

**LAKEFRONT MANAGEMENT AUTHORITY
AIRPORT COMMITTEE MINUTES
TUESDAY, February 20, 2024 – 2:30 P.M
6001 Stars and Stripes Blvd.
New Orleans, LA 70126**

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

ABSENT: Commissioner Philip Clinton

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Bruce Martin – Director of Aviation
Adam Gulino – Director of Operations and Engineering
Kristin Klinard – LMA Finance
Margie Brown – LMA Finance
Gerry Metzger – LMA Counsel

ALSO

PRESENT: Bane Shepherd – Area GM at Signature
Stephen Peychaud – Sr. Planner at Charbonnet Associates
Darren Darsick – Project Mgr. at KRG
Rachel Linker
Mr. Walsh - Tadera

The regular monthly Airport Committee Meeting of the Lakefront Management Authority was held on Tuesday, February 20, 2024, at 2:36 PM, at the Lakefront Airport Terminal Building, 2nd Floor Conference Center, 6001 Stars, and Stripes Blvd., New Orleans, Louisiana 70126, after due legal notice of the meeting was sent to each Board member and the news media and posted

- I. **Called to Order at 2:36 PM.**
- II. **Pledge of Allegiance led by Commissioner Williams**
- III. **Roll Called by Mr. Capo. (4) members were present for a quorum.**

IV. Opening Comments – Chair Heaton: NO COMMENTS

V. Motion to Adopt Agenda

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

VI. Public Comments – LIMITED TO (2) MINUTES: NONE

VII. Airport Director's Reports

Bruce Martin, Director of Aviation reported the following:

- He attended GOHSEP's Institutional Medical Evacuation Plan meeting in Baton Rouge.
- Discussed the Lakefront Airport's participation in the Medical Evacuation Plan for Region 1.
 - New Orleans Area Hospitals would implement their Evacuation Plans 72-hrs before a CAT-3 storm
 - They would take over Signature FBO and set up a manifest station for patient information. They will fly in (6) C-17 planes to move non-critical patients out.
 - Critical patients would go to the east side of the airport where they would go through the manifest process and be taken out by smaller planes. He showed a picture of the location.
 - All patients would return to New Orleans area hospital through MSY due to the assumption that the Lakefront Airport will have taken on water.
 - The next GOSHEP meeting will be in May. They will test the manifest software.

Commissioner Heaton asked who had Mr. Martin met with.

Mr. Martin stated that it was a statewide meeting headed by Dr. Pratts.

- **Mr. Martin** showed a picture of the construction at Taxiway Bravo Construction.
 - Should go out for bid within the next 30 days for the next phase of the project. The goal is to finish the project ahead of the Super Bowl

Mr. Martin said he is working with constituents on both the Federal and State levels to acquire additional funding for this project

- Final walk-through is scheduled for next Wednesday on the reflector placements.
- The pump station and reservoir project is ongoing. He showed a picture of the big hole they dug. He will keep the committee updated as they move along.
- Flightline First roof replacement is underway. They are currently working on the flat roof and will be moving to the next phase when done. We received approval for the crane placement today.
- Milling overlay work to start in two weeks on Sikorski Dr. near the South Shore Harbor Covered Boat Slips.

VIII. New Business

1. **Motion to recommend approval of a lease with GCR, Inc. d/b/a Tadera of Suite 105 in the New Orleans Lakefront Airport Terminal for a term of one (1) year with three (3) 1-year options to renew for a rental rate of \$21,603.60 per annum, inclusive of a base rental rate of \$31.00 psf with a pass-through of \$11.36 psf.**

Chair Heaton asked where the office was located.

Mr. Martin said the office was in the atrium just past the stairs.

Chair Heaton asked what type of business was this.

Mr. Martin said it was an Aviation Technology company and Mr. Walsh was present to give details.

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

Mr. Walsh informed the committee that they were incorporated in 1979 and detailed the services they provide to many airports, and they also do work for the FAA. They went through a series of acquisitions and ultimately lost their south shore office and are looking for new office space.

Chair Heaton confirmed that they were originally at the UNO Technology Building now called The Beach.

The Committee discussed Commissioner Egana's questions regarding the length of our leases and how the vacancies are advertised.

Mr. Martin replied to the commissioner's questions and informed the committee that the length of the lease terms starts as a discussion to find out the potential tenant's needs. The 1–3-year options are then determined by how the business fits in with the terminal's goals to increase foot traffic at the terminal. Vacancies are advertised on the terminal screen and the Airport website as well.

With no further questions or comments, Chair Heaton called for a vote. All were in favor. The motion passed and will go before the board recommended by the Airport Committee.

2. Discussion on the Airport's Fiscal Year 2025 Budget

Chair Heaton stated for confirmation that the budget must be in Baton Rouge by April 1st.

Mr. Capo affirmed and reported the following information on the Fiscal Year 2025 Airport Budget:

- The summary of all the Airport properties shows that we are currently over budget by \$205,000

- Our projection will remain conservative for the next fiscal year in spite of the anticipated numbers from fuel sales and landing fees during the Super Bowl and the Sugar Bowl.

