

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
TUESDAY JULY 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, July 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 9:35 a.m. and led in the Pledge of Allegiance.

The roll was called which did not constitute a quorum and the meeting began as informational only.

PRESENT:

Chairman Darrel Saizan
Commissioner Wilma Heaton
Commissioner Romona Baudy
Commissioner Nyka Scott

FURTHERMORE PRESENT:

Chairman Robert E. Smith Lupo

ABSENT:

Commissioner William Hoffman
Commissioner Pearl Cantrelle

STAFF:

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

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Alton Davis – Richard C. Lambert Consultants
Chris Fenner – Stuart Consulting
Don Lapeyrolerie – Stuart Consulting
Steve Nelson – Stuart Consulting
Brayton Matthews – Flightline First
Addie Fanguy – Landmark Aviation

APPROVAL OF AGENDA

Upon the arrival of Commissioner Heaton who offered a motion to adopt the Agenda that was seconded by Commissioner Baudy, the motion was unanimously adopted.

APPROVAL OF PRIOR MINUTES

The July 11, 2013 Airport Committee meeting minutes will be deferred until the September 3, 2013 Airport Committee meeting.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt advised that the summertime is a slow period at the Airport and there is not much going on. The Airport Improvement Magazine published a very good article on the New Orleans Lakefront Airport improvements last month. The magazine mainly addresses AIP projects and will not publish an article on the Terminal Building as it is not a federally funded project, but there will be plenty of media interest on the Terminal Building. The two remaining bids for the roof repairs at the McDermott Hangar were not received. Two more bids will be obtained which will allow this project to move forward. AGL, an architectural company, is supervising the project.

Chairman Lupo advised the Committee that four comments and suggestions were received from LADOTD in response to the financials prepared by Mr. Pruitt and Mr. Capo. The comments and suggestions will be reviewed by staff who will respond to those comments and suggestions. If any action is to be taken, Mr. Capo and Mr. Pruitt will prepare a plan of action on what issues need attention.

Chairman Saizan advised that Chairman Lupo, Commissioner Heaton, Mr. Capo and Mr. Pruitt have been involved in meetings regarding the rededication ceremony and ways to solicit funds that will be part of a 501-C3 for the rededication and to help preserve the art in the Terminal Building. Mr. Caire secured the Flagship Detroit aircraft for the event and Commissioner Stack is assisting with the resurfacing and restriping project of the main Terminal roadway and the road by the Bastian-Mitchell Hangar. Federal officials of the entire delegation and key federal officials at the national level will be invited to the event. The event is scheduled for September 27th and 28th which includes a private party for sponsors the night before the dedication ceremony. Press and local media are being coordinated for the rededication ceremony.

OLD BUSINESS:

1) Update on Airport Terminal Interior Restoration

Chris Fenner, Stuart Consulting Group, reported that the Terminal is near completion with the only remaining major items being stone repair on the stairs and the handrails. Handrails will be installed in one week and the stone repair will be completed last in order to prevent damage to the new stone. The contractor advised the Terminal will be complete by August and substantially complete before the end of August. The punch list cannot be prepared until the sprinkler system is complete. The contractor indicated that the parking lot would be cleared in two weeks for DOTD to repair the main Terminal road and the road in front of the Bastian-Mitchell Hangar.

Alton Davis, RCL, informed the Committee that the Landscaping has to be coordinated also. Landscaping can be underway while DOTD repairs the road. The landscaping project will take approximately three weeks to complete. Three bids were received and the lowest bid was Acadian Landscaping. The sprinkler system that has to cross the road will be addressed by Acadian prior to DOTD repairing the road.

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

Mr. Fenner reported that the remaining punch list item for the Bastian-Mitchell Hangar is the site paving. The contractor indicated that a plan would be submitted addressing the replacement of old concrete in lieu of replacing cracked concrete and repairing cracks. RCL recommended that a large section of cracked concrete be replaced. A Resolution will be prepared addressing that issue to protect the Authority and allow the project to reach completion.

The roof will be installed on the James Wedell Hangar this week. The contractor is presently addressing complications with Entergy and the transformer in order to get power turned on at the Hangar so the interior finish work can begin. Another issue delaying completion are the sprinkler tanks. The contractor indicated that he was having difficulty ordering the tanks. Different tanks cannot be used due to design issues. The contractor is presently trying to find a supplier to get the tanks delivered quicker. The contractor is projecting completion in September.

