

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE AIRPORT COMMITTEE MEETING
THURSDAY SEPTEMBER 5, 2013 – 9:30 A.M.**

The regular monthly meeting of the Airport Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, September 5, 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.

Chairperson Heaton called the meeting to order at 9:42 a.m. and led in the Pledge of Allegiance.

The roll called which did not constitute a quorum. The meeting became informational only.

PRESENT:

Chairman Wilma Heaton
Commissioner Nyka Scott

ABSENT:

Commissioner Romona Baudy
Commissioner Darrel Saizan

STAFF:

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

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
Brayton Matthews – Flightline First
Addie Fanguy – Landmark Aviation
Jonathan Buff – Hawthorne
Van Robichaux – Robichaux Law Firm
Richard Rainey – Times Picayune
Tom Long – TLCC, Inc.
Robert Claypot – Gulf Coast Aviation
Lambert Boissiere - Constable
Ray Landeche – Lakeshore Subdivision

APPROVAL OF AGENDA

Due to lack of a quorum, the Agenda could not be adopted. The meeting was informational only.

APPROVAL OF PRIOR MINUTES

Due to lack of a quorum, the minutes of the August 1, 2013 Special Airport Committee will be approved at the October 1, 2013 Airport Committee meeting.

OPENING COMMENTS

Chairperson Heaton noted her appreciation for all that Chairman Saizan has done over the last three years. There is much work left to do and working together we will get that done. Each Agenda item will be discussed even though the items cannot be passed to the Board with recommendation due to a lack of quorum.

REPORT ON CURRENT AIRPORT ISSUES

Mr. Pruitt addressed the PAPI light system and reported that Andy Velayos of the FAA informed that there are funding issues with the FAA. Mr. Velayos believes that PAPI will be put back on 36-L and 18-R in the next few months.

A meeting is scheduled with Customs on September 17, 2013 to try to renegotiate their original proposal of \$250,000 to build out the majority of the east lower wing in the Terminal Building. The current finances of the Authority made that proposal out of reach. The FAA will not give Lakefront Airport a grant for Customs build-out. Customs requires that the area be build out, the furniture and computers are provided along with a \$1.00 per month lease. Addie Fanguy, Landmark Aviation, advised that Landmark in Los Angeles just built-out the facilities for Customs. That may be a viable option with Customs because it was done in Los Angeles, which was a lot more money because it was at LAX. Customs would be a big asset for Lakefront Airport because a lot of business is being lost to Gulfport, Ms., Galliano, La. and MSY. Chairperson Heaton requested Mr. Pruitt notify the FBOs about the meeting with Customs.

Mr. Pruitt informed the Committee that Mr. Velayos stated moving FEMA money from the Wedell Hangar to the Terminal Building and freeing non-Airport money would not be a problem. Money can be moved from the Walter Wedell Hangar into the Terminal and back to other projects off of the Airport.

Chairperson Heaton requested Mr. Capo give a report on the decision regarding not rebuilding the Hangar for the record. Was that decision already made by the Board? I know it was assumed, but have we ever taken formal action on that issue as a policy decision. Mr. Capo advised there was no formal action from the Board or Airport Committee that addressed rebuilding the Walter Wedell Hangar. All of the funding has not been identified for completion of that project. Chairperson Heaton requested that the issue be formalized and a white paper be prepared for review by the full Board because each member will have an opinion about where that money is needed.

Alton Davis, RCL Architecture, advised that there is a current PW version written for substantially less than what the Walter Wedell Hangar is worth. RCL is currently preparing an estimate of the real value of the Wedell Hangar. The estimate will be forwarded to this Authority and Stuart Consulting to get FEMA to reversion the PW. If the Authority takes what is there, approximately \$2 million would be left on the table.

Mr. Pruitt informed the Committee that a sinkhole, which may be a collapsed drain, has formed in the southeast triangle of the Airport next to Charlie. Stuart Consulting is addressing a problem with the Moffett Hangar concrete roof structure. The rebar is expanding and contracting with water causing the concrete to break off. A solution to repair that damage is being prepared and will be brought back to the Board. The Airport will also receive a federal grant for a Wildlife Hazard Assessment estimated at \$91,601.

