

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY

Minutes of the Full Board Meeting
Thursday February 18, 2016 – 5:30 P.M.

The monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday, February 18, 2016 at 5:30 p.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.

Chair Ernst called the meeting to order at 5:42 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

Present:

Chairman Greg Ernst
Vice Chair Wilma Heaton
Comm. Michael Stack
Comm. Stan Brien
Comm. Eugene Green
Comm. William Settoon
Comm. Leila Eames
Comm. Glenn Higgins
Comm. Anthony Richard
Comm. Roy Arrigo

Absent:

Secretary Thomas Fierke

Staff:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny Rudesill – Executive Assistant
Lauren Broussard – Land Based Operations Manager
Chanse Watkins – Assistant Airport Director
Ben Morris – Airport Director

Also Present:

Al Pappalardo – Real Estate Consultant
Chris Morvant – La. DOTD

Opening Comments

Chair Ernst requested Comm. Richard update on the Executive Director position. Comm. Richard advised that 69 applications were received, graded and the top 22 applicants were selected for grading of resumes. The top eight applicants were contacted for interviews. Seven out of eight applicants responded and the top three candidates were recommended for second interviews. Second interviews will take place in two weeks and Board members are invited to participate.

Adopt Agenda

Comm. Eames moved to adopt the Agenda, second by Comm. Settoon. Motion passed.

Motion to Approve Minutes

Chair Ernst noted minor changes to the minutes. Comm. Arrigo moved to approve the minutes of the January 28, 2016 Board meeting, second by Comm. Richard. Motion passed.

Report By Chief Operating Officer

Chair Ernst informed the Board that the Authority is in receipt of \$1.25 million for alternate funding. Anticipated cash flow issues are solved until the millage kicks in. Steve Nelson (Stuart Consulting) anticipates an additional \$500,000 within 2016. Chair Ernst thanked Stuart Consulting, Mr. Nelson and all the others involved in securing the alternate funding.

Committee Reports

Airport Committee – (Chair Heaton) U.S. Customs and Border Protection had minor delays, but anticipates a ribbon cutting at the end of March. Congressional and FEMA representatives will be invited to the ribbon cutting.

Marina Committee – (Chair Settoon) Work continues with the piling issue. Letters were sent to tenants, some of whom responded and some requested more information. Burke-Kleinpeter was hired ten years ago to replace the bulkhead at Orleans Marina, and are updating the work. Eustis Engineering will review and report back with their findings.

Commercial Real Estate – Chair Green thanked the COO for the work related to the Studio-Network Lakefront agreement; the Authority now has an official lease that has commenced.

Recreation/Subdivision – (Chair Ernst) The Recreation/Subdivision Committee meeting was deferred until March.

Legal – (Chair Fierke) Chair Ernst advised that a Letter of No Objection was received from the Corps to install backflow preventers at Shelters One and Two.

Finance – (Comm. Stack) The Finance Committee meeting deferred until March. Financials are in good shape. The Authority will receive an additional \$500,000-\$600,000 (in addition to the alternate project funding of \$1.25 million) due to moving deductibles and insurance at the Airport. It is not known at this time where that money can be used. Comm. Heaton requested a meeting regarding that issue to determine what the Board wants to do with those funds.

Presentation by Airport Staff

Ben Morris, Airport Director, advised that the smoke damage from the water cooler that melted in Sen. Morrell's office at the Terminal Building will cost the Authority and the insurance company approximately \$150,000 in damages. Soot spread over the east wing. There may be some reimbursement from the State or the Sen. Morrell's insurance company. The insurance adjusters retrieved the cooler for engineers to examine.

There is a manufacturing hold on the PAPI lights due to a moisture issue with the lenses. The Gate system consists of two different sets of gates which have security requirements. One set of gates is not compatible with the computer and allows public access. This issue is currently being addressed to control access to those gates.

