ORDINANCE

CITY OF NEW ORLEANS

CITY HALL: <u>July 9, 2026</u>

CALENDAR NO. <u>35,502</u>

NO. ________________ MAYOR COUNCIL SERIES

BY: COUNCILMEMBER GREEN (BY REQUEST)

AN ORDINANCE to approve and authorize the Mayor of the City of New Orleans ("City"), acting by and through the New Orleans Aviation Board ("NOAB"), to enter into lease agreements with Alaska Airlines which is operating at the Louis Armstrong New Orleans International Airport (the "Airport"), under circumstances in which a solicitation and selection process is not required by law; and otherwise to provide with respect thereto.

WHEREAS, in accordance with Section 5-602 of the Home Rule Charter for the City of New Orleans, NOAB is charged with the administration and operation of the Airport; and

WHEREAS, the City, through the NOAB, intends to enter into a written lease agreement with Alaska Airlines relating to spaces within the main terminal building; **NOW, THEREFORE**

SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY ORDAINS, That the Council hereby approves or ratifies, as applicable, and that the Mayor of the City of New Orleans is hereby authorized to sign the following lease-related documents in substantial conformance to and with Exhibit A attached hereto and made a part hereof:

Exhibit	Document	Lessee
A	Lease	Alaska Airlines

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS__________________

____
PRESIDENT OF THE COUNCIL

DELIVERED TO THE MAYOR ON ____________________________

APPROVED:
DISAPPROVED: ________________________________

____
MAYOR

RETURNED BY THE MAYOR ON ____________________ AT ____________________

____
CLERK OF COUNCIL

ROLL CALL VOTE:
YEAS:

NAYS:

ABSENT:

RECUSED:

Name: Diane Buckley Ext.: 504-303-7600

CHECK SHEET TO BE USED FOR CLEARING ORDINANCES, MOTIONS, AND RESOLUTIONS BEFORE SUBMISSION TO THE COUNCIL CLERK

The originating agency shall attach a copy of each proposed ordinance, motion, or resolution to the check sheet for processing in the sequence indicated after preparing a synopsis. The detailed memorandum of explanation shall also be attached to this check sheet.

SYNOPSIS OF DOCUMENT: Ordinance allowing Alaska Airlines, Inc. ("Alaska") to enter into a Signatory Airline Use and Lease Agreement with the Airport. Brass #8416

1. ______________________
   Department Head

2. ______________________
   Department of Law

3. ______________________
   Chief Administrative Officer

4. ______________________
   Executive Assistant for Intergovernmental Relations

5. ______________________
   Initials of Sponsoring Council Member

COUNCIL ACTION

COUNCILMEMBERS PRESENT: ______________________

ABSENT: ______________________

AMENDMENTS: FINAL ADOPTION:

MOVED:

2, u:

YEAS:

NAYS:

ABSENT:

RECUSED:

6. ______________________
   Reviewed by the Chief Administrative Officer after adoption by the City Council and prior to the Mayor's signature.

REF. POLICY MEMORANDUM NO. 3(R)

Name: Diane Buckley Ext.: 504-303-7600

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Department of Law

3. ______________________
Chief Administrative Officer

4. ______________________
Executive Assistant for Intergovernmental Relations

5. ______________________
Initials of Sponsoring Council Member

COUNCIL ACTION

COUNCILMEMBERS PRESENT: ______________________

ABSENT: ______________________

AMENDMENTS: FINAL ADOPTION:

MOVED:
2, u:
YEAS:
NAYS:
ABSENT:
RECUSED:

6. ______________________
Reviewed by the Chief Administrative Officer after adoption by the City Council and prior to the Mayor's signature.

