

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY, APRIL 30, 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, April 30, 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 Saizan called the meeting to order at 9:33 a.m. and led in the Pledge of Allegiance.

The roll called was which constituted a quorum.

PRESENT:

Chairman Darrel Saizan
Commissioner Romona Baudy
Commissioner Pearl Cantrelle
Commissioner Wilma Heaton
Commissioner William Hoffman
Commissioner Nyka Scott

FURTHERMORE PRESENT:

Chairman Robert E. Smith Lupo

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood
Dawn Wagener – Non-Flood
Vincent Caire – Non-Flood
Dave Smith – Airport

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Alton Davis – Richard C. Lambert Consultants
Chris Fenner – Stuart Consulting
Steve Nelson – Stuart Consulting
Grace Sauder – Stuart Consulting
Dan Lapeyrolerie – Stuart Consulting
Brayton Matthews – Flightline First
Addie Fanguy – Landmark Aviation
Randy Maddox – Morrison Insurance
Harold Baur – UNO
Sandie McNamara – Total Marketing Solutions
Edgar Chase – Restaurant Consultant
Brian Anderson – AGL Design, LLC
Ray Landeche – Lakeshore

APPROVAL OF AGENDA

Commissioner Cantrelle 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 March 5, 2013 Airport Committee meeting, seconded by Commissioner Hoffman and unanimously adopted.

REPORT ON CURRENT AIRPORT ISSUES

Dave Smith, Airport Manager, informed the Committee that Item No. 3 on the Agenda will be tabled indefinitely as it is ongoing program to assess roof damage on several buildings at the Airport. A minor accident occurred on Sunday when a Cessna came to an abrupt stop causing minor damage to signs. There were no injuries and only the pilot was on board. The damaged aircraft is being removed from the area. The marking project is now complete the Airport is currently in good shape. Additional making will be addressed at a later date.

Commissioner Hoffman questioned if there was increased activity with the golf tournament. Mr. Smith informed that there was a slight increase in activity due to the golf tournament and Jazz Fest. The blimp was flown all but one day due to inclement weather and moored at the Airport when not in use.

Mr. Smith reported that t one of the FBO's is having an exhibit in connection with the WWII Museum. Airport personnel learned of the exhibit on-line and Mr. Matthews brought staff up-to-date. In the future, staff should be informed of any events at the Airport ahead of time. Commissioner Saizan stated that the Authority has been in discussions with the WWII Museum regarding Lakefront Airport and the grand opening ceremony. There is a tie-in between the two because Lakefront Airport was the airport during and after that era.

Brayton Matthews, Flightline First, advised when Mr. Pruitt learned of the event the plans had not been solidified as Flightline was in discussions regarding the date and size of the display. The event has been nailed down and will be confined to Flightline's leasehold. There will be a P51C static display similar to aircraft the Tuskegee Airmen flew. A 50-foot trailer will be on Flightline's leasehold inside of the fence. Off-duty NOPD personnel will supervise the event. The public will not trespass or interfere with Airport operations. Flightline will compact the Hangar and a tie down area to provide room on the ramp for the event. Insurance is in place for Flightline and members of the Air Force will have insurance policies in place. The WWII Museum is promoting the event between schools and churches and will provide transportation to the event for those groups. The Commemorative Air Force website provides a link to the Red Tail Squadron that explains the event and what takes place. Several airports have held the event and have informed that the event is handled professionally.

Mr. Smith reported that a similar event is scheduled May 1st and 2nd at Hawthorne Global. Plans will be forwarded to Chairman Saizan with all of the details.

NEW BUSINESS:

1) Evaluation of the Request for Qualifications & Proposal for Restaurant and Special Events at the New Orleans Lakefront Airport

Mr. Capo advised that the Evaluation of the Request for Qualifications & Proposal for the Restaurant and Special Events has been received. Mr. Pappalardo apologizes for not being here today. He is out of town this week. Mr. Edgar Chase and Ms. Sandie McNamara are here today to explain the report.

Edgar Chase, Scoring Committee member, noted that the evaluation process of the responses to the RFQ/P for the Lakefront Airport Restaurant and Special Event Caterer was a good process. Proposers were requested to comply with standards in the RFP/Q process. One proposal was received from the RFP/Q and that invites the Board to enter into negotiations with that proposer. The proposer has several good things about their organization in terms of event planning, restaurant experience and marketing the facility. This Authority made a significant investment into the facility which is an outstanding facility conducive for catering events, sit down restaurants and a small café. If the Board entertains this proposal, serious negotiations could be entered and worked from both parties' standpoint. The Authority who has well designed facilities and the

proposer with the marketing, food, business and event planning expertise would be a good marriage. The Authority's strength is in the lease terms which would govern how operating profits would be shared. The lease term would focus on operating cash flow and activity at the Airport to offset fixed cost expenses and keep the facility viable via events and marketing the facility.