The Tower hours are 8:00 a.m. until 6:00 p.m. An agreement is in the works that will extend tower hours until 10:00 p.m. Approximately 25% of all activity (general, corporate and military aviation) at the Airport occurs after the tower closes, which is dangerous. Fuel sales have constantly increased since 2009, and are approaching pre-Katrina levels. Two pumps failed at the lift station, which will cost approximately \$5,000 per pump. Landmark Aviation was recently bought by Signature, an international outfit.

New Business

- 1) **Motion to lease boathouse W-1 to Mary Salzer, at prevailing rates, subject to certain conditions.**

Deferred.

- 2) **Motion to accept and approve the U.S. Department of Transportation, Federal Aviation Administration Grant Offer for the project identified as "Structural Engineering, Location & Cost Study Airport Lighting Vault" Project at New Orleans Lakefront Airport in an amount not to exceed \$300,000.00**

The COO advised that documents have been submitted to the FAA. The project is expected to last 90 days.

Comm. Heaton moved to approve the U.S. Department of Transportation, Federal Aviation Administration Grant Offer for the project identified as "Structural Engineering, Location & Cost Study Airport Lighting Vault" Project at New Orleans Lakefront Airport in an amount not to exceed \$300,000.00, second by Comm. Settoon. The Resolution was adopted to wit:

RESOLUTION: 01-021816

BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER SETTOON

February 18, 2016

RESOLUTION

Whereas, the Non-Flood Protection Asset Management Authority is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

Whereas, the New Orleans Lakefront Airport is one of the assets of the District under the management and control of the Management Authority;

Whereas, Title 2 of the Louisiana Revised Statutes of 1950 provides that cities, towns, parishes, and other political subdivisions of this State may separately or jointly acquire, establish, construct, expand, own, lease, control, equip, improve, maintain, operate, regulate, and police airports and landing fields for the use of aircraft;

Whereas, the State of Louisiana, Department of Transportation and Development, Division of Aviation (formerly the LA DOTD-OAPT) is charged by Title 2 with the responsibility for the development of aviation facilities within the State to foster air commerce and to safeguard the interests of those engaged in all phases of the aviation industry and of the general public;

Whereas, the Non-Flood Protection Asset Management Authority, hereinafter referred to as "Sponsor", has completed an FAA and DOTD approved Master Plan, Action Plan, and/or Airport Layout Plan which outlines the specific future development of the New Orleans Lakefront Airport; and, the Sponsor is desirous of implementing a portion of the approved Plan recommendation which provide for the critically needed improvements as stated below to substantially improve the safety and usability of the Airport, but does not have sufficient funds of its own required for completing the needed improvements; and,

Whereas, the LA DOTD, Division of Aviation is authorized by Title 2 to expend funds for the construction or enlargement of airports for the safety and advancement of aeronautics.

NOW, THEREFORE, BE IT RESOLVED:

SECTION I

That the Sponsor does hereby formally request that the LA DOTD, Division of Aviation provide funds required to complete the airport improvements at the New Orleans Lakefront Airport specifically as described in the Capital Improvement Program Application for State Financial Assistance dated September 20, 2015, specifically for Structural Engineering, Location and Cost Study for the Airport Lighting Vault, New Orleans Lakefront Airport, in an amount not to exceed \$300,000:

SECTION II

That the said LA DOTD, Division of Aviation be and is hereby assured that all necessary servitudes, rights-of-way, rights of ingress and egress and means thereof will be furnished by the Sponsor and the titles thereto will be valid and indefeasible, and that the Sponsor will assume ownership, financial reporting, and complete responsibility for the maintenance and upkeep of the airport after completion of said improvement.

SECTION III

That the Sponsor will save and hold the said LA DOTD, Division of Aviation, its officers, agents, and employees harmless from any liability or claim for damages arising out of the project, including death or injuries to third parties including, but not limited to, liability or claim for damages out of the negligence of said LA DOTD, Division of Aviation, its officers, agents, or employees, and expressly agrees to defend any suit of any nature brought against the LA DOTD, Division of Aviation as a result of this project.

SECTION IV

That the Chairman of the Sponsor be and is hereby authorized and directed to evidence this agreement by affixing his signature at the place provided therefore on this resolution and on subsequent related documents/agreements as required by the rules and regulations of the Federal Aviation Administration and the State of Louisiana and the Secretary of the Authority is hereby authorized to attest said execution.

