

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY OCTOBER 1, 2013 – 9:30 A.M.**

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, October 1, 2013 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 Heaton called the meeting to order at 9:38 a.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chairman Wilma Heaton
Vice Chair Romona Baudy
Commissioner Nyka Scott

ABSENT:

Commissioner Darrel Saizan

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood
Vincent Caire – Non-Flood
Fred Pruitt – Airport Director
Dawn Wagener – Non-Flood
Tony Collins - Airport

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Charles Curtis – Legal Counsel
Al Pappalardo – Real Estate Consultant
Alton Davis – Richard C. Lambert Consultants
Steve Nelson – Stuart Consulting
Chris Fenner – Stuart Consulting
Walter Baudier - DEI
Brayton Matthews – Flightline First
Jonathan Buff – Hawthorne
Richard Speer – URS
Tim Gaines – URS
George Messina – Messina's
Trey Babin – Messina's

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Scott offered a motion to approve the minutes of the Special Airport Committee meeting of August 1, 2013, seconded by Commissioner Baudy and unanimously adopted.

OPENING COMMENTS

Chairman Heaton had no opening comments.

REPORT ON CURRENT AIRPORT ISSUES

Fred Pruitt, Director of Aviation, reported that since the dedication ceremony the public has shown an interest in viewing the Terminal Building which is now

staffed from 9:00 a.m. to 5:00 p.m. seven days a week. Visitors sign a log book and indicate if they are interested in leasing space along with contact information.

Alton Davis, RCL Architecture, informed the Certificate of Substantial Completion was signed and issued to Belou-Magner. The building is turned over once the Certificate is issued. Mr. Nelson added that the Authority has a conditional Certificate of Occupancy. A punch list is submitted, the Certificate of Occupancy is issued and then Substantial Completion is approved. Once the Substantial Completion certificate is signed there is a 45-day period for sub-contractors to file liens. The Terminal Building becomes the Authority's building upon those two signatures.

Mr. Pruitt advised when an active DSL line for internet access is installed, the moving process will begin. Mr. Capo noted that AT&T is the only communications company with lines in the Airport vicinity. Cox Cable is determining construction costs to bring lines across the levee and into the building. Cox Cable will not apply connectivity to the building without enough signed tenants to justify construction costs. AT&T currently provides internet to the Terminal Building.

Mr. Pruitt advised that two monument signs which were not approved by the Board due to cost issues leave Lakefront Airport with a partial signage plan. Mr. Davis informed that the RCL Airport master sign plan initially included two monument signs with the remaining signs made of metal. The project was initially bid as one project, but later broken out and bid separately. The monument signs were excluded from the bid and the cost was subsequently approved excluding the monument signs. The monument signs were redesigned with concrete block instead of pre-cast, but it was determined that the monument signs were too expensive at the time.

The missing piece of the puzzle is the sign at the main entry to the Terminal Building. The options include a metal sign to match the existing signs or a sign made of concrete block, which is slightly more expensive but more monumental. Chairman Heaton requested that Mr. Davis provide a memo of the costs for the sign prior to the Board meeting. Mr. Davis agreed to provide costs for a concrete block sign and the same sign using metal so the Board can review the options.

Mr. Pruitt advised that an RFP for a janitorial contract should be prepared and information regarding the terrazzo work in the building must be reviewed. The Terrazzo flooring requires either a waxed finish or a honed finish, either choice is for the lifetime of the floor. A.H. Guthans installed the HVAC system in the Terminal and will provide a proposal for maintaining that equipment. The Terminal building is a massive maintenance undertaking, which if not maintained properly could hurt the Authority very quickly. Chairman Heaton suggested Mr. Pruitt call Ms. Zeringue at Orleans Levee District for comparable pricing resources.

Mr. Pruitt added that currently security at the Airport is comprised of the firemen on their daily rounds, 911 and NOPD. There is no real security. The building will have a card key system on the door which is not currently tied to a security company. The fire alarm system is monitored. Mr. Capo noted that the building is open and the public are circulating around the murals. The murals require some type of security whether it be armed security guards or cameras directed at the murals. Chairman Heaton addressed the Memorandum of Understanding with the Flood Authority and suggested reaching out to the Flood Authority to provide Levee Board police to provide security.

Mr. Capo informed the Committee that there have been regular meetings with Messina's Catering to discuss operations for the restaurant. Negotiations have progressed and there should be a recommendation to move forward at the next Airport Committee meeting.

George Messina, Messina's Catering, added that a conclusion is definitely very close. There have been several meetings with potential clients. If this deal can close, there will be events held in the Terminal atrium in December.

OLD BUSINESS

1) Discussion regarding public leasing procedures for space leased in the Airport Terminal Building

Mr. Pappalardo distributed guidelines for the Authority's commercial leasing process. A marketing kit will be prepared consisting of floor plans of the building, lease rates as determined by the lessor, a copy of the specimen Lakefront Terminal lease form with standard provisions and an information sheet outlining the leasing process. The marketing kit will also be available online. The point of contact is Mr. Capo's office. The prospective tenant will be given a marketing kit and advised to provide a Letter of Intent that includes all information requested by the Authority to submit to the Airport Committee for review and approval. Upon recommendation from the Airport Committee, the request will be forwarded to the Board for approval. Upon approval the lease will be written.

