

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY, DECEMBER 4, 2012 – 9:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, December 4, 2012 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 9:51 a.m. and led in the Pledge of Allegiance.

The roll called was which constituted a quorum.

PRESENT:

Chairman Darrel Saizan
Commissioner Wilma Heaton
Commissioner William Hoffman
Commissioner Romona Baudy

ABSENT:

Commissioner Pearl Cantrelle
Commissioner Nyka Scott

FURTHERMORE PRESENT:

Chairman Robert E. Smith Lupo

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood
Dawn Wagener – Non-Flood
Fred Pruitt – Airport Manager
Chuck Dixon – Marina Manager

ALSO PRESENT:

Charles Curtis – Legal Counsel
Albert Pappalardo – Real Estate Consultant
Alton Davis – Richard C. Lambert Consultants
Chris Fenner – Stuart Consulting
Steve Nelson – Stuart Consulting
Sandy McNamara

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

The minutes of the November 8, 2012 Airport Committee meeting will be presented for approval at the January 8, 2012 Airport Committee meeting,

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt reported that the painting and striping project is moving along ahead of schedule. There are approximately two more major beams to put up at the Bastian-Mitchell site and it will be a complete structure. We have met with the NFL Committee and the FBOs regarding Super Bowl issues. There will be a second meeting in January with the NFL and weekly meetings with the FBOs.

Mr. Pruitt informed the Committee that the Bastian-Mitchell Hangar should be useable close to January 20, 2013. A second crane was brought in and construction is moving rapidly. The ramp space should be available by the Super Bowl.

Chairman Lupo addressed ideas for the long term use of the Bastian-Mitchell Hangar and advised that this issue would be brought before Louisiana Economical Development. The Authority will present Lakefront Airport and advise them of the status of the Bastian-Mitchell Hangar as the Bastian-Mitchell Hangar has great potential.

Mr. Capo advised that an RFQ was issued for an Airport Consultant to perform a Needs Assessment and help the Authority research and acquire funding for Lakefront Airport. Five companies submitted RFQs and the top three companies will be interviewed. Chairman Lupo appointed an Interview Panel Committee consisting of Chairman Lupo, Finance Committee Chairman Hoffman, Airport Committee Chairman Saizan, Airport Director Fred Pruitt and Executive Director Louis Capo. This panel will interview the top three companies for the Lakefront Airport Consultant. A copy of each proposal will be sent to the Interview Panel for review. After the interviews the Panel will present recommendations to the Airport Committee who will have a recommendation for the full Board. Commissioner Heaton informed the Committee that the interview process should be formalized in paper. Each person should be asked the same set of questions. There is a template that can be adjusted but must contain the basics that have to be covered. A scoring mechanism was developed and approved which has to meet certain guidelines and it keeps everything structured and fair. If federal grant money is ever available this may possibly be retroactive if the Authority follows a certain process that has a federal standard.

Chairman Lupo advised the Committee of an e-mail yesterday from one of the FBOs regarding a problem with scheduled aircraft that was diverted and made the insinuation that Lakefront Airport would be shut down as a result of the work currently being done without his knowledge. An e-mail will be forwarded in response to all FBOs and individuals who were copied that this certain FBO missed the meeting where this issue was discussed, a schedule was provided that included dates and times of work being performed. This FBO manager chose not to make that meeting and the Airport is not in any way negligent in the way it is being operated.

PRESENTATIONS

Ms. Sandy McNamara – Total Marketing Solutions

Ms. McNamara is assisting the Authority and Mr. Pappalardo in preparing the restaurant RFP and conducting tours of Lakefront Airport. Ms. McNamara knows the restaurant and catering business in New Orleans.

Ms. McNamara stated that she was hired to introduce and vet restaurant groups for Lakefront Airport. This has been broken down into four components including ownership and management of the coffee shop, lunch counter, Walnut Room and bar. The restaurant group must have the capacity, understanding and knowledge to sell the entire venue as a special event function. Marketing materials have been prepared to explain the program and provide a scope to interested parties. The parties must understand that they are leasing the building, the Authority is the landlord and the party would be providing a sustainable business model. A list of potential parties was developed and they are being contacted by phone for site visits and inspections. After this phase an RFQ/RFP will be issued in order to receive proposals. This may be an RFQ or an RFP or the two may be combined.

Mr. Pappalardo added that the interested parties are buying into the concept of utilizing the facility as a venue to compete with Gallier Hall and New Orleans Museum of Art. A full service restaurant with limited service may also be added. An RFQ or RFP will be issued to determine what use would be best for Lakefront Airport. Parameters will be put in place such as minimum rent and space and the

Authority will request that the proposals include what would be done and how the facility would be run and the hours to run each particular function. This will include a proposal piece so the interested party can inform what they are willing to pay and how much space will be needed.

Ms. McNamara noted the restaurant industry is hitting the high season and this issue should be moved quickly to get interested parties exposed to the project and give them time to think about it. With Christmas soon approaching followed by New Years Eve, Sugar Bowl, Super Bowl and Mardi Gras, this is the restaurant industry's high season.

