

**MINUTES OF THE
LAKEFRONT MANAGEMENT AUTHORITY
AIRPORT COMMITTEE MEETING
HELD ON TUESDAY APRIL 13, 2021**

PRESENT: Chair Wilma Heaton
Commissioner David Francis
Commissioner Renee Lapeyrolerie
Commissioner Pat Meadowcroft

ABSENT: Vice Chair Thomas Fierke

STAFF: Louis Capo – Executive Director
Daniel Hill – Director of Engineering and Operations
Bruce Martin – Airport Director
Chris Henderson – Airport Manager
Madison Bonaventure – Assistant to the Executive Director/Board Secretary

ALSO

PRESENT: Paul Dimitrios – RCL Consultants
Addie Fanguy – Signature Flight Support
Gerard Metzger – Legal Counsel to the LMA
Mario Perrier – Signature Flight Support

The Airport Committee of the Lakefront Management Authority met on Tuesday April 13, 2021 at the New Orleans Lakefront Conference Center located at 6001 Stars and Stripes Blvd., New Orleans, LA 70126 after legal notice to the media was distributed and agenda was posted.

Chair Heaton called the meeting to order at 2:38 P.M. and led in the pledge of allegiance.

Louis Capo, Executive Director, called the roll. A quorum was present.

Opening Comments:

Chair Heaton thanked the Commissioners and the public for attending the meeting despite the poor weather conditions.

She reminded the Committee that the LMA continues to advocate for flood protection at the Airport and advised the Committee that they could reach out to her if they needed additional information.

Motion to Adopt Agenda:

A motion was offered by Commissioner Meadowcroft, seconded by Commissioner Francis, and was unanimously approved to adopt the agenda.

Motion to Approve the Minutes:

A motion was offered by Commissioner Francis, seconded by Commissioner Meadowcroft, and was unanimously adopted, to approve the minutes of March 25, 2021.

Public Comment:

Public comments were heard during their corresponding items.

Airport Director's Report:

Mr. Martin reported to the Committee that Airport staff was focused on general maintenance efforts, leasing, and the progress of the Runway 9-27 Decommissioning Project.

He reported that fence repairs (from Hurricane Zeta damage) had begun, and the sinkhole repairs near the National Guard Hangar had been delayed due to inclement weather.

Mr. Martin discussed the leasing status of units in the Terminal, and the interest from the public in leasing space at the Terminal. Mr. Martin discussed Units 105 and 106 which had been leased out to Sky Transit, LLC. He indicated that Suite 121, where Messina's had stored their furniture, was on the ground floor and was not built out yet.

Commissioner Francis inquired about what Mr. Martin's goal was for Suite 121. Mr. Martin said it was his intention to follow the guidance given by the Committee and the Board.

The Committee inquired about the status of Suite 121. Mr. Martin advised that items were still being stored by Messina's, and staff had followed the guidance of the Board to refer the issue and plan of action back to the Airport Committee and ultimately the Board for decision-making. Commissioner Lapeyrolerie confirmed that there were still items in the suite, and it was not built out yet. Mr. Martin confirmed that was the case.

Gerry Metzger, Legal Counsel to the LMA, updated the Committee that a lease - as approved by the Board - had been executed with Airware Logistics, LLC.

Mr. Martin advised the Committee that the grant submittal for the Runway 9-27 Decommissioning Project was about 95% complete. He said that the decommissioning of the runway would eliminate hot spots (defined as hazard intersections by the FAA). He added that the Seabrook drawbridge activity also creates an environmental challenge for planes landing on Runway 9-27. He added that it would enable development on the east side of the airport as well and would afford the FBOs more ramp space.

Mr. Martin explained that the FAA approached staff with the funding opportunity last minute, so the timeline for the grant submittal package would be expedited with a deadline of May 3, 2021.

Chair Heaton informed the Committee that the proposed project had been discussed for years but had not received funding from the FAA to implement until now.