Chairperson Heaton requested Mr. Pruitt prepare list of all the major capital expenditures of the Airport. I want to quantify the major repairs and expenditures that are foreseen during the next several years. Rather it be a crisis situation, the needs that the Airport is facing should be identified and those needs will be prioritized.

OLD BUSINESS:

1) Update on Airport Terminal Interior Restoration

Mr. Nelson reported that the Terminal interior is looking phenomenal with all major components complete. The next Fire Marshall walk through is September 23, 2013. The dedication ceremony is September 28, 2013. The ceremony will

be held outside the Terminal Building and there should be no issues with the contractor or people on the site.

Mr. Davis advised that final connections were being made to the fire suppression system pumps. The auto fill for the tank has not arrived, but the tank can be manually filled which would not prevent a temporary Certificate of Occupancy being issued. A temporary or final Certificate of Occupancy designates substantial completion of the project and the contractor technically turns the building over. The contractor then has a 45 day leave period to complete punch list items. The contractor agreed to allow tours through the Terminal in the event he is not issued a Certificate of Occupancy.

Chairperson Heaton noted for the record that she invited the contractor for his input at this meeting, but he is not present.

2) Update on rededication ceremony and ordering of plaques

Chairperson Heaton noted that the Board agreed to have only the basic ceremony on Saturday, September 28, 2013. There will not be a gala the night before. The 80th anniversary of the original dedication of the Airport was February 9th so February 9, 2014 is the projected date for the gala event. The gala is not cancelled, it is postponed.

Vincent Caire, Non-Flood Authority, informed the Committee that the dedication ceremony would be a simple ribbon cutting with introductions by the members. All historic exhibits have been postponed. The Louisiana State Museum returned one of the original 1933 murals to the Airport. The Museum donated the mural to the Authority as a permanent loan with the agreement that the Authority recognizes the Louisiana State Museum at the ribbon cutting. The University of New Orleans agreed to give the Authority the original 1933 dedication plaque with the agreement that the plaque would be displayed in the Terminal Building and UNO would be recognized for the donation. Following the ribbon cutting there will be tours of the building. Chairperson Heaton advised that a message would be forwarded to the full Board advising that the ceremony would be changed from 11:00 a.m. to 10:00 a.m. as requested by Chairman Lupo.

Mr. Caire advised that an informal guest list has been prepared, but names can be added and additional invitations can be sent. Chairperson Heaton noted that a spreadsheet was prepared listing Civic and Community Organizations in the City along with the contact information which will be given to Mr. Caire who will forward each organization an e-vite advising of the event. A press release will be issued Monday, September 16, 2013 and reminders will follow on September 23, 2013. The press release will include a description of the event and a brief history of the Terminal Building so the media can prepare stories and coverage for the event and press kits will be assembled for the media.

Mr. Caire advised that Peggy Scott LaBorde hosts the show "Steppin Out" and will do a television segment covering the artwork in the Terminal Building in late September. New Orleans Magazine and Louisiana Life advised that they would like to do a story also. These stories will come out after the dedication ceremony and give the Authority outstanding coverage. Chairperson Heaton suggested Bess Carrick, the woman preparing the documentary, be advised so she can cover the dedication also. The Times Picayune and the Advocate should be given history on the Terminal Building and information regarding the dedication ceremony so there is better coverage.

Mr. Caire recommended police detail for the event to provide security for the vintage aircraft that will be volunteered for display. One aircraft is a Stearman and one is a Beachcraft Stagger Wing, both from the 1930's and historically accurate. The aircraft will be a static display only. Mr. Davis noted that there may be 300-400 people attending the event and suggested the third floor be secured to prevent public entry to the observation tower or mechanical areas.