Commissioner Heaton stated that several restaurateurs contacted her with questions regarding the Walnut Room and noted that there should be a large enough window for those individuals to come in as nothing should be left on the table. Chairman Saizan advised that a wide net has been cast and suggested that those individuals be put on the list and a brochure be sent to each person. Commissioner Heaton noted that she has concerns regarding if the chosen party will have the capacity, is the Authority physically responsible in what is selected and can the selected party do the job.

Ms. McNamara informed the Committee that she would assist the Board through the entire process of selection and presentation. The platforms on the exterior of the building have been quite well received during site visits. By using the platforms you could physically have a party on the platform, in the Walnut Room and a lunch at the same time feeding approximately 600-700 people.

Ms. McNamara noted that the cover of the brochure gives the tone that Lakefront Airport is a treasure and upscale venue that will revitalize the whole economic area. There is heavy emphasis on a strong partnership or one operator as there is one kitchen which will be serving varied food at the same time. The café will be promoted as an upscale coffee shop or café, the whole kitchen, the Walnut Room and the bar. The bar can be operated as a stand-alone venue or as an extension of the Walnut Room. The entire building can be used and has the capacity for 900-1,100 people.

The Atrium of the second floor will be incorporated into any special event. Having food, tables, weddings, restrooms and a common area on the second floor along with the murals, the Authority is creating an art gallery which will be an upscale direct competition to NOMA. For convention groups that come on busses Lakefront Airport has free parking and there is a wonderful set-up for valet parking which will give NOMA a run for its money.

Suggested criteria for candidates is complying with all security regulations, maintaining proper insurance, handling all permits, liquor license and catering permits as the Authority is not responsible for those issues. The selected candidate will be in charge of their own marketing and will have to prove to the Authority how they will market and expose customers to that market. A grading system and track record will be established to track customer service and investigate profitability of existing operations. Candidates must prove their ability to market private parties as New Orleans has a professional private party situation including social class, business class and convention class. If there are nine to ten 900 person parties in the facility per year that is a significant business model. The candidate must state hours of operation, pricing and menu selection for the three restaurant components. The candidates will also be asked to outline any professional credentials and memberships such as the Culinary Institute and involvement in any hospitality memberships. Commissioner Heaton added that the Authority should also validate and verify any information provided by the candidates.

Ms. McNamara advised that a minimum minority ownership participation of 25% is being asked. The Restaurant Association was contacted regarding certified minority restaurateurs, but they don't track certifications. The Restaurant Association has been contacted and informed about the project. Commissioner Baudy noted that the minority participation should be 35% as 25% is too small for this particular job. Chairman Saizan noted Armstrong Airport and RTA is 35%. I would like include extra points for anyone involving a responsible restaurateur for catering types of a high level because there are people in the restaurant business who happen to be minority in this City who do have capacity. I think it will help us a great deal if we are able to see those kinds of partnerships move forward.

Ms. McNamara advised that the next step is to finalize the criteria such as the kitchen build-out. The restaurant group will be allowed to determine the equipment to be installed as money could be wasted by bringing in equipment that will not be used. There is also the option to do a rent credit, working through thresholds for insurance requirements and the terms of the lease. The lease may be a three year term with multiple extensions and also exclusives. The program is exclusive on all business in the building with the exception of servicing the FBOs as the FBOs will be required to compete for that business. If a wedding is scheduled the candidate will get that business and all business in the Walnut Room. All RFQ/RFPs received will be reviewed and narrowed down through a grading system to three finalists and a food evaluation, customer service evaluation and program evaluation will be performed to make the final presentation. The estimate on the minimum potential capital investment an entity is required to produce to participate will depend on the concept. One estimate is approximately \$100,000 for the equipment alone.

Ms. McNamara stated that there are approximately 10 potential candidates in this market. One candidate advised that the venue was too large, but was willing to do a partnership. All other candidates have not blinked an eye. A meeting was held to review issues such as how the tenant would get food and liquor in and where liquor would be stored.

OLD BUSINESS

1) Update on Airport Terminal Interior Restoration

Chris Fenner, Stuart Consulting, reported that plaster work on the walls, ceilings, sheetrock and closing in walls is continuing at the Terminal Building. There will be permanent power Thursday and construction is in progress on the restrooms and the ceiling in the lobby. The estimated completion date is May 8, 2013 which is a change from the last meeting.

Alton Davis, RCLC, advised that May 8, 2013 is when the Terminal Building is scheduled to be complete, but that is not the contract date. The date could be moved up, but that is up to the contractor. There is someone on site every day and is well aware of everything that is happening every day. No Change Orders are being held up as the Change Orders are being pushed through and Mr. Fenner from Stuart Consulting is on site a few times a week also. The scheduled completion date is January 21, 2013. Liquidated damages begin after that unless the contractor is granted a delay for something else.

Mr. Davis informed the Committee that no response was received from the bonding company. The bonding company will first contact Nelson Belou of Belou Magner. After Mr. Belou is contacted the bonding company will send a letter each month to determine if any issues have changed based on the bonding company's conversation with Belou-Magner. The issues will not change on the job site as Belou-Magner is not managing the job properly, not scheduling properly or staffing properly. Until that changes pressure will continue to be applied to the bonding company.