Ms. McNamara explained that the process was fair. The Scoring Committee worked independently then met and compared notes. The proposer has the qualifications, ability and depth to work within a corporate environment, the military, convention and visitors bureaus. The proposer has a strong depth into each market which is a very strong thing. The Committee did not negotiate the terms of the lease once the proposal was received. The proposal was read and assessed and the proposers are very good candidates.

Chairman Saizan stated that the RFP was circulated throughout the restaurant and catering community. Many people passed on submitting a proposal for different reasons. Some were committed to their location and declined to jeopardize what was built up. This is a tough fit as the proposer has to build a brand and a business and is asked to be repaid by rent relief. The Committee and Mr. Pappalardo may be able to reach an agreement with the proposer to bring events to the renovated Airport Terminal which will have a spinoff effect for South Shore Harbor Marina.

Chairman Lupo added this will be a risky venture because currently there is nothing in place to make one comfortable with what kind of business one will do. The overwhelming draw is this building will be something to go on the National Historic Register. The Airport has the environment to draw conventions that need a special location to this City. The proposer has a catering background and the retro diner is a good fit for the Airport. The Committee must either recommend or not recommend the Board authorize Mr. Pappalardo to enter into a lease negotiation.

Commissioner Hoffman noted the Authority indicated that a kitchen or the costs of installing a kitchen would not be provided. The proposer acknowledged what the RFP stated, but are not willing to provide kitchen equipment. Ms. McNamara advised that the proposer stated it would be fairer for the Authority to own the equipment. The Committee discussed that issue and felt the issue was too premature to mix due to the one sentence in the proposal, but it is something that needs to be addressed.

Commissioner Heaton noted that some people did not submit a proposal due to the capital investment. The lease term would be a negotiating factor for the proposer to make the investment with the right lease situation. Mr. Chase advised that sometimes a person will put in capital improvement for a reduction in rent. In running the restaurant it is the equipment that is costly with refrigerators and walk-in coolers being quite an investment. An open-end facility where the proposer could do the cooking and deliver to another venue could be conceivable as there are no ethical or legal issues. Ms. McNamara informed that the Committee did not talk nor ask questions of the respondent. The Committee submitted and evaluated what was said and the Authority is in a good position to have that option.

Commissioner Cantrelle noted concerns as people chose not to submit a proposal due to the kitchen equipment issue. If the Authority enters a lease and buys the kitchen equipment with the only proposer that changes the ballgame and makes it unfair to those who did not bid. Commissioner Hoffman noted that providing the kitchen is a significant cause for a person to challenge the process. Commissioner Heaton added that the Authority could negotiate what lease terms the proposer would require to provide their own kitchen. The Authority will negotiate, but the scope of what is presented will not be changed. Commissioner

Hoffman thanked the Scoring Committee for their time and efforts to analyze and address all issues and put the report together.

Commissioner Hoffman offered a motion to negotiate a lease with NOCCI/CCC for a Restaurant Operator and Special Events Caterer for the Airport Terminal Building, seconded by Commissioner Heaton and unanimously adopted.

2) Discussion and approval to renew Fuel Farm insurance which is due on May 30, 2013 in the amount of \$64,429.05 (premium) or \$77,029.05 (terrorism coverage)

Mr. Capo noted that Fuel Farm insurance is a separate policy and not part of the overall property insurance renewed July 1st each year. There were discussions to move this policy to the July 1st deadline with the flood insurance portion.

Randy Maddox, Morrison Insurance Agency, noted that the policy's renewal date is May 30, 2013. A request can be made to switch the policy to July 1st by extending the policy to 13 months renewable next year on July 1. The premium would be on a pro-rata basis and there would be no penalty. A premium quote was provided in the amount of \$64,429.05, not including terrorism coverage. In light of recent events, terrorism is now on the minds of many clients. A premium has been negotiated and will remain \$64,429.05, including terrorism coverage. New terrorism coverage includes non-certified and certified acts of terrorism. The terrorism form identifies cities in the United States where terrorism coverage is excluded, but New Orleans is not one of the cities. Exclusions to the policy are war events, nuclear events or a chemical agent event. There is no difference between domestic and international terrorism. The Terrorism Act was enacted in 2002 and modified in 2007 stating that a U.S. citizen can be certified as an act of terrorism. The policy provides \$2.445 million on the Terminal Building and \$385,000 in loss of rent and lost fuel fees that due to direct damage to the building. The policy includes earthquake and flood coverage, but only on an excess basis of the National Flood Insurance Program. The maximum commercial insurance coverage from the National Flood Program is \$500,000 and this policy sets on top of that. There has been no National Flood policy in place. Documents will be put together to get the Authority a quote to determine what \$500,000 will cover. The policy includes three companies in concert including Lloyd's of London.