Chairman Heaton thanked Mr. Pappalardo and noted that the process is simple at this point. When several prospective tenants request the same space the Airport Committee will receive, review and make recommendations on all Letters of Intent to the full Board. The lease would be negotiated and presented to the Board. Mr. Pappalardo stated that these guidelines were not carved in stone, there is no private authorship and any advice is welcome.

Commissioner Baudy offered a motion to recommend the public leasing procedures for space leased in the Airport Terminal Building be moved to the Board for approval, seconded by Commissioner Scott and unanimously adopted.

Chairman Scott offered a motion to amend the Agenda to add Discussion and Consideration of the Flightline First Letter of Intent to lease Terminal space, seconded by Commissioner Baudy and after a call for public comment was unanimously adopted by a roll call vote.

2) Discussion and consideration of the Flightline First Letter of Intent to lease Terminal office 125

Chairman Heaton advised that a Letter of Intent was received from Brayton Matthews, Flightline First, requesting to lease Office 125. The Letter of Intent will go before the Board for review and approval. There will be no negotiations until approval of the Letter of Intent.

Mr. Pappalardo advised that Room 125 will allow Southern Airways Express a presence in the Airport Terminal. The Authority must qualify the tenant, the actual lessee and use of the property. Logistical concerns will be discussed and remedied in order to negotiate the lease. The logistical issues address passengers in the Terminal Building during a special event.

Chairman Heaton clarified that tenants cannot sublease. Mr. Matthews advised that the lease is for Flightline and will give opportunity for aircraft to come through Southern Airways and the passengers an opportunity to visit the Terminal Building. The interest is for Southern passengers to patronize the café, be a promotion to the Terminal, and increase fuel sales

which will bring revenue to the Authority. Chairman Heaton requested that Mr. Matthews amend the Letter of Intent to correct any deficiencies and the matter will be recommended to the full Board.

Commissioner Scott moved that the Committee move the matter forward to the full Board, Flightline First's Letter of Intent to lease Terminal space 125, amended to conform to the commercial leasing process, seconded by Commissioner Baudy and unanimously adopted.

3) Discussion and approval for additional cost share of \$11,000 for Lakefront Airport Parking Lot project with La. DOTD

Mr. Capo informed the committee that this \$11,000 is for additional cost overruns on the paving work that LA-DOTD did on the Airport parking lot. Staff recommends approval to go forward with this item. LA-DOTD has been a great partner in getting the paving work completed. Chairman Heaton noted that this was brought as an informational item and no Resolution was needed.

4) Discussion regarding amendment of the Professional Services Contract with Richard C. Lambert Consultants, L.L.C. to change the consultants' compensation from FEMA Cost Curve "B" to Cost Curve "A" conditioned upon approval by FEMA

Chairman Heaton noted that this item is on the Agenda for the actual writing of the Resolution. As Legal will write the Resolution, suggestions will be directed to the Chairman of the Legal Committee.

Alton Davis, RCL, advised that recent research indicates RCL may have been approved by FEMA in 2007 for Cost Curve A for the Terminal exterior. Interoffice Memorandums from meetings in 2007 with FEMA rep Ricky Hill were discovered. Notes indicate that FEMA would adjust the current fee Curve from B to A for the Terminal exterior. The Memorandums clearly state that FEMA agreed to Curve A. FEMA may have had agreements with RCL that were never recorded due to the multiple transitions that arose during that time period. FEMA had changed the lead person, the District separated and the Flood Division and Non-Flood Divisions were created and the Non-Flood Board was introduced along with Stuart Consulting in 2010. These events may have caused this issue to be overlooked. Chairman Heaton suggested Mr. Davis send the memos to members of the Airport Committee and staff. The memos will be submitted to the Legal Committee who will incorporate those memos in the draft letter to FEMA.

Mr. Davis noted that RCLC does not intent to do anything to injure the Authority or request money from the Authority. RCL would like the Authority's support in what is justifiable compensation. Chairman Heaton added that this issue has been lingering for a long time. The record should be complete with back-up documentation for whatever Resolution is presented to the Board.

NEW BUSINESS

1) Discussion and approval of RCL's additional services and fees due to construction delays on the James Wedell Hangar which will be compensated from the liquidated damages assessed to the contractor, GM&R Construction Company, Inc.

Mr. Davis informed that the RCL contract states staff is contracted to perform duties during construction. There is a Change Order for 71 days

that will push project completion back to May. GM&R will be due additional time because of electrical, but the project will be three months behind as it will not be complete until November. RCL is entitled to additional services based on additional time spent on the job. Additional time is tracked on time sheets submitted by the staff each week. RCL will be compensated from liquidated damages that the Authority can recoup.