2) Update on construction of the Bastian-Mitchell Hanger and James Wedell Hangar

There are two trusses to be put in place at the Bastian-Mitchell Hangar and the structural steel should be complete before Christmas. The projected completion date is February 22, 2013. The project is running smoothly.

Work on pile caps and gray beam is underway at the James Wedell Hangar. This project is slightly behind schedule, but the contractor indicated he will be working hard to make up for lost time.

Mr. Fenner reported that the road paving work will be underway this week. The project fence will be moved in a few feet, but the majority of the work site will be left until Belou-Magner is off the site. The road will be re-stripped as well. The first phase covers most of the area and will take approximately one week with the second phase beginning after the Terminal is completed.

NEW BUSINESS:

1) Discussion and approval for a Supplemental Amendment to Richard C. Lambert Consultant contract for the Delgado Hangar to proceed with 30% design and to update the cost curve calculation from Curve "B" in the Public Assistance Guide, FEMA-322, dated October 1999 to Curve "B" in the Public Assistance Guide, FEMA-322, dated June 2007

Mr. Fenner reported that the project worksheet is vastly undervalued as FEMA's estimate of work needed is far less than it should be. Richard C. Lambert Consultants will prepare a preliminary design package and cost estimate which will be submitted to FEMA for use as documentation to support additional scope so this can be requested as an alternate project. The Authority will then receive full compensation from FEMA. Without the package from RCL, it will be harder to document. This cost will not be directly reimbursable because the Authority is not completing the project, it is an alternate project. The Authority can take a section of the funding and use that to finish.

Mr. Davis informed that FEMA is currently paying \$19,000 for repairs to the Delgado Hangar, but \$500,000 is more in line. A full damage assessment, MEP and architectural will be prepared written graphically and photographically along with cost estimates and documents to support the damage assessment for discussion with FEMA to advise FEMA that this is a \$500,000 repair job. That will allow the Authority to capture funding as an alternate at 75% rather than an improved project at 100%. Mr. Capo added that the Authority is pursuing FEMA to recover the rent credit of \$63,000.

Commissioner Hoffman offered a motion to approve Supplemental Amendment to Richard C. Lambert Consultant contract for the Delgado Hangar to proceed with 30% design and to update the cost curve calculation, seconded by Commissioner Heaton and unanimously adopted.

2) Discussion and approval to adopt the proposal from Three Fold Consultants, LLC for engineering evaluations of the mechanical, electrical and plumbing systems as an additional service not to exceed \$9,850

Alton Davis, RCLC, requested that this item be removed from the Agenda.

Commissioner Heaton offered a motion to remove the item from the Agenda, seconded by Chairman Saizan and unanimously adopted.

3) Discussion and approval to provide funding for safety related changes to marking and signage at New Orleans Lakefront Airport in an amount not to exceed \$176,380.69 for construction and engineering services

Mr. Capo reported this is a safety-related Change Order. In a meeting the FAA the Authority moved forward with the seal coat, crack fill and safety related changes at Lakefront Airport and the grant was processed. The grant was approved by the FAA on August 29, 2012 for \$696,000. Since that time, there were numerous discussions with the FAA for additional signage and marking. This is reimbursable by the FAA, but the FAA is out of money. The FAA suggested the Authority front this money and when the FAA receives additional funding next year for the grant cycle this will be written into a full grant and all costs will be reimbursable to the Authority.

Commissioner Heaton offered a motion to provide funding for safety related changes to marking and signage at New Orleans Lakefront Airport, seconded by Commissioner Hoffman and unanimously adopted.

4) Discussion and approval to contract with PMC Corporation in the amount of \$149,800 for the construction and piping installation of the jet fuel racks at the New Orleans Lakefront Airport Fuel Terminal

Mr. Pruitt advised this contract is for two additional jet fuel racks which are designed to be dismantled and picked up by fork lift during hurricane season and taken off site for storage in a safe area. This will allow each FBO to have its own individual jet fuel filling station during Super Bowl and will come from funding that has been previously set aside. This project will be completed before the Super Bowl.

Mr. Pruitt advised that in the future this will save the Authority risk during hurricane season and will simplify the Fuel Farm so it is not the massive white elephant it turned out to be. This is a basic system with all safety precautions and can be easily turned over to the FBOs to operate on their own. During hurricane season all important infrastructure can be removed and put in a safe area. Mr. Capo advised that funding came from the insurance settlement after Hurricane Katrina. There was \$150,000 remaining earmarked for the Fuel Farm in the Fuel Farm settlement insurance account.

Commissioner Hoffman offered a motion to contract with PMC Corporation in the amount of \$149,800 for the construction and piping installation of the jet fuel racks, seconded by Commissioner Baudy and unanimously adopted.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee is scheduled for Thursday, December 4, 2012 at 9:30 a.m.

The meeting adjourned at 10:45 a.m.