

**LAKEFRONT MANAGEMENT AUTHORITY
AIRPORT COMMITTEE AGENDA
TUESDAY, JULY 18, 2023 – 2:30 P.M.**

Lakefront Airport Terminal Building, 2nd Floor Conference Center
6001 Stars and Stripes Blvd., New Orleans, LA 70126

PRESENT: Commissioner Wilma Heaton – Chair
Commissioner Jennifer W. Herbert-Vice-Chair
Commissioner Brian Egana
Commissioner Carlos Williams

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Adam Gulino – Director of Operations and Engineering
Bruce Martin- Airport Director
Cindy Grace, LMA Finance

ALSO

PRESENT: Gerry Metzger – LMA Counsel
Jeff Dye – LMA Counsel
Dennis Duhon- DOA, Bollinger LLC
Darren Perick- Project Manager, Kutchinson
Chaz McGee- Project Manager, GarverUSA
Blake Roberson- Project Manager, GarverUSA
Robert Claypool- Manager, Gulf Coast
James Yockey - Manager, Climb Ventures
Harold Buchler-BEW
David Capo- Manager, BCW
Pike Howard - Manager, Corporate Hangars
Pierre Villere - Principal, Flightline
Krystal & Ankur Hukmani - Owner, Jazz Aviation
Wendy Bell - Flightline

The Airport Committee of the Lakefront Management Authority on Tuesday, July 18, 2023, at 2:30 PM at 6001 Stars and Stripes Blvd., New Orleans, LA 70126.

I. Called to Order at 2:30 PM

II. Pledge of Allegiance led by Commissioner Williams.

III. **Roll Called by Mr. Capo.** With (4) members present, a quorum was established

IV. **Opening Comments – Chair Heaton**

Chair Heaton addressed staff and the guests to say that the committee understands the many challenges at the Airport. The committee and board stand ready to work with the tenants to address and resolve the issues as best we can. She thanked everyone for their attendance to discuss today's important business.

V. **Motion to Adopt Agenda**

A motion was offered by **Commissioner J. Herbert** and seconded by **Commissioner Egana.**

VI. **Approval of Minutes**

1. **Airport Minutes – June 13, 2023**

A motion was offered by **Commissioner Egana** and seconded by **Commissioner Williams.** All were in favor. The motion passed.

2. **Airport Minutes - March 14, 2023**

A motion was offered by **Commissioner Egana** and seconded by **Commissioner Williams.** All were in favor. The motion passed.

VII. **Public Comments - Limited to (2) Minutes**

Pike Howard commented that he met with Commissioner Heaton and Airport staff to discuss four points of concern for the Airport Stakeholders:

1. Base rent at the Airport has increased due to insurance costs that are passed through to tenants. However, the tenants felt there should be an adjustment to lower base rent by the amount of the insurance cost.
2. The Airport's largest leaseholder is pricing tenants off the airfield. He reported that beginning September 15th, they stand to lose a corporate flight department with (5) planes.

He gave the example of The Common Area Maintenance (CAM) charges have increased by 2700% from \$116/month to \$3300/month.

He felt it was incumbent upon the Airport staff and board to investigate the cause of the astronomical CAM charge increase as their actions directly impact the Airport Operations going forward.

3. The airport tenants would like to address the airport's policy that it is unable to lease a portion of a facility to multiple tenants. He felt that the policy was fiscally unviable given the current conditions and needs.
4. The Airport lacks capital for maintenance improvements. Therefore it should create an opportunity for tenants to make the improvements by offering concessions or rent credits to acknowledge the improvements.

Mr. Howard closed by stating that he felt the issues were not overly complex and that he and other tenants were willing to work together with the LMA Airport staff to resolve those issues about this place we all care about.

Dennis Duhon of Bollinger Enterprises commented on his concerns over a 45% increase in CAM charges due to insurance increases. He had questions regarding how we arrived at the 45% increase in cam charges. He said that his boss, Mr. Bollinger, and others on his team were very disappointed at the current conditions at the airport, and hangar and wanted answers to their concerns.

Chair Heaton commented that we do not have the bandwidth to micromanage the FBOs but we can meet with them regarding your concerns. She said she recently assumed the Chair position again on this committee. She appreciated the dialogue and cared about working through the tenant's concerns.

Commissioner Egana commented that he and Commissioner Williams took a tour of the airport over a week ago and asked who was responsible for the grass and maintenance of the facilities.

Mr. Capo addressed the commissioner's questions regarding the responsibility of grass and maintenance stating that it depends on where the leasehold is, it would be the tenant's responsibility to maintain the grass and maintenance of the hangars.

Mr. Claypool addressed motion number 2 on the agenda and commented on his conversations with staff. He felt he did not have a fair opportunity to compete for the lease of the hangar. He said that overall, he was in support of motion number 2, however, he was more disappointed in the broken process and that the all-or-nothing policy would not permit tenants to lease parts of a hangar.

Commissioner Egana asked what policy is being referenced.

Discussion continued regarding the policy, the appraisals, and the procurement process in place to lease hangar space.

Pierre Villere, Flightline First (principal), commented on the insurance passthrough and claims requirements. He said that the fire suppression system was faulty and could cause problems during claims submissions. He said that he would be willing to bring the fire suppression system up to code if they would be allowed a rent concession in exchange for the cost of the work.

Chair Heaton directed Mr. Martin to meet with Mr. Villere regarding his concerns over the fire suppression system.

Mrs. Hukmani, owner of Jazz Aviation, and NOAT, commented on her conversations with staff over time about the actions of Signature FBO especially the 35% increase on their base leasehold and 650% increase in CAM charges which has led them to search for hangar space to build.

