

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
THURSDAY, SEPTEMBER 8, 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, September 8, 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 which did not constitute a quorum. Informational items were taken until a quorum was obtained later in the meeting at which time the Agenda was adopted and the minutes were approved from the August 2, 2011 meeting.

PRESENT:

Chairman Darrel Saizan
Commissioner Pearl Cantrelle
Commissioner William Hoffman

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Romona Baudy
Commissioner Wilma Heaton

STAFF:

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

ALSO PRESENT:

Alton Davis
Gerard Metzger
Charles Curtis
Steve Nelson
Albert Pappalardo
Valentino Rovere
Jay Taffet
Rolando Gonzalez

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Hoffman offered a motion to approve the minutes of the August 2, 2011 Airport Committee meeting, seconded by Commissioner Cantrelle and unanimously adopted.

Mr. Capo called the roll in which 2 members out of 5 were present and informed Chairman Saizan that the meeting was to be informational until a quorum was present.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt stated that August flowage fee sales are at 140,960 gallons, 1,015 gallons more than August of the previous year. This brings the Fuel Farm

revenue for the calendar year to \$331,125. Airport operations were slightly up from July from 20.3 per day to 21.2 per day. Total operations for July were 39,895 compared to 32,088 from July of 2010. The operational data runs one month behind.

Belou Magner is removing the rest of the walls and the storm front doors along with the plumbing and electrical in the Terminal Building. A hole was cut in the lobby floor to create a material slide to remove the debris. The second phase of Building 101 is basically complete and phase three should be beginning today. We met with the contractor yesterday for the pre-construction meeting and he is ready to go. The Airport has also completed and sent the FAA AIP transfer form to the State and FAA for the Airport AIP Entitlement Fund to be transferred to DeQuincy Airport. The total is \$145,455 and the form states that the money will be paid back to Lakefront Airport next year.

Tropical Storm Lee was minimal, mainly wind and rain. When the wind shifted to the northeast it pushed water from the north shore to the southeast corner of the lake and covered approximately 2,000 feet of the north end of the runway. There was also floating debris. The fuel terminal had approximately 4-6 inches but did not effect operations of the Fuel Farm because everything is built up high enough. The runway was closed Monday night due to water covering 2,000 feet of the runway and the lights. The lights were not turned on to ensure safety and alleviate the risk of damaging the system due to shorting. The short parallel runway and 9/27 were opened (9/27 and 18L/36R are normally closed at night). Tuesday morning the runway was checked and debris was cleared which allowed the opening of 5,867 feet of runway at 7:00 a.m. because a corporate jet was inbound and required the runway.

The vacuum truck was used to clear the major debris off of the runway which took until approximately 10:20 a.m. At that time I reopened the entire runway and lit the lights once they were inspected. The lights appeared to be functioning with the exception of a few lights which were tilted due to the debris impacting them. There was also a light on the east ballpark that fell down because it had been rusted from the inside out. An engineer will inspect the lights to determine if we have more problems. AeroPremier Jet Center reported a roof leak in the McDermott Hangar which will be investigated to see if it was wind damage or roof warranty problems which have a 20 year warranty.

The FAA requested Mr. Pruitt give a one hour briefing regarding the November 7 two night conference in Fort Worth, Texas regarding construction safety which the Airport won an award last year. RCL agreed to put together a presentation on the seawall construction and Mr. Pruitt will put together the information on the MALSA project.

The conventions keep airport and DBE managers up to date on the ever changing FAA regulations. Mr. Pruitt requested that he and Ms. Marchand attend the conference. Chairman Saizan requested that Mr. Davis make the presentation if possible to let people know who the lead architect is and cut down on any miscommunication. Mr. Davis advised of a possible scheduling conflict but will assist Mr. Pruitt in making the presentation which will consist of slides and background information in a power point format.

Commissioner Hoffman addressed the issue of maintenance equipment at the Airport and suggested a list be made of equipment needed at the Airport for the upcoming budget revision. Chairman Saizan suggested a general maintenance crew of 3-4 people working at the Airport and some type of security present. Mr. Pruitt stated that when the maintenance crew moved to the Flood side this Authority was using them on an as-need basis but that is no longer available therefore, a maintenance crew is needed. Police presence is necessary and Mr.

Pruitt advised that he had contacted NOPD's 7th District who will come and take a tour to get familiar with the Airport Terminal.

