

**MINUTES OF
LAKEFRONT MANAGEMENT AUTHORITY
REGULAR MEETING OF THE AIRPORT COMMITTEE
HELD ON TUESDAY, JANUARY 17, 2023 - 2:30 PM**

PRESENT: Commissioner Pat Meadowcroft (Chair)
Commissioner Brian Egana
Commissioner Carlos Williams

ABSENT: Commissioner Jennifer Herbert
Commissioner Wilma Heaton

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Bruce Martin – Director of Aviation
Adam Gulino - Director of Operations

ALSO

PRESENT: Gerry Metzger – LMA Attorney
Jeff Dye – LMA Attorney
Anthony Marino – VP ICE Engineers
Van Constantine – Area GM, Signature FBO
Paul Demetrios - RCL Architecture

The Airport Committee of the Lakefront Management Authority met on Tuesday, January 17, 2023, at the New Orleans Lakefront Airport at 6001 Stars and Stripes Blvd., New Orleans, LA 70126.

I. Call to Order

Chair Meadowcroft called the meeting to order at 2:30 PM.

II. Pledge of Allegiance

The Pledge was led by Chair Meadowcroft.

III. Roll Call

Mr. Capo called the role and (3) members were present, and a quorum was present.

IV. Opening Comments – Chair Meadowcroft/Commissioners

Chair Meadowcroft welcomed everyone to the Airport Committee meeting and called for a motion to adopt the agenda.

V. Motion to Adopt Agenda

A motion was made by Chair Meadowcroft; seconded by Commissioner Williams

Chair Meadowcroft opened the floor for discussion and questions. Hearing none, called for a vote. **All were in favor.** The motion passed unanimously.

Chair Meadowcroft moved to amend the agenda to move the action items up before public comments. The motion was seconded by **Commissioner Egana.**

Chair Meadowcroft opened the floor for discussion and questions; hearing none called for a vote. **All were in favor. The motion passed unanimously.**

VI. New Business

- 1. Motion to recommend approval of an FAA Small Scale Reimbursement Agreement for Design Review in the amount of \$95,688.**

A motion was made by Commissioner Egana; seconded by Commissioner Williams.

Chair Meadowcroft asked and invited Bruce Martin, Director of Aviation to give a briefing on the motion.

Mr. Bruce Martin reported that this motion corresponds with Grant #38 which is for Phase-I of the Design Drainage Project. The reimbursement is built into the grant and will not require any financial backing from the LMA. FAA requires its engineers to be involved in the design phase due to the wires and cables that will be touched where the drainage will be placed. We are required to make a reimbursable agreement on any big project that has to do with the tech ops side of the FAA. These funds are built into the grant to pay the FAA.

Commissioner Egana asked if the FAA chose its own team.

Mr. Martin replied the engineers are employed by the FAA.

Chair Meadowcroft called for discussion and questions. Hearing none, called for a vote. Hearing no objections, **the motion passed unanimously.**

- 2. Motion to recommend the approval of a lease renewal and rent rate increase to \$935.31 for State Representative Candace Newell for a term of one year beginning January 1, 2023, to December 31, 2023.**

A motion was made by Chair Meadowcroft; seconded by Commissioner Williams.

Chair Meadowcroft opened the floor for discussion and questions. She asked Bruce Martin to give background on the lease renewal.

Mr. Martin explained that Representative Candace Newell, who leases Suite 149 has a year-to-year lease from January 1 to December 31 and is up for renewal and an increase.

Commissioner Egana asked what was the amount of the increase and then what was the reason for the increase.

Mr. Capo replied that it is an insurance pass-through which has increased for all tenants in this building.

Gerry Metzger added that this is the standard lease used by the state. It's a lump sum on rent but the landlord pays the utilities.

Commissioner Egana asked if most of the tenants lease from year to year and why was this not done in December as opposed to now.

Mr. Martin replied, no, this is our only year-to-year lease. He explained that it should have gone through approvals in December, but we didn't catch it until after December's meeting.

Commissioner Egana asked why she was the only year-to-year tenant.

Mr. Capo explained that elected officials have a clause allowing them to lease on a year-to-year basis. They may also opt out of their leases with a 30-day notice.

Chair Meadowcroft called for a vote, and with no opposition, **the motion passed unanimously.**

3. FEMA Compliance update presented by Adam Gulino (LMA Engineer), Chris Fenner (Stewart Enterprises), and Paul Dimitrios (RCL Architecture)

Commissioner Meadowcroft asked Adam Gulino and Mr. Paul Demetrios to update us on the FEMA compliance issue over at the Wedell Hangar and Bastian Mitchell Hangar which both are Signature hangars.

Adam Gulino provided a timeline of the work done at the Signature hangars. He reported that both Bastian Mitchell and James Wedell were FEMA-funded rebuilds which were completed in 2014. During the design, FEMA was well aware of the work being done. However, now they have said that the items that are below the (BFE) base flood elevation must be removed. Those items include variations of bathrooms, some walls, and electrical. That would be the bottom floor of both hangars.

Commissioner Egana asked Mr. Gulino to articulate the meaning of the acronym ‘BFE’ as Base Flood Elevation for the benefit of the public in attendance as they may not know the meaning of ‘BFE.

Mr. Gulino stated that “BFE’ stands for Base Flood Elevation which is 13 feet for our area.