3) Review and approval of the RFP for the Bastian-Mitchell Hangar

Mr. Pappalardo advised that the final draft of the RFP for the Bastian-Mitchell was distributed. Aviation Broadcast, the largest e-mail market in the aviation industry, has agreed to a 12 insertion contract. Over a 12 week period the RFP will be advertised for a fee of \$900. A link will be provided on the Aviation Broadcast website so the RFP can be downloaded. The Authority will retain security and have a record of who downloads the RFP. Some print advertisement is possible in USA Today, and GNO, Inc. agreed to put the RFP on their website. Responses to the RFP are due Friday, November 1, 2013. Mr. Capo noted that operation costs of the Bastian-Mitchell Hangar since July 1, 2013 are approximately \$18,000 - \$20,000 due to insurance costs.

Mr. Nelson informed that erosion control is pictured on the RFP for the Bastian-Mitchell as FEMA does not reimburse for landscaping. Mr. Davis suggested contacting Acadian Landscaping, the landscaper for the Terminal Building, and requesting that plants and grasses removed from the Terminal Building be placed at the Bastian Mitchell-Hangar.

Mr. Metzger advised that a Resolution was adopted on June 13, 2013 delegating the authority to the Committee to release the RFP. Chairman Saizan noted the importance of advertising the RFP immediately as the FAA requested a 90 day window for the RFP. It is vital to get the RFP advertised through large e-mail blasts and aviation organizations.

Mr. Pruitt advised that the Bastian-Mitchell Hangar could not be leased to a non-aviation entity from an FAA standpoint. Commissioner Heaton noted for the record that this Committee and this Board's commitment is to maximize the success of the Airport and the FBOs. Renting the Hangar to a non-aviation entity is not the Authority's goal and I could not support that. Mr. Pappalardo informed that several spots in the RFP state that the Authority is seeking a qualified aeronautical or aviation tenant. Mr. Metzger added that Andy Velayos with the FAA advised via telephone conference that an aeronautical tenant is specifically desired for the Bastian-Mitchell Hangar.

Commissioner Heaton requested an amendment to the RFP to address type-o's and requested that the following corrections be read into the record:

- a) Page seven, Subsection F, "Business Interruption Insurance for Rental Payments to Lessor". The last three words of the first sentence, "and as such" are superfluous and should be deleted
- b) The following sentence, end of the third line, the word "at" is superfluous and should be deleted
- c) Two paragraphs down in the sentence that reads, "The lease will also include a defense, hold harmless". The conjunction "and" has to be inserted before "indemnity agreement" by the lessee

Commissioner Heaton offered the above corrections as a motion to amend the RFP, seconded by Commissioner Scott and unanimously adopted.

NEW BUSINESS

1) Discussion regarding the name for the Main Terminal Building at the New Orleans Lakefront Airport

Chairman Saizan advised that this matter has been resolved. The Airport Terminal will be called New Orleans Lakefront Airport Main Terminal.

Mr. Capo addressed the lettering for the exterior of the Terminal Building and advised that Mr. Davis has plans and lettering styles that need this Committee's approval to move forward.

Mr. Davis advised that the plaque reads "New Orleans Lakefront Airport" and the Terminal exterior will read "Terminal" in large aluminum letters. Revised lettering will be submitted to Mr. Capo for final approval. The back of the Terminal Building reads "New Orleans Lakefront Airport" in pre-cast above the back door which was completed during the exterior renovation. Commissioner Heaton requested Mr. Capo copy the Board members with information regarding the Terminal Building lettering and the cost of the plaque. Mr. Davis advised that the Lakeshore Drive and Airport signage will be in place by the dedication ceremony.

PUBLIC COMMENTS

Brayton Matthews – Flightline First

Mr. Matthews introduced Keith Saizan, Principal - Southern Airways, and advised that Mr. Saizan would give the Airport Committee a brief presentation on Southern Airways.

Mr. Saizan noted that the presentation is broken into three brief sections: The history of how Southern Airways started; what Southern Airways is doing now and what Southern Airways has planned for the future.