Steve Nelson, Stuart Consulting, clarified that there is a clause in the RCL contract that allows RCL be compensated for time spent on projects that are past the contract completion date. The time is tracked and invoiced and is taken out of the contractor's liquidated damages which are on the average \$500 per day.

Mr. Davis added that the provision in the contract allows RCL the right to pursue additional compensation for any additional time after the contract completion date. The precedent was set with the amendment for this exact same issue on the Terminal Building. Mr. Metzger advised this would be a motion to amend the contract to authorize payment for additional services which will be paid out of the liquidated damages.

Mr. Metzger advised that this issue be brought to the Finance Committee for discussion as to the collection of the liquidated damages. Payments will come out of the liquidated damages which will be noted in the Resolution and the amendment.

Commissioner Baudy offered a motion to recommend to the full Board to amend RCL's contract for additional services and fees due to construction delays on the James Wedell Hangar which will be compensated from the liquidated damages assessed to the contractor, GM&R Construction Company, Inc., seconded by Commissioner Scott and unanimously adopted.

At 10:30 a.m. the quorum was lost due to the departure of Commissioner Scott.

2) Discussion regarding space allocation in the Airport Terminal Building

Mr. Pappalardo distributed space allocation floor plans for the Airport Terminal and advised that four locations indicate new leases the Board has approved. Approximately 21% of the space has been leased on the first floor and with Flightline leasing Room 125 the number will rise to 33%. Approximately 16% of the space on the second floor has been leased. U.S. Customs toured the facility and expressed an interest in Room 119. There are issues that must be discussed to determine whether U.S. Customs would be a tenant because there are substantial fiscal notes that go with that.

Chairman Heaton stated that the Board is at the point where several policy decisions have to be made. There will be no action taken today as this is informational only. In a perfect world employees would be moved from Spanish Fort to the Terminal Building, but the Authority must find ways to enhance revenues and build an Airport economy. One suggestion is to make a conference center in the Terminal that could be leased to the public. The conference center could also be used as a Board room. This would be a huge policy decision that the full Board should weigh in on.

The information regarding space allocation should be included with the Agenda and distributed to the Board members for informational purposes. This would put to paper what we know in our heads so we can start to have those discussions.

3) Discussion regarding issuing an RFQ for restoration of the murals in the Lakefront Airport Terminal Building

Chairman Heaton thanked Mr. Caire for his extra efforts regarding the murals in the Airport Terminal. The experts that were contacted recommended that the rice paper not be removed in order to prevent additional damage. This item was placed on the Agenda to advise that the Authority does not have the public money to restore the murals. There are people in the community and possibly some non-profits that could assist with fundraising. This Authority owns the seven murals which include the Rio which was valued at \$160,000 and is in need of restoration. There are six other murals that need restoration so there is a two-fold problem. The Authority will require interim advice regarding the murals and the Board must select a long-term conservator who will be paid from money provided by the private sector.

Mr. Caire suggested establishing an advisory group of professional artisans and conservators and to approach some of the Universities, Louisiana State Museum and New Orleans Museum of Art as a guide for how to proceed.

Chairman Heaton requested that Mr. Davis, Mr. Pappalardo, Mr. Caire and Mr. Metzger prepare a draft RFQ for the selection of a professional for permanent restoration of the murals prior to the Board meeting.

Mr. Davis advised that when the murals were discovered in 2008, the Authority consulted with a strong art conservationist who guided in how to protect the murals, how to box them and how to condition them during the renovation process. The same art conservationist recommended that the rice paper not be removed as that is done as part of the restoration process. This was significant information that probably saved the murals. The conservationist advised that although the murals are in very good shape they do need work. The RFQ will assist with obtaining a selection of qualified artists that the Authority could consult with. The RFP will assist with obtaining an actual price or formal proposal for restoration of the murals. The Authority should put out both an RFQ and an RFP to get a qualified person. It is important that the full Board make a decision regarding the murals.

4) Discussion regarding Capital Outlay Request for Lakefront Airport

Chairman Heaton advised that the Capital Outlay request is due November 1, 2013 and requested that staff give recommendations for the requests. The Authority is also required to have a Resolution by the Full Board. Input and recommendations for Capital Outlay should come from each Committee. The Airport flood wall should be included even though it would have to be done in phases. The Board Resolution and Capital Outlay request could assist the Authority in getting help from congressional leaders and local leaders.

Chairman Heaton informed the Committee that 95% of the governors portraits and former Orleans Levee Board president portraits that date back to 1890 have been located. The portraits have been moved from the warehouse to a more protected area. The portraits could possibly be hung in the Airport Terminal. Also, if there is no objection, the first Chairman of the Airport Committee and the First Chairman of the Board could be hung in a separate place in the Airport.

ADJOURNMENT

Due to lack of a quorum, there was no motion to adjourn.

ANNOUNCEMENT OF NEXT MEETING

Chairman Heaton announced the next Airport Committee meeting is scheduled for Tuesday, November 5, 2013 at 9:30 a.m.

The meeting adjourned at 10:42 a.m.