SECTION V

That this resolution shall be in full force and effect from and after its adoption.

The Non-Flood Protection Asset Management Authority met in regular session on this date. The aforesaid resolution was offered by Commissioner Heaton and seconded. The aforesaid resolution, having been submitted to a vote, the vote thereon was as follows:

YEAS: ERNST, HEATON, STACK, BRIEN, GREEN, SETTOON, EAMES, HIGGINS, RICHARD, ARRIGO

NAYS:

ABSTAIN:

ABSENT: FIERKE

RESOLUTION ADOPTED: YES

3) Motion to ratify commencement date of lease with Studio Network

Lakefront from January 15, 2016 to February 3, 2016.

The COO advised that the lease is a long-term commitment to the tenant. The Term Sheet stated the lease would be effective in January, but due to permits and insurance certificates, the Authority needed until February 3, 2016. The lease is now executed. Comm. Heaton advised that Studio-Network Lakefront executed an agreement with the WWII Museum for the PT boat and office space may be needed for those facilities. That item will be included on the March Airport Agenda.

Comm. Heaton moved to ratify commencement date of lease with Studio Network Lakefront from January 15, 2016 to February 3, 2016; second by Comm. Green. The Resolution was adopted to wit:

MOTION: 03-021816
RESOLUTION: 02-021816
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER GREEN

February 18, 2016

RESOLUTION

Whereas, the Non-Flood Protection Asset Management Authority is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

Whereas, the South Shore Harbor Terminal site at South Shore Harbor Marina is one of the non-flood protection assets of the District under the management and control of the Management Authority;

Whereas, the Real Estate Consultant and Chief Operating Officer for the Authority engaged in negotiations with Studio Network-Lakefront LLC to lease the South Shore Harbor Marina Terminal Site at South Shore Harbor Marina, and by Resolution 01-111915, the Authority authorized the execution of a lease based on the Term Sheet attached to that resolution, setting forth a lease commencement date of January 15, 2016 to finalize the lease terms, secure the needed surveys and secure the respective insurances;

Whereas, additional time was needed to finalize the terms of the lease, obtain the needed surveys and secure insurance. The final lease was not executed until February 3, 2016.

BE IT HEREBY RESOLVED, that the Non Flood Protection Asset Management Authority by this Resolution formally ratifies the commencement date of the lease with Studio Network-Lakefront from January 15, 2106 to February 3, 2016.

BE IT FURTHER RESOLVED, that the Authority Chairman or Chief Operating Officer is hereby authorized to sign any and all documents necessary to carry out the above.

YEAS: ERNST, HEATON, STACK, BRIEN, GREEN, SETTOON, EAMES, HIGGINS, RICHARD, ARRIGO

NAYS:

ABSTAIN:

ABSENT: FIERKE

RESOLUTION ADOPTED: YES

This resolution was declared adopted this 18th day of February, 2016.

4) Motion to accept State Project No. H.012321 (Rehabilitate REIL System Runway 9, Runway 18L, Runway 36L and Runway 36R) in an amount not to exceed \$80,000

Comm. Stack confirmed that this was an La. DOTD grant. Comm. Heaton moved to accept State Project No. H.012321 (Rehabilitate REIL System Runway 9, Runway 18L, Runway 36L and Runway 36R) in an amount not to exceed \$80,000; second by Comm. Richard. The Resolution was adopted to wit:

MOTION: 04-021816
RESOLUTION: 03-021816
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER RICHARD

February 18, 2016

RESOLUTION

Whereas, the Non-Flood Protection Asset Management Authority is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

Whereas, the New Orleans Lakefront Airport is one of the assets of the District under the management and control of the Management Authority;

Whereas, Title 2 of the Louisiana Revised Statutes of 1950 provides that cities, towns, parishes, and other political subdivisions of this State may separately or jointly acquire, establish, construct,

expand, own, lease, control, equip, improve, maintain, operate, regulate, and police airports and landing fields for the use of aircraft;