REF. POLICY MEMORANDUM NO. 3(R)

LOUIS ARMSTRONG
NEW ORLEANS
INTERNATIONAL AIRPORT

New Orleans Aviation Board
Law Department

MEMORANDUM

Date: **June 23, 2026**

To: **Joseph Giarrusso, Chief Administrative Officer, The City of New Orleans**

From: **Diane Buckley, Senior Airport Services Agent - Legal**

Dear CAO Giarrusso,

The attached documents support an ordinance allowing Alaska Airlines, Inc. ("Alaska") to enter into a Signatory Airline Use and Lease Agreement with the Airport. Signatory Airlines commit to paying all the Airport's operating and maintenance costs and debt service not otherwise covered by non-airline revenue. In exchange for this financial commitment to cover the Airport's residual obligations not covered by non-airline revenue, Signatory Airlines pay lower rates and charges for use of the Airport.

The lease term begins on the Effective Date. It terminates on the date that is the earlier of the following: (1) the date that a new Airline – Airport Use and Lease Agreement is executed by NOAB and at least two Signatory Airlines that together count for a numerical majority of the total emplaned passengers served at the Airport in the immediately preceding twelve-month period; or (2) December 31, 2027.

Please sign the accompanying document, "NOAB Contract Check Sheet," so I may route the ordinance package to the City Council for final approval. Per La. Rev. Stat. 2:351(D), the Mayor's execution is not required for this transaction.

Thank you for your time, and please let me know if you have questions or concerns.

Sincerely,

Diane Buckley
dianeb@flymsy.com
504-303-7600

DMB

Name: Diane Buckley Ext.: 504-303-7600

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SYNOPSIS OF DOCUMENT: Ordinance allowing Alaska Airlines, Inc. ("Alaska") to enter into a Signatory Airline Use and Lease Agreement with the Airport. Brass #8416

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   Department Head

2. ______________________________
   Department of Law

3. ______________________________
   Chief Administrative Officer

4. ______________________________
   Executive Assistant for Intergovernmental Relations

5. ______________________________
   Initials of Sponsoring Council Member

COUNCIL ACTION

COUNCILMEMBERS PRESENT: ______________________________

ABSENT: ______________________________

AMENDMENTS: FINAL ADOPTION:

MOVED:

2, U:

YEAS:

NAYS:

ABSENT:

RECUSED:

6. ______________________________
   Reviewed by the Chief Administrative Officer after adoption by the City Council and prior to the Mayor's signature.

REF. POLICY MEMORANDUM NO. 3(R)

LOUIS ARMSTRONG
NEW ORLEANS
INTERNATIONAL AIRPORT

New Orleans Aviation Board
Law Department

MEMORANDUM

Date: **June 23, 2026**

To: **Charline K. Gipson, City Attorney**

From: **Christopher Lack, Assistant City Attorney**

Originating Department:	NOAB.
Type of Agreement:	Signatory Use and Lease Agreement.
Party:	The Signatory Airline: Alaska Airlines, Inc.
Procurement:	There are provisions within state law (La. R.S. 2:135.1(E)(1)) that permit commercial airports to lease to air carriers without advertising or competitive procurement.
Amendment:	No.
Scope of services:	To lease certain premises and obtain rights, services, and privileges in connection with the use of the Airport and its facilities.
Purpose:	To enter into a Signatory Use and Lease agreement with Alaska Airlines, Inc.
Term:	The term shall commence on the Effective Date. It terminates on the date that is the earlier of the following: (1) the date that a new Airline – Airport Use and Lease Agreement is executed by NOAB and at least two Signatory Airlines that together count for a numerical majority of the total emplaned passengers served at the Airport in the immediately preceding twelve-month period; or (2) December 31, 2027.
Amount:	Revenue.
Supporting Documents:	Lease Agreement, Proposed Ordinance, Legislative Summary, Executive Summary, Talking Points, Council by Request Form, Staff Analysis, and Board Excerpt.
BRASS Identification No.:	#8416

I have reviewed the agreement and supporting documents. It is correct as to form and legality. Please know that I am available if you have any questions or need additional information.

CL/dmb

LEGISLATIVE SUMMARY

TO ACCOMPANY ORDINANCES

BEFORE SUBMISSION TO CLERK OF COUNCIL

Requesting Department or Agency: The New Orleans Aviation Board ("NOAB")

Name of Contact Person: Diane Buckley

Telephone Number: 504-303-7600

Email Address: dianeb@flymsy.com

Initials of Sponsoring Councilmember(s): ______

DETAILED SYNOPSIS OF THE ORDINANCE

Please generally describe the purpose, intent, and effect of the proposed ordinance.