The first floor west wing should be open for restrooms and public viewing of the Walnut Room. Mr. Pruitt suggested a limited tour of the Terminal Building by blocking off halls and limiting the public viewing to the atrium and the Walnut Room. Chairperson Heaton requested that Mr. Caire prepare a plan, subject to Mr. Pruitt's approval, showing how the aircraft would be displayed with a route to get people back and forth from the ramp.

Mr. Caire advised the FBOs that word of the event is out and many people around the state will conduct a fly in on that day to see the Terminal Building so increased traffic is anticipated. Chairperson Heaton noted for the record her appreciation of Mr. Caire and his efforts putting this event together. There have been many setbacks, but this is symbolic of what we have been working for.

NEW BUSINESS

1) Discussion regarding the leasing policies and procedures for office space in the Airport Terminal Building

Chairperson Heaton informed the Committee that a policy for leasing space in the Terminal Building will be prepared. Commissioner Scott added that it would be good to have a standard lease policy because as a public body the Authority must be careful with rental and leasing policies. Mr. Metzger noted that he has worked on developing an office building lease with Mr. Pappalardo for approximately two weeks. This is the first lease of this kind as it differs from the Lake Vista Community Center leases because those are individual units. A draft should be ready early next week.

Chairperson Heaton advised that as a public entity the Authority cannot lease under market rate and Mr. Pappalardo is researching what that market rate is. Mr. Pappalardo advised that the Authority would have to decide if commission would be paid to an outside agent. The Authority could do agent protected and advertise that on a commercial database website. The Authority would then pay the agent that brings in a tenant. The Legal Committee would then discuss the payment of commissions to outside agents.

Chairperson Heaton requested that Mr. Pappalardo work with Mr. Metzger to develop a public leasing policy working in concert with the Airport and Legal Committees. Mr. Pappalardo suggested the Legal Committee vet the issue for legal purposes and forward the policy to the Airport Committee for adoption.

2) Motion to recommend approval of First Amendment of lease with Flightline Ground, Inc.

Charles Curtis, Legal Counsel, congratulated Fred Pruitt and Brayton Matthews for negotiating the revised leasehold for Flightline. The revised leasehold is an improvement on Flightline's leasehold and improves the Bastian-Mitchell leasehold which is good for the Airport. The Amended Lease revises the footprint and rent accordingly. It is recommended that the Airport Committee approve the Amended Lease.

Mr. Pruitt advised that Flightline's amended leasehold includes parking for automobiles which was not previously included. One major improvement is the Bastian-Mitchell Hangar is no longer partially covered by a landlock. Mr. Matthews stated that this amended lease will free up Bastian-Mitchell, give Flightline extra ramp space and secured parking for rental cars during special events at the Terminal Building.

Mr. Pappalardo advised that the Amended Lease will necessitate an addendum to the RFP to let the proposers of the Bastian-Mitchell Hangar know that there is a new footprint.

3) Motion to recommend approval of a lease of Suite 230 at the Airport Terminal Building to Robichaux Law Firm, L.L.C.

Mr. Pappalardo advised that Suite 230 is located on the second floor, west wing of the Terminal Building and contains 612 s.f. A pass through is proposed for insurance and energy costs to the tenant for a total pass through of \$5.39 per s.f. The pass through will be recalculated each year.

The space in the Terminal building was based on class A buildings in downtown New Orleans which lease between \$17.50 - \$19.00 per s.f. The Terminal's first prospective tenant is Mr. Van Robichaux, Attorney, who has expressed interest in Office 230 and possibly some space in Office 233. Mr. Robichaux will work with Mr. Davis in preparing the tenant build out. There is no improvement allowance in addition to rent as the tenant is required to build out the spaces. Three spaces are built out and have been priced accordingly. Mr. Robichaux's annual rent for 612 s.f. is \$10,644.00 or \$17.39 per s.f. Mr. Robichaux will incur the expense of the build out. The lease is a three year lease with three year options and will be the first standard terminal office lease. Mr. Robichaux added that Mr. Davis will assist in providing figures for the build out and particulars concerning the ceiling. The space is open and will require a dividing wall

Mr. Pappalardo advised that there is a card reader device located at the Terminal Building. Security for the Terminal will have to be addressed because there will be an office building and a restaurant available for special events that could be after hours. The Terminal will require security to protect the tenants as the building will be serving as a special events venue along with an office building.

