

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY, FEBRUARY 5, 2013 – 10:30 A.M.

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, February 5, 2013 at 10:30 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 10:40 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 Romona Baudy
Commissioner William Hoffman
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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Albert Pappalardo – Real Estate Consultant
Alton Davis – Richard C. Lambert Consultants
Chris Fenner – Stuart Consulting
Steve Nelson – Stuart Consulting
Sandie McNamara – Total Marketing Solutions
Tom Long – TLCC, Inc.
Ray Landeche – Lakeshore

APPROVAL OF AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Cantrelle offered a motion to approve the minutes of the January 8, 2013 Airport Committee meeting, seconded by Commissioner Hoffman and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Capo reported that on Super Bowl Sunday at 2:45 p.m. Landmark Aviation, the Main Terminal, Hawthorne Aviation, 36 Runway and the ball park had approximately 450 aircraft parked on the ground. From 2:30 p.m. Friday afternoon until 6:30 p.m. Friday aircraft ranging from G-5s to Gulf Streams were landing every 90 seconds. The ball park was divided for use between Landmark and Flightline and Hawthorne had ramp space and part of Taxiway 927 which was used for additional parking on Saturday. There were also aircraft parked in front of the Bastian-Mitchell Hangar. Landmark brought in 60 additional people and Net Jets had an additional 35 people for the event.

Mr. Pruitt advised that advance reservation arrangements were made with the FBOs. The earlier reservations showed lower than 30% large and 70% small or medium aircraft. There was a large amount of aircraft swapping which resulted in 80% large and 20% small aircraft making it a challenge to park large aircraft on the airfield. Once the aircraft landed it was directed into a parking zone and that information was relayed to the tower, the Tower would turn the aircraft, taxi the aircraft to the general parking area and the FBOs and tugs parked the aircraft into the final parking position. During game time Super Bowl Sunday there were approximately 450 aircraft parked at Lakefront Airport. Mr. Pruitt noted that he was impressed with everything and how it worked on the Airport and there has been nothing but good comments from the pilots. After the game, approximately 160 aircraft were off of the Airport by 2:30 a.m.

Mr. Capo reported that the FAA and Air Traffic Control crew were in the Air Tower. The Air Boss was in the Terminal Building Tower and could see the entire field. The FBOs handed off aircraft to the Air Boss who then directed the aircraft to a location at which time Air Traffic Ground was contacted to send aircraft down the main taxiway to takeoff. There has been nothing but good things said about the Air Boss. It was a good move on the Authority's part to contract with Air Boss which consists of former Air Traffic Controllers and Control Managers. Chairman Saizan stated for the record that all of the FBOs performed a magnificent job. Hertz, Enterprise and Avis Rent-A-Car were moving vehicles and approximately 250 vehicles were leased as well as limousines and taxis.

Chairman Lupo noted that the FBOs performed fantastically with state-of-the-art equipment such as computer screens set up with a FID (Flight Information Display) system software that showed where every aircraft on the Airport was located. Between the FBOs and the Airport staff performance, Lakefront Airport set the standard for this type of event for a general aviation airport.

Mr. Pruitt reported that approximately 320,000 gallons of fuel was put in the tanks for the January pre-game. It was estimated that 300,000 gallons of fuel would be sold Super Bowl weekend. Landmark sold 195,020 gallons, Flightline sold 43,076 gallons and Hawthorne sold 29,731 gallons.

OLD BUSINESS

1) Update on Airport Terminal Interior Restoration

Chris Fenner, Stuart Consulting Group, reported significant progress in the lobby ceiling of the Terminal Building and walnut is being hung in the Walnut Room. The contractor advised that completion will be the end of April, however, the contract ended January 28, 2013. The contractor was notified that he is into liquidated damages. A letter has been drafted to the bonding company for the contractor, Belou-Magner. RCL is trying to put pressure on the bonding company.

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

Mr. Fenner reported that the biggest items to be completed are the hangar door and the fire suppression system. The contractor advised that he should be finished in mid April and advised if something needed to be done for the legislative session coming in April it could possibly be done by that time. The steel is being erected at the James Wedell Hangar and the pre-cast is arriving next week. Completion date for James Wedell is August. Mr. Davis advised that August is beyond the contractor's schedule so RCL is in discussions with the contractor to determine how they can pick up time because they are behind the projected completion date.