VIII. Airport Director's Report

Bruce Martin responded to the fire suppression system information from Mr. Villere stating that those systems are the responsibility of the tenant. It is part of their lease.

He has been in conversations with the new manager at Signature FBO who has been very receptive to talks regarding upgrading the fire suppression systems. They have assured us their fire suppression systems, including the National Guard hangar would be up and running by mid-August 2023. The other fire suppression systems should be up to code by the end of this month.

Mr. Martin also said that there have been no reports by the fire department of a faulty fire suppression system at Flightline.

Mr. Martin reported that the Airport was awarded a supplemental grant of \$2.1 million. It will be added to the AIP funds for the drainage reservoir and pump. We will go out for bids next week.

He saw this project and Chair Heaton's continuous work for flood protection as a path to help decrease some of the insurance costs.

Chair Heaton commended Mr. Martin on his efforts to simultaneously address the pooling water on the Airport.

IX. New Business

- 1. Motion to recommend rescission of Resolution No.VII-06-06222023 and to recommend approval of a contract for the Taxiway B Rehabilitation Program Phase 1 Project at the New Orleans Lakefront Airport with Boh Bros. Construction Co., LLC for the price and sum not to exceed \$1,831,070.00, conditioned on receiving grant funding from the FAA and LADOTD for the cost of the Project.**

A motion was offered by Commissioner Egana and seconded by Commissioner Williams.

Jeff Dye discussed the selection process for this resolution.

With no further discussion, Chair Heaton called for a vote. All were in favor. The motion passed.

2. Motion to recommend approval of a lease with Flightline First for the National Guard Hanger pending appraisal.

A motion was offered by Commissioner J. Herbert and seconded by Commissioner Egana. There was no discussion. All were in favor. The motion passed.

3. Motion to recommend the approval of a contract for the Fuel Farm Roof Replacement with Roof Technologies, Inc. for a price and sum not to exceed \$105,250.00.

A motion was offered by Commissioner J. Herbert and seconded by Commissioner C. Williams.

Chair Heaton asked how much of this was reimbursable.

With no further discussion, Chai Heaton called for a vote. All were in favor. The motion passed.

4. Motion to recommend approval of a term extension of a CEA with Commemorative Air Force (Big Easy Wing) for one (1) year effective April 1, 2023, and ending Mach 31, 2024 with four (4) one-year options to renew pending appraisal.

A motion was offered by Commissioner J. Herbert and seconded by Commissioner Egana.

Mr. Metzger explained the terms of the CEA.

David Capo, founding Unit Leader of the Commemorative Airforce - Big Easy Wing. Retired two years ago. Mr. Harold Bechler, the current Unit leader, was also present.

Mr. David Capo reported that his group acquired the hangar in terrible disrepair through a Cooperative Endeavor Agreement with LMA 5 years ago. He talked about the donated funds, approximately \$400,000 in time and talent used to repair and restore the hangar to what it is today. He was in a terrible accident and lost track of time. He ultimately discovered that the CEA had expired. He appeared before the board to request an

extension on the CEA to allow them to continue to work on the hangar and their group's community efforts to educate local youth about aviation. He invited all who had time to come out and see what they do on Friday, July 21, 2023.

Chair Heaton commended Big Easy Wing and Mr. David Capo on the work on the hangar and the community outreach to expose the city's youth to Aviation.

Commissioner Egana expressed his concern with the current motion on the floor. After a lengthy discussion, the committee reached a decision to amend the motion.

Commissioner Egana offered to amend the motion on the floor **to extend the CEA for (1) year to March 31, 2024, with no options to renew.** This would allow staff and the committee to review options for new lease terms after the appraisal is received.

Commissioner J. Herbert offered a second to accept the amended motion.

Commissioner J. Herbert offered a motion to recommend the motion as amended; seconded by Commissioner Egana.

Chair Heaton called for discussion. Hearing none. All were in favor. The motion passed as amended.

5. Motion to recommend approval of a contract with HMT L.L.C., for the repairs and coating of Tank 101 for price and sum not to exceed \$50,345.00.

A motion was offered by **Commissioner Egana** and seconded by **Commissioner Williams**.

Adam Gulino explained that this is to repair the damaged tank 101 to put it back to use.

Chair Heaton called for discussion. Hearing none called for a vote. All were in favor. The motion passed.

6. Update and discussion on NOAT/Jazz Aviation's letter of intent.

Mrs. Hukmani discussed their ongoing conversations with the Airport staff to identify suitable space to build their own hangar. The location is 140,000 square ft east of the National Guard hanger including the ramp space adjacent to it. She said they wanted to enter into a lease agreement for that area.

She added that they had an exceptional meeting with the consultants to discuss taxiway-safe areas and went to great lengths to produce algorithms and calculations of the area.

Chair Heaton thanked everyone involved in the work that was done to get this on the agenda for discussion. She asked Director Martin to give his opinion of the reports and operations.

Mr. Martin said that they looked at several options and have found the best-case scenario as far as location. There are other questions to work through with the Hukmani's regarding operations. Also, the FAA will have to be involved in doing the environmental air studies.

Chair Heaton said the goal now would be for the Airport staff to work through the remaining checkpoints and set a timeframe to have the final proposal come back to the committee for review and recommendation to the board for final approval.

With no further discussion or comments, Chair Heaton announced the next meeting and called for adjournment.

Announcement of the next Airport Committee Meeting

- 1) Tuesday, August 15, 2023, at 2:30 PM

X. Adjourn at 3:33 PM

A motion to adjourn was offered by Commissioner Egana and seconded by Commissioner Williams.