4) Motion to recommend approval of a lease of Suites 105 and 106 at the Airport Terminal Building to Constable Boissiere of the New Orleans Constable's Office

Mr. Capo advised that Constable Boissiere will occupy two offices totaling 510 square feet. The offices are finished and include ceilings, terrazzo floors, electrical, lighting and will be priced accordingly at the rate of \$24.89 per square foot. When the building is turned over Constable Boissiere can move into the space. Commencement date on the earliest lease is November 1, 2013. The lease will be in the capacity of the Constable of First City Court. The Constable requested a five year primary term with options.

Constable Lambert Boissiere advised the Committee that the Constable's Office is relocating to an office in the Airport Terminal which will replace the office in New Orleans East prior to Katrina. Deputies will receive orders, serve papers and return to report the outcome. A five day notice station may be brought here for people to give a five day notice for eviction of tenants. The Constable's Office also has certified deputies if security is needed, which issue could be discussed at a later date. Chairperson Heaton advised that the Authority cannot do any quid pro quo with security because the fair market rate rent must be collected.

Chairperson Heaton noted that the lease should contain a clause for early cancellation as the Elysian Fields property may come into play at a later date. That would not preclude the Constable from moving into the Terminal if the Board approves the lease, but those discussions should progress because there may be funding identified for the Elysian Fields property.

Motion to recommend approval of a lease of Suites 148, 149 and 244 at the Airport Terminal Building to Gulf Coast Aviation

Mr. Pappalardo informed the Committee that Mr. Robert Claypool with Gulf Coast Aviation requested Offices 148 and 149 across the lobby from Constable Boissiere on the first floor and Office 244 on the second floor. Offices 148 and 149 total 677 square feet and office 244 totals 660 square feet. Office 244 will be used for the flight simulator. Mr. Claypool is procuring the specifications for Mr. Davis' review to ensure there is no load problem. Mr. Claypool is requesting a two year lease with options.

Robert Claypool, Gulf Coast Aviation, stated that Gulf Coast needs access for aircraft and ramp space at the Terminal and are requesting Offices 148, 149 and 244. It is preferable to have the flight simulator on the second floor above the flood zone. Mr. Pappalardo advised that rent for Offices 148 and 149 amounts to \$16,848 per year. Rent for the second floor office is \$11,472 per year. Suites 148 and 149 are completely finished and are \$24.89 per square foot. The second floor office requires a tenant build-out and is priced at \$17.39 per s.f.

Mr. Pappalardo added that these three confected leases will encompass approximately 20% of the leasable space leaving 80% available to the market. The Terminal has 19,000 feet of leasable space exclusive of Mr. Pruitt's office space. Of that 19,000 square feet, approximately 5,500 is the restaurant which leaves 13,500 feet of leasable office space. The three executed leases will generate slightly over \$51,000 to the Authority in revenue.

Chairperson Heaton requested a list be prepared listing all of the office space and what each space is being used for and what will be utilized by staff. Mr. Pappalardo advised that he had that information available.

5) Discussion of request by RCLC, LLC to amend contract to change the fee structure from Cost Curve "B" to Cost Curve "A"

Chairperson Heaton advised that this matter has been lingering for years and must be addressed and brought before the full Board.