Mr. Martin explained that there was a pre-bid conference scheduled the following day for potential respondents, and within the next two weeks he would be meeting with tenants to

discuss the upcoming project, its reasoning, and implications. He informed the Committee that tenants had been invited to participate in Airport Master Plan meeting sessions where the pros and cons of the project were discussed.

He advised the Committee that the bids would be opened on April 28, 2021, which was past the originally scheduled April 22, 2021 Board Meeting. He indicated that the Board must approve the acceptance of the lowest responsible and responsive bidder. Chair Heaton suggested that the Board Meeting be delayed by one week if Commissioners were available. She explained that if the Board Meeting were not deferred then the situation would necessitate a Special Board Meeting to accept the lowest bidder.

Mr. Martin advised the Committee that most of the work to be performed to complete the project would include changing of lighting and pavement painting/restriping.

Commissioner Lapeyrolerie confirmed funds were available and if the FAA had recommended that they proceed with the project for safety concerns. Mr. Martin confirmed that the funds were available, and the FAA asked that staff proceed.

Addie Fanguy, of Signature Flight Support, asked how - if at all - would tenants leaving from Bastian Mitchell Hangar be impacted from the decommissioning of the runway. Mr. Martin advised that there would be a taxi lane, so there would not be significant impact.

Old Business:

1) Discussion regarding the request of Messina Lakefront Airport, LLC to keep Messina's Runway Cafe in the Terminal at the New Orleans Lakefront Airport closed from January 6, 2021 through April 6, 2021 because of the Coronavirus Pandemic and regulatory restrictions on the operation of restaurants in the City of New Orleans.

Chair Heaton clarified that this had been applied to the agenda as an individual item because staff does not have the authority to amend terms of a lease, in this case the provision for hours of operation in the Messina Lakefront Terminal, LLC lease. She suggested that this be done retroactively to acknowledge that Mr. Messina had closed the establishment for that period due to COVID-19 restrictions.

She explained she believed that the LMA was not in a legal position to force him to open during that period.

Commissioner Francis confirmed if he paid the base rent. Director Capo confirmed that he had.

Mr. Metzger offered that the Committee could vote to recommend ratification of his closure as it had done previously during the COVID-19 pandemic.

Chair Heaton made a substitute motion to recommend request of Messina Lakefront Airport, LLC to ratify the closure of Messina's Runway Cafe in the Terminal at the New Orleans Lakefront Airport from January 6, 2021 through April 6, 2021 because of the Coronavirus Pandemic and regulatory restrictions on the operation of restaurants in the City of New Orleans. The motion was seconded by Commissioner Francis. All were in favor.

2)Discussion and recommendation regarding the request of Messina Lakefront Airport, LLC for temporary hours of operation.

Mr. Martin explained that Mr. Messina came to LMA staff and informed them that he was having difficulty hiring his full staff back and requested to only fulfill lunch service during reduced hours.

Chair Heaton explained that the lease requires him to open for breakfast, and it was her understanding that Mr. Messina was asking for a temporary reprieve.

Mr. Martin indicated that the lease requires the café to be open 10 hours per day six days per week. He explained that Mr. Messina was only operating at five hours per weekday (Tuesday through Friday) and eight hours per day on Saturdays. He added that Mr. Messina has not offered a termination date for the temporary request.

The Committee was not agreeable to the request if there was no finite date to the temporary measure.

Commissioner Lapeyrolerie inquired if they had reopened when they had announced (April 6, 2021). Mr. Martin confirmed they had. She inquired if they were open for 6 days per week. He confirmed they were.

Commissioner Francis confirmed that they had already begun operating at the reduced hours. Mr. Martin confirmed they had.

Commissioner Lapeyrolerie explained that Mr. Metzger had informed the Board that the LMA reserved the right to request financial records from Messina Lakefront Airport, LLC to analyze the accuracy of overage rent payments. It was her understanding that another Commissioner advised staff to retrieve the records.