Chairman Lupo informed that Mr. Capo is doing an inventory of equipment for Lakeshore Drive which equipment could also be used at the Airport. The drivers of this equipment must have the necessary certifications. The budget revision request will shed light on what is needed. When the situation is solved with the FAA and the ownership of the Airport, we can look for funding for this equipment. Mr. Pruitt informed that the Airport owns the sweeper truck and a water truck, however there is no trained staff to operate those trucks.

Chairman Lupo noted for the record that the synergies that existed when Orleans Levee District was one entity have been lost and the community must understand that those costs that were shared now bare on this Authority and there has to be some funding for that.

Mr. Pruitt addressed Building 101 and informed that the building is completely sealed and the windows, doors and storm fronts are in. The mechanical is in as far as the chillers and air conditioning and the bathroom spaces are built out. Phase 3 is completing the lobby space and the finish portions of the building. The second floor is not included. Phase 3 (build out) completion is scheduled for 4-5 months. When Phases 1, 2 and 3 are finished we will be ready to turn it over to AeroPremier Jet Center for use as an FBO which will be shortly after the first of the year.

OLD BUSINESS

1) Update on Airport Terminal Interior Renovation

Mr. Davis informed that major demolition is underway at the Airport. There have been specialty meetings with terrazzo, marble and custom glass providers.

There is an issue regarding additional asbestos piping insulation that was discovered and a small amount of lead paint. This has been tested and it was recommended that we abate. We have sent that report on to Lasko for pricing and should receive that tomorrow. Lasko did the original abatement on the building. This is asbestos they could not see up in the cavities. Once we get a price, a formal change order will be presented to Commissioner Hoffman and Mr. Capo for approval. This will not hold the project up as they are doing quite well.

FEMA has instructed that the water tank be raised. A price was submitted to redesign the platform, the tank and the pump which has been tentatively approved. The tank and the pump has be changed out because it won't work with the new configurations. The platform will be redesigned to house the water tank as well as the pump and generator and will be clad in stucco to match the existing building. The same thing will be done for the Bastian Mitchell and Wedell Hangars. We will proceed with the Bastian Mitchell immediately because we are about to sign the contract. That is critical for the AeroPremier Hangar because their sprinkler system will be tied into the tanks at Bastian Mitchell.

There are bi-weekly meetings and we have been out there 2-3 times a week because there is a lot happening early on. Construction is on schedule and additional time has not been requested relative to the asbestos or the platform. If the platform is redesigned and we get a price in the next couple of weeks, this should not hold up the shotgun for the sprinkler system or the pump and tank. Chairman Hoffman addressed the issue of asbestos being in an exposed space. Mr. Davis informed that the piping has asbestos insulation on it and that has to be removed. Most of the paint in the building is lead based. Paint was initially tested when the project started years ago but since has been determined that door frames tested previously actually tested higher this time. As a cautionary measure the paint will be removed. The contractor on board is concerned about liability to other subs so when a red flag is raised we have to pursue it. We have

done our due diligence, we know what is there and we need to get rid of it. At that point everyone should be safe and there should be no question about any hazard to the building.

Mr. Davis informed the committee that the first 4-5 months of the Interior project is infrastructure which includes major mechanical and electrical, the platform, the generator, the water tank and the sprinkler system. This has to be complete before finish work such as marble and terrazzo begins. Infrastructure should be completed by January and the finish work should start in January or February at which time the building will be a lot cleaner and demolition will be complete. The new marble and plaster work or terrazzo will not be finished because that is one of the final finishes. In February you will be able to see a significant change in the building. There will be 6 murals open by February with marble surrounds and plaster motifs above them that are encased. There is a beautiful compass in the center of the terrazzo floor which will be restored late in the game.

Mr. Davis informed that by February on the second floor there will be new walls and toilets will be constructed. The building should be complete with the exception of finish work, new marble, wood installation and the aluminum railings. By February the Walnut Room will have walnut and terrazzo finishes in place. There will be new walnut panels, aluminum recesses and the new vaulted ceiling on the first level. The second level will contain open office area which will be unfinished at this point. Corridors will be complete with doors on the second floor. The offices will not be complete but there will be plaster and concrete floors. There will be air conditioning, electrical and lighting albeit it won't be built out. The state fire marshal will not allow you to occupy the building until the job is finished.