Signatory Airline, Alaska Airlines, will lease certain premises and obtain rights, services, and privileges in connection with the use of the Airport and its facilities. Alaska Airlines will pay rents, fees, and charges in accordance with the Fee Schedule periodically approved by NOAB in the manner contemplated under the Signatory Lease Agreements. The term shall commence on the Effective Date. It terminates on the date that is the earlier of the following: (1) the date that a new Airline-Airport Use and Lease Agreement is executed by NOAB and at least two Signatory Airlines that together count for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve-month period; or (2) December 31, 2027. A competitive solicitation process is not required for Signatory Leases under La. R.S. 2:135.I.E.

LEGISLATIVE SUMMARY

If the Ordinance is to effectuate a contract, CEA, or other similar agreement (hereafter contract), please provide the following additional information.

☐ **If this section is not applicable, please check this box.**

The parties involved:

City of New Orleans by and through the NOAB and Alaska Airlines

The obligations, expectations, and deliverables of the parties involved:

Alaska Airlines agrees to pay NOAB per the Airport's Rates & Charges, which are calculated and change on an annual basis.

Any fiscal implications for the City with the contract:

None

The public purpose and need for the contract:

To enter into a lease agreement with Alaska Airlines who provides service to the public at The Louis Armstrong New Orleans International Airport.

The duration of the contract:

The Term shall commence on the effective date and terminate on the earlier date of a new Airline-Airport Use and Lease Agreement is executed by NOAB and at least two at least two Signatory Airlines or December 31, 2027

LEGISLATIVE SUMMARY

If the Ordinance is to effectuate an amendment to the Codes of the City of New Orleans, please provide the following additional information.

☑ **If this section is not applicable, please check this box.**

The existing provision(s) of the Code being proposed for amendment:

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____

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The general content/requirements of the existing Code provision:

____

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How the proposed ordinance will alter the existing Code provision(s):

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____

____

Why these changes are needed:

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____

____

REQUESTED ADOPTION DATE: _________________________

Reference: Council Rule 41 & City Code Section 2-813

Executive Summary
For Proposed Ordinance Approving a Lease Agreement with Signatory Airlines at the Louis Armstrong New Orleans International Airport

The New Orleans Aviation Board ("NOAB") respectfully requests an ordinance authorizing a lease agreement with Alaska Airlines, a Signatory Airline.

Alaska Airlines will pay rents, fees, and charges in accordance with the Fee Schedule, as periodically approved by NOAB, in the manner contemplated under the Signatory Use and Lease Agreements. The Signatory Airlines are obligated to pay rent for terminal space and gates, and other fees and charges, and to pay a pro rata portion of the Airport's operating expense deficit (if any) at the end of a calendar year. This "residual cost" basis aspect of the Signatory Airlines' use of airport facilities generally allows the Signatory Airlines to pay rent, fees, and charges lower than the Non-Signatory Airlines.

LA Rev. Stat. 2:135.1(E)(1) authorizes the governing authority of any airport located in this state to lease to air carriers and fixed base operators without advertising and competitive procurement.

The Airport thanks the Council's members and staff for their consideration.

Talking Points

Proposed Ordinance Allowing Alaska Airlines, Inc. ("Alaska") to enter into a Signatory Airline Lease Agreement with the Airport.

- The Airport has two types of agreements under which an airline can provide regularly scheduled commercial air service or cargo service at the Airport. The first is the "Airline-Airport Use and Lease Agreement", also commonly referred to as the "Signatory Use and Lease Agreement" (Signatory Agreement). Airlines that sign the Signatory Agreement (Signatory Airlines) commit to paying all the Airport's operating and maintenance costs that are not otherwise paid for by non-airline revenue. In exchange for this financial commitment to cover the Airport's residual obligations not covered by non-airline revenue, Signatory Airlines pay lower rates and charges for use of the Airport.