Director Capo confirmed that the sales tax records had been received. The Committee inquired if the information would be reported on during the agenda. He advised that the compilation of the records and analysis of the records was not yet complete. Commissioner Lapeyrolerie expressed the need to verify the records timely.

Director Capo asked Mr. Metzger if they could request any other financial records. Mr. Metzger confirmed that the LMA could only request records from the lessee entity, Messina Lakefront Airport, LLC.

Commissioner Lapeyrolerie requested that at the full Board meeting that staff obtain and analyze financial records that the LMA is legally entitled to ensure the LMA was receiving all the overage rent payments due from the sales generated from the facility.

Chair Heaton offered that the LMA could request all financial records from orders generated from the New Orleans Lakefront Airport.

Commissioner Lapeyrolerie offered that until Messina's could verify their sales that they could live by the lease at the full hours of operation.

Chair Heaton said that staff should generate the appropriate information based on facts and share that information with the Board.

Commissioner Lapeyrolerie did not feel she could consider any concessions without more information, and it was the LMA's responsibility to take care of public property.

Director Capo said he could request additional information from Mr. Messina's attorney.

Chair Heaton asked that he request whatever revenue generated from the Terminal building.

Commissioner Lapeyrolerie inquired if Director Capo had investigated the approximation of \$7,000 in overage rent payments.

Chair Heaton said it was her understanding that the overage payments appear to be accurate; however, questions have been asked regarding sales that may have been run under a different entity.

Commissioner Lapeyrolerie was concerned about the precedence it set for catering operations moving forward. She added that running sales through another enterprise should be prohibited.

Mr. Metzger clarified that the lease states that any and all sales earned through the operation of the leased premises must be counted, so running the sales under another enterprise would not exclude Mr. Messina from having to pay on those sales.

Chair Heaton said she committed to having staff put the item on the Board agenda pending the proper information be prepared and provided.

Commissioner Francis clarified that Mr. Messina's business had already reduced their hours. Chair Heaton thought they were requesting the reduction in hours.

Commissioner Meadowcroft felt like the items should not go to the Board without having a frank discussion with Mr. Messina because they were not following their lease terms or substantiating their overage rent payments. She requested additional details.

Commissioner Lapeyrolerie requested that staff come back to the Board with a comprehensive report regarding the various issues with Messina Lakefront Airport, LLC.

Chair Heaton offered that the information could be circulated.

Mr. Martin asked if the tenant could be placed into default. Chair Heaton offered that additional due diligence from the Legal Committee and counsel could be performed.

Chair Heaton made a motion to request staff and legal counsel to author a Memorandum of Noncompliance and to recommend forward action. Commissioner Francis seconded the motion. All were in favor. The motion carried.

Mr. Metzger advised the Committee that he would be reaching out to Mr. Messina and his legal counsel. Mr. Metzger reminded the Committee that there was a 30-day curative period for non-monetary default.

Commissioner Meadowcroft suggested putting Messina's Lakefront Airport, LLC in default.

Commissioner Lapeyrolerie made a motion to add an item to the agenda:

- Motion to recommend notifying Messina Lakefront Airport, LLC of default due to noncompliance hours of operation.

Commissioner Francis seconded the motion. The Committee called for public comment. No comment was made. All were in favor. The motion was added to the agenda.

Commissioner Lapeyrolerie made a motion to recommend notification of Messina Lakefront Airport, LLC of default due to noncompliance hours of operation. The motion was seconded by Commissioner Meadowcroft, and Commissioner Francis voted in favor. Chair Heaton abstained. The motion carried.

3)Discussion regarding the potential leasing of Airport Terminal Suite 121 to Messina Lakefront Airport, LLC in the New Orleans Lakefront Airport Terminal under the standard terms and conditions for leases in the New Orleans Lakefront Airport Terminal.

A motion was offered by Commissioner Lapeyrolerie and was seconded by Commissioner Francis to discuss the potential leasing of Airport Terminal Suite 121 to Messina Lakefront Airport, LLC in the New Orleans Lakefront Airport Terminal under the standard terms and conditions for leases in the New Orleans Lakefront Airport Terminal.