3) Update on RFQ/RFP for restaurant and special event management at the New Orleans Lakefront Airport

Sandie McNamara, Total Marketing Solutions, is working on the restaurant and special event management proposal and has a background in opening businesses and in the hospitality business. The deadline to receive proposals back from candidates is April 5, 2013, approximately six weeks after the February 21, 2013 Board meeting. Four weeks may be given, but that is the most as this is the busy time of year for the restaurant industry.

All interested parties took a tour and were given a brochure. Tours were given to the Brennan family and Ralph Brennan, but Dickie Brennan and T. Martin were not interested. Tours were also given to The Best Group, Lisa Correll (Palace Café'), the Coaxum Family, Wayne Baquet and New Orleans Seafood Company.

In the proposals, we are very interested in understanding the candidates' sales strategy, marketing strategy, operations and the terms of the actual contract. The scope under Special Events was narrowed to the west side viewing deck (above the restaurant) only as use of the east side deck would cause security logistics problems.

The kitchen is the big factor and that is the reason the kitchen does not have equipment. There is one kitchen and if there is going to be dual operators, this fact has to be exposed as we will need to know how the candidate will do it. There will be one entity managing all of the facilities (bar, café and Walnut Room). The café' would be the most used venue, the Walnut Room would have a modified schedule and special events would require reservations.

Ms. McNamara stated that the candidate would not just be allowed to subcontract for the café' as this would have to be part of the proposal for exposure and insurance purposes. The Authority will be the landlord only and will not be involved in daily operations of the restaurant. The successful candidate will be handling booking, marketing and marketing the brand. The candidate is requested to provide names of key personnel and any certifications held as the convention area is a certified industry with professional meeting planners and the candidate should have ties to bring in the convention group. For restaurant management the candidate has to get the business and have credentials under particular terms. The restaurant operator must be able to maintain leases and permits and is required to market and promote the business independent of the Airport. A marketing plan will be required for a general understanding of their ability to market as the contract does not include exclusive rights to the FBOs. The candidate will be required to provide current sample menus and menu concepts. The top proposals would do site visits and menu tasting.

As there is no access to the tarmac and no blocking the doors going to the tarmac a written security plan must be provided for use of the back end staircase. Interfering lights, such as prop lights, will not be permitted. Insurance Requirements are standard and are used to ensure that the Authority as lessor is protected. Business Interruption Insurance is required to cover rental payments and Flood Insurance will also be required for contents and personal property in the event that food gets flooded the restaurant operator will be required to immediately clear out the food with flood claim dollars. The Authority will be named as additional insured on the policy. The successful respondent must produce three years of financials. Commissioner Hoffman requested a clause in the financial statement that would mark the financials confidential and will not become public record so the competition does not have access to financial records. A requirement section on preferential requirements is included in the proposal as the Airport is an enterprise zone area and the candidates will be asked if they have ownership, management or sub-contracting certification. A

25% DBE participation is asked and could be sub-contracted. The candidates are asked to submit five copies and one electronic copy of the proposal along with a letter advising of current ventures and an overview of the operations, menu and pricing strategy as the pricing structure for the Walnut Room will not work for the café. A detailed outline of ownership, management and sales team will be required along with participation of minorities and any references. A Conflict of Interest Disclosure Affidavit is also attached to the Proposal. The Proposals will be submitted to Mr. Capo's office and a Committee should be formed to review, whittle down and vote on the proposals.

Commissioner Hoffman addressed the weighted portion of the Proposal and requested there be more weight to the Proposed Lease Terms along with a minimum lease term, dollar amount and a minimum square footage as currently the Proposal is open. Mr. Pappalardo noted there is nothing in the Proposal stating the Authority had to accept any Proposal. It is better to have a situation where the candidate proposes and there is no cap on what is proposed because in the event a number is inserted the Authority will be locked in. The Authority has to get the Terminal Building off the ground and occupied as there are many investments at the Airport. The Authority can negotiate the rental amount and steps in this lease to get all of the benefits.