Paul Demetrios added that the base flood elevation is 16 plus 3 which is 13 feet from ground level to the second level. The second floor is above the BFE. FEMA’s contention is the bathrooms and shop space that were built keeping in mind that there is a segregation between the first floor for use by the public, shop space for use by the airport technicians, and second-floor space for use by the pilots and avionics not to be mixed with the public. Due to the segregation of space, there is still a need for a public-use bathroom. FEMA was on board with this plan when the original design was presented, however, due to administrative change, the last group to review at completion had objections to some of the things we had at the ground level. We have maintained that these things would depend on the function of the way the hangars work, which has not resolved any of FEMA’s issues at this point.

Adam Gulino added that when this problem arose, the first item that we addressed was a FEMA Compliance from the Floodplain Administrator.

Mr. Capo added that at FEMA's request, they would accept the project if we got a CNO - Floodplain Compliance Manager's approval.

Adam Gulino added that after the City's floodplain manager came out, inspected, and approved it, FEMA responded with a hard 'no' they weren't accepting that anymore you must remove it.

RCL and Stuart have put a demo plan together to remove those items. The consequence of not doing this is that FEMA can at any point retract the \$24 million until it's paid out or they could bar us from receiving future grant funding from them. We are coming to this committee to let you know that our hands are tied and we have no other option but to move forward with the demo project.

Mr. Capo introduced General Manager for Signature FBO, Ms. Van Constantine, to speak on behalf of Signature and the impact this will have on her customers.

Paul Dimitrios prefaced Ms. Constantine's comments by stating that they had a meeting earlier in the week to inform Signature of the plans for the demo project.

Van Constantine, Area Manager for Signature FBO, stated that she was here to gain more information to bring back to her real estate team and corporate office so that they will be able to make informed decisions that will certainly cause significant hardships to the company and some of Signature's biggest clients as well.

Ms. Constantine presented the following questions to the committee:

- What is the timeline?
- If we lose the use of the square footage of the first floor, would we receive a rent rate reduction?
- How would we resolve the issue of losing the public restroom which is slated to be removed?
- Also, how do we address moving the power plugs up to 8ft in workshops? We will not be able to operate the heavy avionic equipment. FEMA suggested that we run an extension cord. This could violate safety standards. There are many rules and regulations to take into consideration.

Commissioner Egana stated, having been on a tour of the hangars, and seeing the planes that are stored in them. I have a good understanding of the importance of it but with FEMA saying no, and us saying that we must move forward with the demo, what does this mean from a fiduciary standpoint for us?

Agam Gulino reiterated that if FEMA feels that we are delaying, they could hold us liable to reimburse the \$28 million that was paid to us.

Mr. Capo stated that we met with the Congressional Delegation.

Commissioner Egana expressed that he feels it's time to engage our elected officials and appointees to the Congressional Delegation again and staff should present a few options to the board to address this issue by the next board meeting.

Chair Meadowcroft agreed with Commissioner Egana on the topic and recommended that we present this issue to the Congressional Delegation again. She also wanted to schedule time for other members of the Airport Committee to take a tour of the Airport to get a visual of the proposed demo area.

She asked Mr. Martin if there was any way to get the financial impact that the demo would have on Signature and the Lakefront Airport. She asked for a white paper to show the financial impact on Signature and our Airport.

Commissioner Williams agreed, as Congressman Carter's appointee, to schedule a tour in the coming days for a visual to bring the urgency of the impact back to the Congressman.

Chair Meadowcroft thanked everyone for this discussion and hopes to move swiftly with the commissioner's airport tours and work toward resolving this issue favorably.

Public Comments – No public comments.

VII. Director's Report

Bruce Martin, Director of Aviation, reported on 2022 year-end Statistics.

- Overall, 2022 has been a very profitable recovery from Covid

- Flight Ops 72,693 is up from 2021 67,541 averaging 200 flights/day.
- Fuel sales in 2022 were 3.3 million gallons of fuel (the most fuel moved since 2004); 2021 sales were 2.5 million gallons of fuel.
- The Final Four had more gallons moved than the Super Bowl in 2013 which was a huge boost. No Final Four this year, however, our budget is set to continue to see a rise.

Chair Meadowcroft asked what the boost in sales contributed to.

Mr. Martin stated that aviation in general has picked up and more people are flying privately. Sales have picked up since COVID. Also, there are more private flight options available on the market. Companies are now offering share purchases, which makes them more accessible to the public.

- St. Michael's Special School toured the Airport and Fire Station and sent great reviews back to us. We also have several other schools scheduled to tour the Airport in the coming weeks.
- We have started prepping for the Super Bowl in 2025. We are currently working with Verizon to test the signals at the Airport. They took readings to be able to meet the influx of traffic.
- We are excited that the Hot Spot construction started on January 16th. It's expected to be completed on March 16th. We continue our efforts to have a safer airport.
- We were expecting the cost of the Drainage Project to come in at \$13 million. However, the 60% came back at \$21 million due to the condition of the area of land where the pump station will need to be placed. They will need to lay more piles than originally estimated to keep the pump from sinking. He will be meeting with the FAA to come up with options to address this issue.

Chair Meadowcroft asked if there have been any more conversations on renewable fuel.

Mr. Martin stated that we don't own the fuel; it would be on the FBOs to upgrade to that. We could offer incentives to encourage the FBOs to make that investment

if the board wanted to go in that direction. It is a considerably higher fuel cost associated with it.

VIII. Announcement of the next Marina Committee Meeting

1. Tuesday, February 14, 2023 – 3:30 P.M.

IX. Adjourn

There was no quorum. The meeting was adjourned at 3:20 PM.