Mr. Martin suggested that if Mr. Messina was not interested in paying back rent or market rent for a lease, then staff could consider getting a new tenant for the space.

Chair Heaton explained that Mr. Messina suggested utilizing part of the unit and constructing a wall as another tenant for the space had been approved by the Board, but the tenant ending up not moving forward with the lease. Mr. Messina began utilizing the space. It was her understanding that the Board had approved a lease with Mr. Messina for part of the unit; however, the prior administration did not execute the lease. She said that the previous administration did not note any issues. Mr. Martin had informed her of the issue when he reviewed the suites and discovered the issue. She told the Committee that she and staff had a meeting with Mr. Messina in the later part of December 2019 to discuss the issue of his encumbrance of the unit without payment. She advised the Committee that she told Mr. Messina she would only be supportive of his renting of the space if he paid for the months he had used the space.

She explained to Mr. Messina that the LMA as a public agency could not give away storage space for free. Mr. Messina alleged that the former executive director allowed him to use the space.

Chair Heaton said that staff reported to her that Mr. Messina also alleged she had authorized him to use the space which she reported did not transpire. She explained that soon after the COVID-19 pandemic began, and felt it was not timely to engage due to the extenuating circumstances.

She understood legal counsel's opinion that back rent could not be collected, but she reaffirmed that Mr. Messina did not follow up with her for a solution.

Commissioner Francis expressed concern about placing a tenant in default and then leasing them an additional unit. Commissioner Lapeyrolerie expressed concern that the LMA could possibly not retrieve back rent.

Commissioner Meadowcroft believed that Mr. Messina has had opportunities to remedy issues, and the LMA had been flexible. She was concerned about the precedent the situation could set.

Commissioner Francis suggested that the Legal Committee review the prescriptive period issue. Mr. Metzger reminded the Committee that the Legal Committee had reviewed some issues already but could go into greater detail at the next meeting.

Mr. Martin asked the Committee if they would be agreeable to recommending that staff inform Mr. Messina to vacate Suite 121.

Mr. Metzger offered that the Committee could recommend a time period for Mr. Messina to vacate. Director Capo suggested that staff offer a deadline.

Director Capo advised that the letter to vacate would be delivered the following day.

Mr. Metzger advised the Committee that he would coordinate with Legal Chair Cohn to explore the issue.

New Business:

1) Motion to recommend approval to combine leases for New Orleans Lakefront Airport Terminal Units 105 and 106 with Sky Transit, LLC under the standard terms and conditions for leases in the New Orleans Lakefront Airport Terminal.

A motion was offered by Commissioner Francis, seconded by Commissioner Meadowcroft, and was unanimously adopted to recommend approval to combine leases for New Orleans Lakefront Airport Terminal Units 105 and 106 with Sky Transit, LLC under the standard terms and conditions for leases in the New Orleans Lakefront Airport Terminal.

2) Motion to recommend approval of the merger and assignment of the Leases for the Signature Flight Support Hangar, Bastian Mitchell, and James Wedell Hangars at the New Orleans Lakefront Airport by Encore FBO, LLC d/b/a Landmark Aviation to Signature Flight Support, LLC.

A motion was offered by Commissioner Francis, seconded by Commissioner Meadowcroft, and was unanimously adopted to recommend approval of the merger and assignment of the Leases for the Signature Flight Support Hangar, Bastian Mitchell, and James Wedell Hangars at the New Orleans Lakefront Airport by Encore FBO, LLC d/b/a Landmark Aviation to Signature Flight Support, LLC.

Mr. Metzger advised the Committee that he had been in communication with the attorneys for Signature Flight Support and the transaction was a typical corporate merger between parents and indirect parent companies. He explained that according to the lease, they need approval from the Board to change the lease holding to the name of the surviving entity.