Ms. McNamara requested the Committee structure be addressed for clarification on how to proceed. Commissioner Heaton noted that the committee structure will be determined as individuals will be needed to do hard vetting and due diligence. The Airport Committee should be the Selection Committee who recommends to the full Board. Commissioner Hoffman suggested a smaller committee be appointed to the Selection Committee to do the homework, meet as needed, report the results and answer questions. Typically a Board member would be on the Selection Committee and it would be an administrative function. Ms. McNamara noted the language in the Proposal reads "A selection committee will be formed by the Management Authority to screen and rate all RFP/RFQ submittals". Chairman Lupo suggested it read "selection process" instead of "Selection Committee".

Mr. Pappalardo advised that he has reservations serving on the committee as he is negotiating the lease, but can advise the committee and not participate in any votes. Chairman Saizan advised the Committee would need Mr. Pappalardo's real estate input on what proposals make sense and Ms. McNamara's restaurant wisdom is needed from a business standpoint. Chairman Lupo suggested a selection process with experts who grade the RFQ/Ps which is a separate Committee that will make a recommendation to the Board.

Chairman Lupo suggested experts determine the grading process and the Committee will make a recommendation to the Board based on the experts' comments. The Committee should consist of a real estate expert that understands how buildings and an anchor tenant work along with someone in the restaurant industry who is not an interested party. There should also be an individual that has expertise in conventions and tourism.

Mr. Pappalardo noted that the April 5, 2013 date was put into the RFQ/RFP as there is much work to be done before the RFP/Qs can be graded. The experts can grade the Proposals and the final decision will come from the Committee and the Board. Chairman Lupo suggested the Board determine who should be the real estate expert, the convention business expert and the restaurant business expert that will volunteer time to this very worthwhile effort. Commissioner Heaton suggested to move the process to the Board and focus on the next step so the RFQ/P can get to the market timely. Commissioner Heaton noted that this would give candidates that submitted Proposals an opportunity to introduce themselves to the Board because it is important to get a feel of their personality.

Chairman Lupo suggested to change the weight section of the RFP as follows 30%, 25%, 20%, 15% and 10% for the weight section of the RFQ. Commissioner Hoffman offered a motion to move the request for an RFQ/RFP for a Restaurant Manager for Lakefront Airport to the Board, seconded by Commissioner Cantrelle and unanimously adopted.

Chairman Saizan suggested the Authority do an RFQ/P for a Dedication Consultant's Professional Services related to the opening of Lakefront Airport. The RFP should state that the candidate is able to assist the Authority raise money for the event as that is a key piece and there are people that assist the Authority with that. Chairman Lupo noted that the Authority has to open Lakefront Airport correctly as there has been much feedback from congressmen, lay people, the City's administration and legislators stating that the Authority cannot just unlock the Terminal Building door as great potential to market the Terminal Building will be lost if it is not done the right way. An Event Planner should be able to find money not only for the project, but to pay them as well. Chairman Lupo suggested justifying the use of Super Bowl fuel sale dollars to prime the pump for finding people to dedicate time to the Reopening Ceremony at a discount. Commissioner Heaton added that there will be expenses for publishing a brochure and incidentals. This Authority can pull off a first class event without having to "pay for the event" if the right structure is in place. In an abundance of caution, it is appropriate to construct an RFP to select a team interested in putting the dedication together on a slim budget with that person committed to the project.

Commissioner Cantrelle noted a team was put together for the Super Bowl that promoted New Orleans as the showcase for the event. While the plate is still hot this individual should be contacted to promote the Airport opening. Chairman Saizan agreed and noted that Mark Romig was part of that team and has a serious personal interest in Lakefront Airport. Mr. Romig could help the Authority stage the event on a volunteer basis. The whole City shined. Armstrong and Lakefront Airport shined with fewer resources.

Chairman Saizan noted that the reopening of Lakefront Airport has a historical significance as the Airport is now in its 80th year. There should be a commemorative poster designed depicting the reopening of the Airport and how Lakefront Airport looks like it looked in 1934. The Airport Committee will work closely with the selected individual on the specific ideas, but at the end of the day the Airport Committee will make the recommendation to the full Board.