Alton Davis, RCL, stated that RCL signed the original contract for all projects completed on the Airport including the Bastian-Mitchell Hangar, McDermott and Williams-Taylor Hangars, fire station, north office building and the Terminal Building (exterior and interior). The projects were combined into one contract through the Orleans Levee District because the Non-Flood Protection Asset Management Authority was not seated and the Non-Flood and Flood Authority were still combined. The contract was combined and all projects were assigned Curve B, which is the FEMA curve. There are several ways that FEMA will reimburse. One is the State Facility of Planning Curve and FEMA also uses their own curve (Curve A and Curve B) relative to the complexity of the project. The bulk of the projects were designated as Curve B and that is why everything was combined. The North Office Building was not rebuilt as the money was captured for another project. The Administration Building was not labeled a Terminal Building; it was an office building prior to Katrina. I have included language out of the FEMA Public Assistance Guide. Clearly, Curve A applies to office buildings; above average complexity and non-standard design and Curve B applies to Hangars. A cost comparison sheet has been prepared showing the differences in the Curves. RCL is currently a Curve B, but Curve A is RCL is entitled to which is a difference of approximately \$100,000. The current FP&C curve would have entitled RCL to an additional \$157,000. On the original 2006 FP&C curve the fee would have been \$186,000. Project summary cost sheets were prepared when the projects were taken. FEMA funded all projects for a total of \$6,349,000. Through the work of Mr. Capo, Mr. Gillen and RCL staff in direct meetings with FEMA and GOSHEP, that amount was raised to over \$37,000,000 through building assessments, cost estimates and FEMA reversioning. That is a 595% increase. When RCL started the process the

Terminal Building was not a restoration, it was a repair. Even as a repair RCL was entitled to Cost Curve A.

The request of RCL is to change the Cost Curve only on the Terminal Building to Cost Curve A. When the process began in 2006 people were not aware of FEMA procedures as the City never experienced such a disaster. Consequently, a number of program management firms have come into play such as Stuart Consulting Group. Stuart was not in place when the project began so RCL reported directly to FEMA. Not enough was known about FEMA guidelines for RCL to demand Cost Curve A from day one. As the project continued it was apparent that the Terminal was not a simple repair even though RCL was entitled to Cost Curve A for a simple repair. Over the last year RCL requested meetings with FEMA, but RCL was advised that FEMA will not meet nor will FEMA entertain the issue because the contract does not reflect it.

RCL would like the Authority's support on this issue. RCL has spoken to GOSHEP and strongly believes that FEMA cannot deny this. Most office buildings completed in this State were paid Cost Curve A or the FP&C curve, both substantially greater than what RCL was paid for the same services. RCL was denied construction observation services on this project, but has spent a great amount of time due to extended delays and complications of the historic finishes. Four valid reasons are listed as to why RCL be considered for Cost Curve A.

Chairperson Heaton noted for the record that the restoration of the Terminal Building would not have taken place without RCL's expertise and passion which was needed for the project. The only concern is if FEMA denies this request, the Authority would not be in a position to pay. Language has to be prepared that satisfies FEMA yet does not leave the Authority responsible for payment if the matter is denied. This matter has to be rectified as the Authority's financial situation does not change the right thing to do.

Mr. Davis added that RCL worked directly with Orleans Levee District to get funding for the Terminal Building from \$6 million to \$37 million. That number is not inclusive of what the Walter Wedell will cost when upgraded or additional expenses on the Terminal Building. When RCL sat across the table from FEMA and GOSHEP things were done correctly and the money was committed to the Airport recovery. RCL has not had the option to sit across the table from FEMA and discuss the Cost Curve issue. RCL is of the opinion that the Authority should go to bat for RCL on this issue.

Richard Lambert, RCL, added that the Terminal Building was a complicated and difficult project. Before there was a project manager Mr. Davis went beyond the scope RCL was contracted for, working with FEMA face-to-face. Mr. Davis brought money to this facility because the project was under-budgeted and underestimated. The Terminal Building project evolved from a repair to a historic restoration that any reasonable person could say is a Curve A. RCL lost a substantial amount of money due to the unfair curve applied to the fee and would like the opportunity to work language in the Resolution that clearly states the Board would not be responsible if FEMA denies the change.

Mr. Capo added FEMA has been approached many times regarding this matter. FEMA is adamant there is no issue to discuss and will not fund the amendment. Chairperson Heaton requested staff regroup and move forward. In fairness the Authority will do what we can do to make this right.