In March, the room above the Walnut Room will be a clean tenant space. The walls will be finished with concrete flooring. There will be no ceiling and only temporary lighting. Walls will be painted and finished and it will be vanilla office space.

Chairman Saizan questioned the documentary regarding the renovation of the Airport Terminal interior. Mr. Davis informed that he talked to the producer and took her to tour the building on two occasions. Two time lapse cameras have been installed. Chairman Saizan added that the Authority and Board should have the opportunity to tell the story about the Terminal being restored because there is going to be interest in the Terminal Building upon its completion in March. The documentary will include background on how the Airport Terminal started in 1934 and details regarding the renovation. Mr. Davis informed that there have been two meetings between the producer of the documentary, the contractor and RCL to survey what is underway. The time laps cameras were installed to get the critical part of the construction. There will be interviews with Board members, contractors and Mr. Capo along with highlights of the film footage of the renovation. The director of photography met with the contractor and they are putting their ducks in a row going forward. BelouMagner is cooperating and have been on sight and have done some work already.

Mr. Nelson informed that part of the construction management that Stuart Consulting consists of 20-30 photographs per day throughout the site taken by Mr. Don Lapeyrolerie. We are in the process of setting up an FTP site for access by the architect, contractor and staff to view daily reports and photographs.

2. Discussion and Approval of the use of Lakefront Airport in connection with the War of 1812 Bicentennial Commemoration

Chairman Saizan addressed the Bicentennial Commemoration which will be discussed further at the Board meeting. There was a meeting followed with a tour explaining the events of the Bicentennial Commemoration. There are issues attached to the Naval Air Show for the use of South Shore Harbor, the Airport

and the Lakefront. Details are being worked out for the ability to use those facilities. This is a big event being staged in several cities on the Atlantic Coast and New Orleans is the first city to stage this event. January and February will be very busy months for Lakefront Airport.

Mr. Capo informed that the Bicentennial Commemoration is on the Agenda because the Pentagon and Department of Defense is involved. The FBI has been in contact with the air show group and also Homeland Security of New Orleans. There are concerns regarding police protection and there will be federal money offered for security zones and areas at the Lakefront and the Airport. We need to move this item to the Board to authorize Lakefront Airport to be used as a staging area along with a Department of Defense form 2535 that needs to be issued. Form 2535 allows the permitting process for the air show to begin with the FAA which is one of the last pieces of the puzzle for this event to move forward.

Mr. Romig's group will give a presentation at the Board meeting on September 22 along with a briefing on this event. There will be a meeting with UNO and SUNO officials. There will be some governmental and federal funds along with private donations used for this event and the World War II Museum will be incorporated also. We want to incorporate as many events as we can handle at South Shore Harbor. Chairman Lupo requested that Mr. Capo gather all of the concerned parties for a meeting together to discuss Airport, Marina and Lakeshore Drive and the Naval facility which requires security and state any concerns the Authority may have. Chairman Lupo requested that the Airport Director, Real Estate Consultant, Executive Director and Marina Director get together with UNO and SUNO and explain to them this Authority's needs and concerns and their obligations to this Authority along with the logistics of handling the event.

Chairman Saizan commented that a vote was not taken regarding this issue because there will be a meeting prior to this going to the full Board. This Authority needs to be straight on costs associated with this event that need to be discussed before the Board can approve anything.

Chairman Lupo stated that the concept is for this Authority to meet with the organizers to let them know the Authority's concerns, their obligations and what we think we should, as an Authority, do with the fact that they are going to be using our property. We need to have that meeting and then come to the Board so that we are convinced that they are going remunerate this Authority for the fact that they are using our properties. We had the discussion and it will be Commissioner Saizan, myself, our Airport and Marina Directors and our real estate consultant. Then I have asked that our Executive Director request that all of the concerned parties get in one room and have discussion so everybody understands how this will work.

3. Approve to contract with Walton Construction, a CORE Company, LLC, as the lowest responsive bidder to construct the Bastian/Mitchell Hangar at Lakefront Airport in the amount of \$13,150,000.

Chairman Saizan informed the Committee that the contract with Walton Construction could not be approved because of a lack of quorum. Chairman Lupo added that the Committee could not recommend for approval but this item can go straight to the Board where this will be discussed further.

Upon arrival of Commissioner Cantrelle, Chairman Saizan addressed the issue of contracting with Walton Construction, a CORE Company, LLC, as the lowest responsive bidder to construct the Bastian/Mitchell Hangar at Lakefront Airport in the amount of \$13,150,000.