Mr. Fanguy recounted the corporate history and assured the Committee that they would still be operating under the same name. Mr. Fanguy introduced Mr. Mario Perrier, an Operations Manager with Signature Flight Support.

Chair Heaton asked Mr. Fanguy about the number of FBOs that Signature Flight Support operates. Mr. Fanguy estimated that there were approximately 225 worldwide. It was his understanding that their company was the largest FBO in the world.

3)Discussion regarding McDermott Hangar Repairs.

Daniel Hill, Director of Engineering and Operations, introduced Paul Dimitrios of RCL Consultants to the Committee. Mr. Hill advised the Committee that Mr. Dimitrios was assisting the LMA in the planning and design of roof repairs at the Airport that resulted due to Hurricane Zeta.

Mr. Dimitrios advised the Committee that the McDermott Hangar Repairs would likely exceed the threshold that would necessitate a public bid process. Mr. Hill advised that the estimate to repair the roof was about \$320,000.00.

Mr. Metzger advised that Board approval was only needed for acceptance of bids.

Mr. Dimitrios informed the Committee that the McDermott Hanger had been repaired with a two-ply modified method possibly due to cost after Hurricane Katrina. He believed there was originally metal sheets on the roof. He advised the Committee that if it were not cost-prohibitive that he would recommend replacing the modified roof with metal sheets. He said that the job can be advertised for in-kind replacement and an alternate for the metal roof replacement. He advised that the cost may be nominal.

4)Motion to recommend approval of a contract with Roof Technologies, Inc. for an amount not-to-exceed \$249,500.00 for National Guard Hangar Roof Repairs.

Mr. Dimitrios advised the Committee that only two firms submitted quotes for the work: Rycars Construction and Roof Technologies, Inc with Roof Technologies, Inc. submitting as the lowest responsible and responsive bidder. He noted that Roof Technologies, Inc. had performed the roof demolition and patching work.

Chair Heaton asked if staff anticipated if there would be a change order for the job. It was her understanding that a change order would necessitate a publicly advertised bid process as the price of \$249,500.00 was near the threshold. She felt the Committee could only make the recommendation for the price and sum presented in their quote package. Commissioner Francis concurred.

Mr. Metzger advised that if the quotes are anticipated and projected to be submitted under the threshold, then a public bid process is not necessitated.

Mr. Dimitrios expressed concern about delaying the project due to soaring lumber and steel costs.

A motion was offered by Commissioner Francis, was seconded by Commissioner Meadowcroft, and was unanimously adopted to recommend approval of a contract with Roof Technologies, Inc. for an amount not-to-exceed \$249,500.00 for National Guard Hangar Roof Repairs.

5)Discussion regarding the National Register of Historic Places application for the New Orleans Lakefront Airport through the Louisiana Office of Cultural Development.

Chair Heaton advised the Committee that it has been the desire of the agency to proceed with the National Register of Historic Places for the New Orleans Lakefront Airport. She explained that the purpose of the item was to inform the Board of the process.

Commissioner Lapeyrolerie said it was her understanding that any member of the public could nominate a site. Chair Heaton confirmed it was the case, and staff was working with a graduate who was preparing the application.

Chair Heaton advised that a memo could be circulated to the Committee, and a motion could be presented to the Board to support the endeavor.

6) Discussion regarding an IDIQ contract for emergency debris cleaning services.

Mr. Hill advised that he had circulated advertisements for debris monitoring services and debris cleaning services for the Airport and lakefront. He advised that years ago, these contracts existed for hurricane season.

He advised that the Board could decide if Director Capo could let contracts under emergency authorization. He said that the RFQ advertisement was qualifications-based with a cost factor built in. He advised that the responses would be due in time for approval at the next Board Meeting.

Announcement of next Airport Committee Meeting:

1) Tuesday, May 18, 2021– 2:30 PM

Adjourn:

Commissioner Francis made a motion to adjourn the meeting. Commissioner Meadowcroft seconded the motion. All were in favor. The meeting adjourned at 4:08 PM.