Whereas, the State of Louisiana, Department of Transportation and Development, Division of Aviation (formerly the LA DOTD-OAPT) is charged by Title 2 with the responsibility for the development of aviation facilities within the State to foster air commerce and to safeguard the interests of those engaged in all phases of the aviation industry and of the general public;

Whereas, the Non-Flood Protection Asset Management Authority, hereinafter referred to as "Sponsor", has completed an FAA and DOTD approved Master Plan, Action Plan, and/or Airport Layout Plan which outlines the specific future development of the New Orleans Lakefront Airport; and, the Sponsor is desirous of implementing a portion of the approved Plan recommendation which provide for the critically needed improvements as stated below to substantially improve the safety and usability of the Airport, but does not have sufficient funds of its own required for completing the needed improvements; and,

Whereas, the LA DOTD, Division of Aviation is authorized by Title 2 to expend funds for the construction or enlargement of airports for the safety and advancement of aeronautics.

NOW, THEREFORE, BE IT RESOLVED:

SECTION I

That the Sponsor does hereby formally request that the LA DOTD, Division of Aviation provide funds required to complete the airport improvements at the New Orleans Lakefront Airport specifically as described in the Capital Improvement Program Application for State Financial Assistance dated September 20, 2015, specifically for State Project No. H.012321, Rehabilitate REIL Systems-Runway 9, Runway 18L, Runway 36L and Runway 36R, New Orleans Lakefront Airport, in an amount not to exceed \$80,000:

SECTION II

That the said LA DOTD, Division of Aviation be and is hereby assured that all necessary servitudes, rights-of-way, rights of ingress and egress and means thereof will be furnished by the Sponsor and the titles thereto will be valid and indefeasible, and that the Sponsor will assume ownership, financial reporting, and complete responsibility for the maintenance and upkeep of the airport after completion of said improvement.

SECTION III

That the Sponsor will save and hold the said LA DOTD, Division of Aviation, its officers, agents, and employees harmless from any liability or claim for damages arising out of the project, including death or injuries to third parties including, but not limited to, liability or claim for damages out of the negligence of said LA DOTD, Division of Aviation, its officers, agents, or employees, and expressly agrees to defend any suit of any nature brought against the LA DOTD, Division of Aviation as a result of this project.

SECTION IV

That the Chairman of the Sponsor be and is hereby authorized and directed to evidence this agreement by affixing his signature at the place provided therefore on this resolution and on subsequent related documents/agreements as required by the rules and regulations of the Federal Aviation Administration and the State of Louisiana and the Secretary of the Authority is hereby authorized to attest said execution.

SECTION V

That this resolution shall be in full force and effect from and after its adoption.

The Non-Flood Protection Asset Management Authority met in regular session on this date. The aforesaid resolution was offered by Commissioner Heaton and seconded. The aforesaid resolution, having been submitted to a vote, the vote thereon was as follows:

YEAS: ERNST, HEATON, STACK, BRIEN, GREEN, SETTOON, EAMES, HIGGINS, RICHARD, ARRIGO

NAYS:

ABSTAIN:

ABSENT: FIERKE

RESOLUTION ADOPTED: YES

WHEREUPON, the resolution was declared adopted on the 18th day of February 2016.

5) Motion to authorize engagement of economic analysis consultant

The COO advised that an economic analysis consultant would yield the best results for the many FEMA projects and project worksheets the Authority has. The economic consultant's initial task of \$10,000 was within the COO authority. The next stage is the report and background information - not to exceed \$51,000 - a flat fee negotiated by counsel.