Mr. Davis informed that the Bastian/Mitchell Hangar was redesigned and the lowest responsive bidder was Walton CORE Construction. Their bid was qualified, their schedule was received and Walton has everything needed for the job. Mr. Davis is confident that Walton Construction can do the job in the allowed time frame. There were several meetings regarding the pre-cast and steel and we are ahead of the contract at this point. There is no signed contract but we are working to get that as soon as possible. Mr. Davis informed that Walton Construction is a local firm out of Harahan who has committed to hiring local firms and their labor force is a DBE. Walton Construction will put together their DBE when the contract is in place. Mr. Davis added that Ms. Marchand contacted the DBEs on the list and several DBEs came to the pre-bid conference. Mr. Nelson noted that Walton Construction is a good company and from the FEMA funding standpoint, FEMA has agreed in writing to cover the cost of the new bids on the water tank elevation.

Commissioner Hoffman offered a motion to approve the contract with Walton Construction, a CORE Company, as the lowest responsive bidder to construct the Bastian/Mitchell Hangar in the amount of \$13,150,000, seconded by Commissioner Cantrelle and unanimously adopted.

NEW BUSINESS

1) Discussion and approval to hire an airport real estate expert to assist Lakefront Airport

Mr. Pappalardo informed that with the Terminal coming on line and the possibility of a regional airline operating out of Lakefront Airport, there is a need for the Authority to retain specialized real estate assistance. Lakefront Airport has previously utilized the services of Win Perkins who has an operation out of New Jersey and Austin, Texas. Mr. Perkins is a nationally recognized airport real estate expert and has performed evaluations for the Lakefront Airport setting lease rates for the Terminal Building and the sod and hangar properties. Mr. Perkins forwarded a proposal which includes a fee of \$3,000 for the initial on-site visit along with expenses not to exceed \$1,200. Beyond that Mr. Perkins will attempt to communicate via e-mail and telephone. Mr. Perkins' hourly rate beyond the initial site visit is \$200 per hour. Mr. Pappalardo requested this be sent on to the full Board on September 22 to get Mr. Perkins on board with respect to the utilization of the Terminal. Mr. Perkins will assist with setting rates for office space, restaurant or in connection with an airline or the hangars that are coming on. There is also a T-Hangar issue with the T-Hangar Association which if not resolved Mr. Perkins has experience selling T-Hangars.

Commissioner Cantrelle offered a motion to hire a real estate expert for help with the Lakefront Airport, seconded by Commissioner Hoffman and unanimously adopted.

Chairman Lupo informed that there were several meetings with the Executive Director and the principals involved in the regional airline that is considering using Lakefront Airport. The airline is comfortable going public and has contacted several large business organizations in New Orleans for surveys regarding use of Lakefront Airport. Their financial people are very credible. Mr. Perkins has unique knowledge of Airport rental and how things are structured and is nationally known for his abilities. That team of Mr. Pappalardo and Mr. Perkins will allow us to maximize what we can get out of Lakefront Airport in the future. The Bastian/Mitchell Hangar will be something that any regional airline would need to house their aircraft and the whole east side of the ground floor of the Terminal would be needed for their operation along with office space at Bastian/Mitchell or in the Terminal. This is a great fit for the community and a great engine to bring other businesses back in that area. This would also be an incredible economic shot in the arm for the Lakefront Airport.

Chairman Lupo addressed the Airport signage master plan and designing for continuity in signage at Lakefront Airport. There is no reason to stop the signage contract for Lakefront Airport. Chairman Lupo proposed for the full Board meeting on September 22, the contract for the signage master plan and signage design for the Lakefront Airport be put on the Agenda.

EXECUTIVE SESSION

Chairman Saizan called for Executive Session for a brief summary from Mr. Metzger regarding the Second Informal Complaint Under Part 13 of the Federal Aviation Regulations filed by Fligline Ground, Inc. Commissioner Hoffman offered a motion to go into Executive Session for a limited amount of time for a quick update, seconded by Commissioner Cantrelle and unanimously adopted followed by a unanimous roll call vote.

Upon completion of Executive Session, Chairman Saizan stated that no votes were taken.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, October 4, 2011 at 9:30 a.m.

The meeting adjourned at 10:55 a.m.