NEW BUSINESS:

1) Discussion and approval to amend Terracon's contract in the amount of \$33,985.75 for additional costs incurred for further steel testing to ensure the integrity of the welds

Mr. Fenner noted that additional testing was need on the welds of the trusses in the Bastian-Mitchell Hangar for safety purposes which should be reimbursable by FEMA.

Commissioner Hoffman offered a recommendation to amend Terracon's contract in the amount of \$33,985.75 for additional costs incurred for further steel testing to ensure the integrity of the welds, seconded by Chairman Saizan and unanimously adopted.

2) Discussion and approval to reimburse RCL for costs paid to Handlin Engineering, LLC and Creative Engineering Group, LLC for engineering evaluations of the mechanical, electrical and plumbing systems I the amount of \$4,000

Mr. Fenner advised these are fees associated with evaluation of the mechanical, electrical and plumbing systems at the Delgado Hangar. This evaluation was included in the project request to FEMA to adjust the scope of the PW and increase the amount of money that the Authority would receive for the necessary

work, which is approximately \$4,000. The work will be done as a Supplemental Agreement to RCL's contract to cover these fees.

Commissioner Heaton offered a recommendation to reimburse RCL for costs paid to Handlin Engineering, LLC and Creative Engineering Group, LLC for engineering evaluations of the mechanical, electrical and plumbing systems in the amount of \$4,000, seconded by Commissioner Hoffman and unanimously adopted.

3) Discussion and approval of RCL's additional services and fees due to construction delays on the Terminal Building which will be compensated from the liquidated damages assessed to the contractor, Belou-Magner

Mr. Fenner advised that RCL's contract does not include fees associated with services provided between the time the construction contractor's contract ends on January 28 until close-out procedures begin. The architect is requesting permission to track time hourly and bill at completion of the project for that window of time. This amount would come from the liquidated damages assessed to the contractor, Belou-Magner, as liquidated damages cannot be assessed unless there is an actual damage.

Commissioner Hoffman offered a recommendation to approve RCL's additional services and fees due to construction delays on the Terminal Building (compensated from liquidated damages assessed to Belou-Magner), seconded by Commissioner Heaton and unanimously adopted.

4) Discussion regarding possible additional fees for Stuart Consulting Group due to the extended construction schedule for the Terminal Building

Mr. Fenner advised this that Stuart Consulting tracks time hourly, but it is unknown if that time will be exceeded.

5) Discussion regarding fiscal year 2013-2014 budget

Mr. Pruitt advised that AIP work relating to the secondary grant request for the next grant season has issues concerning the concrete in front of the Terminal where electrical work is being performed. The concrete is over 19 inches deep and the contract covers up to 19 inches. There is a \$9,600 maximum Change Order that will be put into affect depending on the 19 inch level and how much it is over. The maximum amount would be \$9,600 which has to be funded until the next grant season. Mr. Capo informed that the cost of the access road was dedicated in the Bally's settlement. A motion is needed to add to the overall \$176,000 that was approved. The contract will be increased by \$9,600 and the Authority will be reimbursed through the AIP grant program.

Commissioner Heaton offered a motion to add an item to the Agenda to expedite a change order in the amount of \$9,600 to the URS contract for concrete work in front of the Airport Terminal Building, seconded by Commissioner Baudy and unanimously adopted by a roll call vote.

Commissioner Heaton offered a motion to recommend an expedited Change Order in the amount of \$9,600 to the URS contract for concrete work in front of the Airport Terminal Building, seconded by Commissioner Hoffman and unanimously adopted.

Chairman Saizan advised that the staff has to determine a way to get additional General Maintenance personnel at the Airport to assist in the Part 139. This is an item very explainable to the Board.

Chairman Lupo suggested for the Full Board meeting Mr. Pruitt and Mr. Capo come up with a recommendation on manpower be discussed with Commissioners Hoffman and Saizan and let them make the decision on what adjustments are to be made.

Chairman Saizan noted that this would be discussed at the Board meeting and there are some other issues that will not be brought up today.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, March 5, 2013 at 9:30 a.m.

The meeting adjourned at 12:30 p.m.