- Airlines that either do not have sufficient frequencies or cargo operations at the Airport or ones that do not want the financial commitment to cover the Airport's residual financial obligations execute a "Non-Signatory Airline Lease Agreement" (Non-Signatory Agreement). Non-Signatory airlines pay a premium on rates and charges compared to Signatory Airlines, since they do not assume the residual financial liabilities borne by Signatory Airlines.

- The term of the Agreement shall commence on the Effective Date and terminate on the date that is the earlier to occur of: (1) the date that a new Airline-Airport Use and Lease Agreement is executed by NOAB and at least two Signatory Airlines that together count for the majority of the total emplaned passengers served at the Airport in the immediately preceding twelve-month period or (2) December 31, 2027.

ORDINANCE

CITY OF NEW ORLEANS

CITY HALL: ______________

CALENDAR NO. ____________

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BY: COUNCILMEMBER GREEN (BY REQUEST)

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WHEREAS, in accordance with Section 5-602 of the Home Rule Charter for the City of New Orleans, NOAB is charged with the administration and operation of the Airport; and

WHEREAS, the City, through the NOAB, intends to enter into a written lease agreement with Alaska Airlines relating to spaces within the main terminal building; **NOW, THEREFORE**

SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY ORDAINS, that the Council hereby approves or ratifies, as applicable, and that the Mayor of the City of New Orleans is hereby authorized to sign the following lease-related documents in substantial conformance to and with Exhibit A attached hereto and made a part hereof:

Exhibit	Document	Lessee
A	Lease	Alaska Airlines

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS ______________

____
PRESIDENT OF THE COUNCIL

DELIVERED TO THE MAYOR ON___________________

APPROVED:
DISAPPROVED: ________________________

____
MAYOR

RETURNED BY THE MAYOR ON___________________ AT _______________

____
CLERK OF COUNCIL

ROLL CALL VOTE:

YEAS:

NAYS:

ABSENT:

RECUSED:

Staff Analysis
for the
NOAB Board Meeting

FROM: Kristi Bennett-Holmes, Deputy Director – Commercial Development

DATE: April 16, 2026

FACILITY: Louis Armstrong New Orleans International Airport

SUBJECT: Advance Authorization to Enter into Signatory and Non-Signatory Use and Lease Agreements with Airlines

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I. RECOMMENDATION:

Staff requests Board advance authorization for the Director of Aviation to approve, and the Chair and Director of Aviation to execute, the Airport's standard Signatory and Non-Signatory Use and Lease Agreements with airlines that seek to operate commercial passenger or air cargo service at the Airport. Given the highly competitive nature of the air service industry, there is typically a very short window of time between when an airline announces new service and when that new service begins. Providing advance authorization to approve and execute the Airport's standard Signatory and Non-Signatory agreements will help to facilitate the administrative contract approval process given the short window of time, while also protecting the Airport's interests.

II. ANALYSIS

Background:

Air service development is a highly competitive area with slim profit margins for airlines. Because of the competitive market, Airlines typically do not announce new service until shortly before that new service is scheduled to begin. Further, until new service is officially announced by an airline, airlines do not want to execute a contract with the airport or take steps that might reveal to its competition its air-service strategy. This often leaves a narrow window of time to obtain Board approvals and execute an agreement with the Airline to operate at the Airport.

The Airport has two types of agreements under which an airline can provide regularly scheduled commercial air service or cargo service at the Airport. The first is the "Airline-Airport Use and Lease Agreement", also commonly referred to as the "Signatory Use and Lease Agreement" (Signatory Agreement). Airlines that sign the Signatory Agreement (Signatory Airlines), commit to paying all of the Airport's operating and maintenance costs that are not otherwise paid for by non-airline revenue. In exchange for this financial commitment to cover the Airport's residual obligations not covered by non-airline revenue, Signatory Airlines pay lower rates and charges for use of the Airport.