Steve Nelson, Stuart consulting Group, noted RCL's hard work and the fact that RCL carried the water initially. The issue is that the project was not Curve A at the time of the storm and that is what FEMA is denying. The Terminal Building was a white pill box when Katrina hit and FEMA is only concerned about what Katrina did to the white pill box. This issue could be appealed or arbitrated. Mr.

Davis advised that the exterior was a white pill box, but the interior, lobby and second floor had existing historic finishes and three murals were exposed. It was a very complicated repair on the interior. Chairperson Heaton noted that the Terminal was a historic building inside and this issue needs more communication, not less.

6) Motion to recommend approval of RCLC IDIQ contract not to exceed \$20,000 to assist with plan review and tenant build-out in the Airport Terminal Building

Chairperson Heaton noted that build-outs in the Terminal Building have to be consistent and completed to code. Mr. Davis advised that plans have been generated for the Terminal Building and the Bastian-Mitchell and James Wedell Hangars because some tenants have no idea how they will fit in an area. Information has been assembled on the flight simulator which is a typical thing an architect would do to represent the owner's interest going through the lease process. RCL provides these services to assist in positioning the buildings for leasing. There are no set standards established for the Terminal Building and tenants are unaware of the types of ceilings that are allowed and what lighting can be installed. These issues have to be addressed at some point so the Authority is consistent with the building standards. RCL does not have a signed contract for any of these services.

Mr. Pappalardo advised that prospective tenants rent office space in a white box with lighting, ceilings, floor and painted walls. RCL put together guideline estimates to indicate a build-out may cost \$29.50 per square foot. Spaces are delineated based on existing walls and some spaces could be divided. The Authority does not have staff to do this and Mr. Davis is the logical person because he designed the restoration. As tenants are required to do the build-out, someone with expertise is required to ensure the quality of the build-out. Mr. Davis had some interface with all three tenants to advise where walls could be put otherwise an agreement could not be confected and the Authority would not be in a position to advise the tenant to get a contractor. This Resolution is needed to move forward with leasing the building. Mr. Davis could also be hired by the tenant to do a build-out or the tenant could have their own architect which Mr. Davis will supervise. Chairperson Heaton advised that if the tenant utilized Mr. Davis the tenant would be required to sign a Conflict Waiver for the Authority because Mr. Davis would be representing the Authority's interest.

7) Discussion on fencing and gates at the large parking lot at Lakefront Airport

Mr. Capo noted that there have been discussions with Mr. Davis to fence in the large parking lot behind the Flightline and Bastian-Mitchell Hangars and make that area a paid parking lot. The cost of design fees and construction is approximately \$70,000. Mr. Davis noted that this may not be economically feasible to do at this point. When traffic at the Airport warrants, secure parking would be beneficial. This would be good during major events at the Terminal Building for an income source outside of the Terminal.

Chairperson Heaton stated that day-to-day there is not enough traffic, but this could be done for special events. There is no recommendation on the parking lot issue.

8) Discussion of status of lease with the New Orleans Mosquito & Termite Control Board

Mr. Metzger advised that the Board adopted a Resolution in June of 2012 for a new lease for the Mosquito Control Board on the warehouse facility. A lease was prepared and submitted to the City and in August of 2012 a Resolution was adopted for the new hangar lease and the lease was sent to the City. In December of 2012, the City sent back a Cooperative Endeavor Agreement stating that the Mosquito Control Board would pay the Authority \$1 per year,

maintain the property and spray the Airport free of charge. Commissioner Heaton advised that the Authority could not do that. Mr. Metzger informed that this issue was brought to the Airport Committee because this issue has to be addressed. Mr. Metzger advised that he has communicated with Mosquito Control directly and Martha Grissett, the Property Manager for the City of New Orleans. After the leases were prepared and all the terms worked out, the Mosquito Control came back with this Cooperative Endeavor Agreement. There have also been discussions whether to evict the Mosquito Control Board.