My business partner bought a 1968 Cessna Golden Eagle 421 which many people wanted to charter to the beach. As the aircraft is very expensive to charter and since there was a demand for a flight from Memphis to the beach, a review on what airplanes are less expensive to operate was performed. Using a caravan aircraft and chartering the entire aircraft selling tickets by the seat led to the development of our DOT 380 certificate in early 2012. Seven months later the first revenue flight took off. Southern Airways is a scheduled charter company contracted with J.A. Air Charter out of Aurora, Illinois who holds an FAA 135 certificate. Southern Airways operates under the J.A. Air Charter umbrella. The DOT 380 certificate permits marketing and selling routes by the seat and addresses the consumer side of the customer. Southern Airways is not involved in flight operations as the FAA mandates that the operations end goes to the FAA 135 certificate holder. Southern Airways, a scheduled charter company with an FAA 135, can service the same two airport pairs no more than four and a half round trips per week.

Since the initial June 6th flight from Olive Branch to Destin, Southern has added flights from Memphis and Olive Branch to New Orleans, Gulf Shores, Destin and Panama City; Birmingham to Gulf Shores; Destin to Panama City; Oxford, Mississippi to New Orleans, Destin and Panama City and Southern Airways is currently one month into flights arriving into Lakefront Airport. The numbers have increased with the Memphis to New Orleans run, often seeing the same business passengers. That leads to Southern Airways future plans. New Orleans works well because it is a large city that can be used as a feeder city taking passengers on business and leisure trips outbound from Lakefront Airport. A flight from New Orleans to Gulf Shores takes 40 minutes and flies over the Gulf and Barrier Islands. That run has good numbers and prices have been lowered because it is an efficient route.

In the future Southern Airways will switch to the fall schedule. I met with the Birmingham Airport Authority who advised that Southwest would be cancelling their Birmingham to New Orleans flight because short routes are not profitable for larger aircraft. Response from both Birmingham and New Orleans business communities indicate that no route will be more heavily trafficked than Birmingham to New Orleans.

The Southern Airways aircraft, Cessna Caravan 208, has the ultra luxury executive leather package interior and two were previously FedEx cargo planes that were refurbished. The planes were designed for FedEx short haul travels of less than 500 miles. Nine fee paying passengers can board each aircraft. Southern Airways is not concerned with legacy carrier competition because Southern is playing a game that legacy carriers do not want to play. Competition is the automobile and relieving people from a six hour vehicular ride is where the sweet spot is. A flight from New Orleans to Shreveport will be added when an additional aircraft is obtained. New Orleans, due to the location of our future route map plans, will allow for displaced passengers to connect on the next plane and arrive at their destination within five hours. Southern Airways recently added a King Air 200 to the fleet which will be used for private charters and as a reserve plane if maintenance issues arise with another aircraft.

There will be no flights from New Orleans to Baton Rouge as people have traditionally driven that short route. A New Orleans to Shreveport run may be added in the future. The fall schedule will be dedicated to college football with college football packages being offered. Flights from Birmingham to LSU will be scheduled for the Auburn/LSU game. Southern will go into Baton Rouge on certain games. Southern is also partnering with Fred's Dept. Stores for Veterans Day and will fly veterans from Fred's to New Orleans on Veterans Day to visit the World War II Museum. Southern will also sponsor the Memphis Red Birds minor league baseball team in its final game of the season against the Zephyrs and bring Red Bird fans to New Orleans free of charge and provide accommodations for the weekend to watch the Zephyrs and Red Birds game.

Mr. Saizan advised that there are four fee structures for flights from New Orleans to Memphis. The first couple of seats in the aircraft start at \$129 one way with the most expensive ticket being \$249 based on the inventory of seats remaining at the time of purchase. A round trip ticket would never exceed \$500 even at the time of purchase.

Mr. Capo advised that the scoring sheets for the RFQ/P for the restaurant are due prior to Thursday's Special Airport Committee meeting in order to compile the scores. The scored sheets will be compiled and presented to the Airport Committee for review who will then make a recommendation to the full Board.

ADJOURNMENT

Commissioner Baudy 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, September 3, 2013 at 9:30 a.m.

The meeting adjourned at 10:42 a.m.