In contrast, airlines that either do not have sufficient frequencies or cargo[1] operations at the Airport or ones that do not want the financial commitment to cover the Airport's residual financial obligations, execute a

[1] A passenger service Signatory Airline leases at least 2,500 square feet of terminal space and schedules at least two daily departures per week. An all-cargo Signatory Airline has scheduled activity equivalent to at least 20,000,000 pounds of Maximum Gross Landed Weight annually and leases apron and/or cargo-handling facilities from NOAB deemed sufficient by the Aviation Director to support its operation. (Signatory Agreement, §1.78)

"Non-Signatory Airline Lease Agreement" (Non-Signatory Agreement). Non-Signatory airlines pay a premium on rates and charges compared to Signatory Airlines since Non-Signatory airlines do not assume the residual financial liabilities assumed by Signatory Airlines. Non-Signatory Agreements terminate at any time with 30 days' prior written notice, but no later than the termination date of the Signatory Agreements. The current Signatory Agreements all expire on the same date, December 31, 2027.

Consistent with the Airport's obligations under the Signatory Agreement, each of the Signatory Agreements are the same or substantially similar; likewise, each of the Non-Signatory Agreements are the same or substantially similar. (Signatory Agreement, §§1.57 and 1.78) Copies of the Signatory and Non-Signatory Agreement templates used by Staff are attached to this Staff Analysis. The only item that may vary among Non-Signatory airlines is the amount and type of security deposit required before operations at the Airport are permitted.

Air passenger and cargo service is a core function of the Airport. And, as outlined above, each air service contract is essentially a boiler-plate agreement. As such, Staff does not anticipate that there would be a situation where the Board would decline new air service that complies with all of the Airport's standard contract requirements. Further, the Airport has already committed via its Signatory Agreements that any future air service agreement will not be materially different from those agreements already in place. The Airport also has federal obligations to make the facility available to aeronautical users, and the Signatory and Non-Signatory Agreements are the main contractual method used by the Airport to do so for commercial air service providers and air cargo operators.

Given the Airport's core function and the contractual commitment to not materially vary the terms of the current Signatory and Non-Signatory Agreements, and in light of the short window of time during which an agreement needs to be executed by the parties, Staff recommends that the Board grant the Director of Aviation authority to approve, and the Chair and Director authority to execute, Signatory and Non-Signatory Agreements. Any substantial modifications or amendments to these Agreements would be first brought to the Board for approval and would not be approved by the Director under the authority granted in the proposed Resolution.

Options/Alternatives:

Approve: Approval of the Resolution will allow Airport Staff to quickly execute a Signatory or Non-Signatory Agreement with an Airline seeking to operate commercial passenger or cargo service at MSY and to protect the Airport's interests.

Reject/Defer: Rejecting or deferral will mean that the current contract administrative process will remain in place. Some Airline agreements may be delayed and not fully executed until after air service has already begun.

DBE: N/A

Funding: Revenue

EXCERPT FROM THE MINUTES OF
THE REGULAR APRIL MEETING OF THE
NEW ORLEANS AVIATION BOARD
HELD ON APRIL 16, 2026

Item 9 **Approval of the Advance Authorization for the Director of Aviation to Approve, and the Chair and Director of Aviation to Execute, the Airport's Standard Signatory and Non-Signatory Use and Lease Agreements with Airlines that Seek to Operate Commercial Passenger or Air Cargo Service at the Airport. Given the Highly Competitive Nature of the Air Service Industry, there is Typically a Very Short Window of Time Between When an Airline Announces New Service and When that New Service Begins. Providing Advance Authorization to Approve and Execute the Airport's Standard Signatory and Non-Signatory Agreements will Help to Facilitate the Administrative Contract Approval Process Given the Short Window of Time, While Also Protecting the Airport's Interests.**

Motion by: Todd Francis
Second by: Doug Thornton

All in Favor.

CERTIFIED TO BE A TRUE COPY

Kevin Dolliole
Director of Aviation

EXHIBIT A

A LEASE AGREEMENT BETWEEN

THE NEW ORLEANS AVIATION BOARD, AN UNATTACHED BOARD OF

THE CITY OF NEW ORLEANS, AND ALASKA AIRLINES

[SHOWN ON THE NEXT PAGE]