Commissioner Hoffman offered a motion to renew Fuel Farm Insurance, including terrorism coverage in the amount of \$64,429.05 and to extend the policy one additional month to can the policy on the annual cycle, seconded by Commissioner Cantrelle and unanimously adopted.

3) Review and discuss roof assessments by AGL Architecture and Stuart Consulting Group

Commissioner Hoffman offered a motion to postpone Agenda Item No. 3 indefinitely, seconded by Commissioner Baudy and unanimously adopted.

4) Update on Airport Terminal Interior Restoration

Alton Davis, Richard C. Lambert, informed that since the meeting there has been increased activity at the Terminal interior with noticeable progress. Steve Nelson, Stuart Consulting, added that the latest completion date is June 17, 2013. Contractors are working diligently to make that date and principals of the company are on site. There was one issue discussed with the contractor for the Terminal exterior regarding water intrusion on windows that were tested and has to do with window installation. The exterior contractor was amenable and will have a solution to the window issue by Friday.

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

Mr. Davis reported that the Bastian-Mitchell Hangar near completion. Ongoing work includes a solution to tie in the sprinkler system to the 101 Hangar and there will be additional work for the contractor relative to the tie in. Hangar 101 is under a fire watch due to low water pressure as no tank farm was built for that project. The State Fire Marshall approved using one tank farm to satisfy both the Bastian-Mitchell and 101 Hangars.

All precast is complete on the James Wedell Hangar. The James Wedell Hangar is out of the ground with the exception the main trussle and the hangar doors. Roofing and siding work will be underway next week and most of the stud framing is complete inside. That project is progressing, but the schedule was pushed back due to coordination issues with some of the trades. The current schedule is August 18th.

Mr. Davis informed that Trinity Landscaping did the landscape plans for the Airport Terminal. Acadian Landscaping came back with the best price, but Mr. Capo has contracted Acadian to date because the landscaping will be destroyed with the work currently underway. The Airport signage has been released for the shop drawings and prices for the two monument signs has not yet been received.

Chairman Lupo noted that one of the large art foundations in the City is interested in the Four Winds Fountain. Mr. Nelson and DEI will gather all information prepared to date with FEMA regarding what FEMA was going to do and repairs that are required to the Fountain. The art foundation is looking at seven figures, but they are willing to doing something to bring the Four Winds Fountain back into use. The Fountain was designed and constructed by Enrique Alfarez and it is one of the great pieces he has done in the City.

The fountain should be moved to the neutral ground of the Terminal Building because that is a fabulous place to showcase the fountain. Mr. Nelson noted that a crane company informed it would be tough to move the fountain as the fountain would have to be encased in a container filled with foam. It is not impossible to move the fountain, just very difficult. There are issues with moving the fountain in front of the Terminal due to utilities running through and possible coordination issues.

PUBLIC COMMENTS

Ray Landeche – Lakeshore Subdivision Status of Senate Bill #731

Mr. Landeche requested an update of Senate bill #731 by Senator Morrell to form a new Board for New Orleans Lakefront Airport. Chairman Saizan informed that Senator Morrell approached the Board and advised that the goal was to make sure the Airport continues to be into the Lakefront and Marinas. The Board views the Lakefront, Airport and South Shore Harbor as joined together along with the subdivisions. In the 1920's and 1930's the Levee Board won national awards for laying this area out with land reclaimed from the Lake. Senator Morrell's Bill is not aimed at hurting what the Authority is doing. The intention was to ensure the structure of what the Authority is doing be preserved.

Chairman Lupo advised that conversation around the City and State is that the focus of operating the Airport should be separate as opposed to part of other operations and real estate along Lakeshore Drive. Senator Morrell wanted a Bill in place that would represent the concerns of this Authority and Senator Morrell would be in control of the Bill. There are several things in the Bill that the FAA and the La-DOTD are concerned with and the FAA wrote a letter expressing those concerns. Everybody is comfortable that this Bill is there in case there is need for it.

Commissioner Scott informed that the Bill is out of the Senate and in the House and noted the bill should be tracked to see what amendments are added in the

House because it is an important piece of legislation. Chairman Lupo advised that everyone will be kept apprised of the Bill.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, June 4, 2013 at 9:30 a.m.

The meeting adjourned at 10:35 p.m.