The COO advised that three consultants were interviewed to determine if we were going down the right path to yield the best results with the PWs. The scope of services consists of three tasks: response if path chosen would be successful, a rough sketch of

path chosen and expertise/advice regarding the success of the path chosen. The report stated that the issue was worth pursuing. The next task is to prepare a report the Authority can provide to FEMA for additional funding. It is not guaranteed that the Authority will receive additional funding. Comm. Heaton added that the Authority must make finite decisions regarding federal dollars that are needed. This does not guarantee the Authority will receive another penny, but if successful it can mean millions to the Authority. This applies to the \$68 million the Authority is seeking and the strategy involved with the PWs. These are existing PWs that were amended, and the consultant will help with analysis to convince FEMA that it is appropriate. Consultant for the PWs (Stuart Consulting) needs this resource to guide the Authority in completing the PWs to obtain the maximum benefit. Stuart Consulting will hire the consultant as an expert, but the Authority will pay the costs involved. The COO advised that the flat fee is for a specific report and specific strategy.

Comm. Green advised of an e-mail which requested the exact details, which would have answered all questions regarding the issue. That e-mail was not forwarded to all Board members. The COO answered those questions at a Commercial Real Estate-related meeting earlier in the week. Comm. Heaton advised that she was under the impression that all Board members received the answer.

Comm. Stack noted that the agreement does not define the task and noted that he may be comfortable after Task 2 is defined. The consultant agreed to a flat fee of \$51,000 for Task 2, but Task 2 is not defined. Comm. Richard noted his abstention due to lack of information regarding the scope of services, and the cost (\$51,000) for a plan with no guarantee for return. Comm. Heaton stated that issues will be brought to D.C. within one month, and this work should have started. This issue is urgent based on what Mr. Nelson advised. This work must be completed by the end of March, and will take approximately one month to prepare.

Comm. Stack suggested the item be deferred, and approved later without a special meeting. Chair Ernst requested a vote, which was taken as follows: Comm. Richard abstained. Comm. Stack, Comm. Green and Comm. Arrigo opposed. Comm. Settoon noted three opposed and one abstained; the motion passes. Comm. Richard requested the contract and all details for his review.

Comm. Heaton moved to authorize engagement of economic analysis consultant, second by Comm. Richard. The Resolution was adopted to wit:

MOTION: 05-021816
RESOLUTION: 04-021816
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER RICHARD

February 18, 2016

RESOLUTION

Whereas, the Non-Flood Protection Asset Management Authority is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

Whereas, from time to time, the Non-Flood Protection Asset Management Authority has a need for economic consulting services, and does not have an economist, statistician or accounting analyst on staff;

Whereas, the Authority manages Orleans Marina, South Shore Harbor, Lakefront Airport, a 15 unit office building, 5.2 miles of Lakeshore Drive, four recreational shelters, various commercial properties along New Basin Canal and approximately 430 acres of open space and public parks;

Whereas, the need for economic consulting services has arisen;

Whereas, ICF Resources, LLC ("Consultant") has been interviewed by staff and counsel and has the necessary expertise and experience to perform said services;

Whereas, a consulting agreement was entered into on November 4, 2015 in the amount of \$10,000 for Task 1, which was within the authority of the Chief Operating Officer;

Whereas, the Authority requires additional economic consulting services;

Whereas, Consultant has agreed to a flat fee of \$51,000 for additional services (Task 2);

BE IT RESOLVED, that the Authority authorizes the Chairman or Chief Operating Officer to execute an agreement with ICF Resources, LLC for economic consulting services in an amount not to exceed \$51,000.

BE IT FURTHER RESOLVED, that the Chairman or Chief Operating Officer of the Authority be and is hereby authorized to take any action and to sign any and all documents necessary to accomplish the above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: ERNST, HEATON, BRIEN, SETTOON, EAMES

NAYS: ARRIGO, STACK, GREEN

ABSTAIN: RICHARD

ABSENT: FIERKE, HIGGINS

RESOLUTION ADOPTED: YES

This resolution was declared adopted this 18TH day of February, 2016.

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I hereby certify that the above and foregoing is a true and correct copy of a resolution duly adopted by the Non-Flood Protection Asset Management Authority at its meeting on February 18, 2016, held in New Orleans, LA, at which a quorum was present.

Next Board Meeting

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, March 17, 2016 at 5:30 p.m.

Adjournment

Comm. Richard offered a motion to adjourn, seconded by Comm. Stack, motion passed. The meeting adjourned at 6:32 p.m.