Commissioner Egana asked if the Airport is participating in the overall Super Bowl marketing plan with the City of New Orleans.

Mr. Martin said that the Airport is in communication with The Sports Foundation but has not been invited to conversations with the city.

Commissioner Egana felt the Lakefront Airport could play a major part in the Superbowl experience and encouraged Mr. Martin to learn how to become a stakeholder in the Super Bowl planning meetings. It could also play a major role in letting people know we are out here.

Mr. Capo talked about the current standing of The Airport's budget. He showed the committee how it's broken out into (4) schedules:

- ARFF
 - Fuel Farm (built in 1989 needs repairs)
 - Airport Administration
 - All (3) Combined
- The proposed budget for the Lakefront Airport combined is currently at a 16% increase in revenues for Fiscal Year 2025 overall. The majority of it will come from fuel flowage.
 - The expenditure is at 13%. The airport has projected a loss of \$803,000. Last year's loss was projected at \$778,000.
 - He pointed out that this was the first attempt to balance the budget. There were areas where more work needed to be done on balancing the books. He said that the budget would be finalized by the next committee meetings in March in time to be approved at March's full board meeting and sent to the state office in Baton Rouge by April 1st.

Commissioner Egana asked relative to last year's \$778,000 loss where we are to date.

Mr. Capo said that we are at approximately \$400,000.

They continued to discuss revenues based on monthly and quarterly payments.

- **Airport Expenditures:**

Salaries and Contractual Services are the higher line items. Contractual Services are \$1.4 Million (including grass cutting, janitorial, maintenance and anything contracted out)

Commissioner Egana asked if there were possible film shoots in the works.

Mr. Martin said he was in talks with CW about future film shoots.

Mr. Capo said that the budget will be finalized for the March Committee meetings. The budget must be approved at the March board meeting for submission to Baton Rouge by April 1st.

Mr. Capo reported on the **Proposed Capital Projects Budget** sheet. These are projects the LMA will pay for with funds from the LAMP account.

It showed the following projects for the next fiscal year at an approximate cost of \$2.2 million:

- Fuel Farm Evaluation Repair (3rd tank)
- Fuel Farm Gaging System Upgrade
- The Williams Hangar Roof

Commissioner Heaton suggested that Mr. Martin keep our very limited finances in mind during his talks with the Superbowl Commission and how it could impact the city.

Commissioner Egana asked if LMA was required to have a Special Public Meeting to discuss the budget.

Mr. Capo said we are not.

Mr. Capo announced that LMA received its first payment from Bohemia for \$7,500.

Commissioner Heaton pointed out the recently negotiated MOU would also provide significant cost savings with the grass-cutting contract.

Mr. Capo added that the MOU would save over \$516,000 per year on grass cutting.

3. Discussion regarding the resolution adopted at the January Board Meeting on procurement of property and flood insurance policies by tenants on buildings and improvements located on the premises owned by the Orleans Levee District and managed by the Lakefront Management Authority.

Commissioner Heaton said she asked to have this discussion put on the agenda to provide the tenants an opportunity to ask for clarification on the resolution.

Bane Sheppard (Signature), We are pleased with the opportunity to seek and carry our insurance. What are the LMA and Airport's requirements for us to seek insurance coverage?

Commissioner Heaton suggested that the FBO communicate with the Executive Director and the Airport Director in writing before making any final decisions.

Mr. Capo said it would be the same values LMA has used to acquire policies in the past.

Requirements:

- Replacement costs for the stated value
- Deductible (wind /fire)
- Flood Insurance \$500,000(max)
- Contents \$500,000 (min)
- Must name LMA, SELFPA, and OLD as additional insureds
- 30-day Notice of Cancellation

Commissioner Egana how would we approach any mid-year amendments to a lease?

Mr. Metzger explained that the lessee would have the executive director and the insurance consultant review the policy and make additional recommendations or approve the policies.

They continued to discuss different scenarios of amendments.

Mr. Metzger added that the leases will read the same as LMA sets it up. The landlord has the discretion to approve or require additional information on an annual basis. He said he envisioned the exchange of a letter of agreement on their responsibility for the deductible on an administrative basis.

Commissioner Heaton added that we as a board attempted to allow the tenant to secure insurance at a cost savings to them given the volatile state of the insurance industry. She wanted to be sure the communication remains open and transparent during their due diligence period.

Mr. Sheppard asked if LMA was open to a lease amendment.

Mr. Capo said that they were open to a lease amendment.

Commissioner Heaton announced the next meeting and called for adjournment.

- IX. **Announcement of the next Airport Committee Meeting**
 - 1. **Tuesday, March 19, 2024, at 2:30 PM**

- X. **Adjourn** at 3:24 pm.

A motion to adjourn was made by **Commissioner Egana** and seconded by **Commissioner Herbert** at 3:20 pm.