Chairperson Heaton noted that the path forward is for the Vice Chair and Chair of Legal Committee contact Mr. Metzger and get communication to the Mosquito Control Board. The Mosquito Control Board made a proposal that is not workable under Federal law. This is an embarrassing situation for the City. Mr. Metzger noted that this was the reason that nothing has been done to dispossess the Mosquito Control Board. A letter of December 14, 2012 gave Mosquito Control Board notice that the Cooperative Endeavor Agreement was not acceptable. Commissioner Scott requested Mr. Metzger forward a copy of the December 14, 2012 Mosquito Control Board letter so this issue of eviction can be addressed at the Legal Committee meeting. Commissioner Heaton noted that action has to be taken on this issue.

Mr. Capo noted for the record that the Mosquito Control hangar is part of a FEMA project with the City. Mr. Pappalardo explained that Mosquito Control needed a lease before they could collect from FEMA. The hangar reverted back to the Authority at the natural expiration of the lease. The hangar was in poor condition due to Hurricane Katrina and Mosquito Control has yet to fix the hangar. Mosquito Control advised that a new lease was needed in order for Mosquito Control to obtain the funds from FEMA. Mosquito Control came before the Board regarding the storage facility and advised on record that Mosquito Control was looking at another building to relocate. Mosquito Control was given a one year lease with a one year option and they were to move forward with repair of the hangar. The bottom line is: The Authority would have a repairable hangar if Mosquito Control were gone.

Mr. Metzger advised that Mosquito Control needs a new lease to get FEMA funding which has not been signed because the lease calls fair market value on the property. Mr. Pruitt noted that if nothing is done this issue would possibly put the Airport in non-compliance through the grant assurances. Commissioner Heaton advised that something would be done to address the issue.

9) Motion to approve a contract with Roofing Solutions, Inc. in the amount of \$28,000 for roof repairs on the McDermott Hangar and the Fire Station

Mr. Pruitt advised that the contracts for the McDermott Hangar and the Fire Station have been received to repair existing leaks in those roofs. Mr. Metzger advised that no Board Resolution is needed because these are two separate contracts.

10) Discussion of Alternate Airport FEMA Projects

Mr. Nelson noted that the Terminal Building and the Bastian-Mitchell Hangars are complete and the James Wedell will be complete within this year. The Walter Wedell Hangar remains and the cost of that Hangar has to be increased to match the true value of the Hangar. The Authority will then have funding available to use for different projects. There is also \$500,000 in NFIP penalties the Authority has taken which give the Authority cash and \$500,000 to use for whatever is needed. Mr. Velayos advised through a series of e-mails with Mr. Pruitt that the Authority has chosen that the Walter Wedell be used as an alternate project and whatever funding is received can be utilized for any number of projects.

Chairperson Heaton noted that there are numbers being thrown around on Walter Wedell and questioned how the Authority stood with how much that is or how much that could be.

Mr. Nelson gave an estimate of \$2.5 and \$3 million for the Walter Wedell Hangar that can be utilized right now. The number will probably increase after the Project Worksheet is reversioned, which will take approximately three months. There has to be a list of projects in place that the Authority wants to complete. The money is not available today. These discussions should take place as quickly as possible and a list of projects should be developed. The more individual projects there are, the higher the level of risk.

Chairperson Heaton advised that the Board should formally decide if the Hangar will not be rebuilt. If the Hangar will not be rebuilt the Board has to discuss what will be done with the money. This has to be formalized. When there is a major policy decision there should be a staff recommendation brought to the Airport Committee who then recommends the decision to the Board or not. There has to be public discussion for public policy decisions.

The fewer number of projects and the larger dollars the better. Ideally there should be one or two major projects. The \$500,000 for NFIP deductions is reimbursement for monies spent and those monies can be spent wherever needed. The \$2.5 to \$3 million has to be capital projects; it cannot be operational.

ADJOURNMENT

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

ANNOUNCEMENT OF NEXT MEETING

The next Airport Committee meeting is scheduled for Tuesday, October 1, 2013 at 9:30 a.m.

The meeting adjourned at 11:55 a.m.