Hangar project and were notified of the acceptance of the bid. Unfortunately, a contract was not signed so there were delays that resulted. Ellis held the bid open for approximately 7-8 months. Their steel supplier contacted them and reneged. Ellis is waiving all of its claims against the District and the District is waiving all claims after consideration for the release. We are looking for a recommendation from this committee to the full board to authorize the execution of this document and put this to bed and move forward.

Mr. Capo advised that Ellis had agreed to do the work and presented a signed contract. Shortly thereafter, Ellis informed they could not do the work because the steel supplier would not hold the price. FEMA stepped back in and agreed to pick up the additional cost of the steel. We were advised that if we let Ellis out of the contract without some type of wording from FEMA we would have to pick up the additional cost. FEMA came back in and said they would pick up the additional cost so the Authority mutually agreed with Ellis to let them out of the contract. Chairman Lupo offered a motion for the mutual release with Ellis regarding the bidding on the Bastian/Mitchell Hangar, seconded by Commissioner Hoffman and unanimously adopted by the Committee for recommendation to the Authority.

Mr. Capo informed that the Ethics forms that were sent out are due back to the State on May 15, 2011.

ADJOURNMENT

Chairman Lupo offered a motion to adjourn, seconded by Chairman Saizan and unanimously adopted.

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, June 7, 2011 at 9:30 a.m.

The meeting adjourned at 10:40 a.m.