

Council Vice President Fielkow & New Orleans Airport Officials  
Report Productive Trip to Chicago  
Regarding Potential Airport Privatization

News Release

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Contact:  
Kate Schneiderman  
Office of  
Councilmember-at-Large  
Arnie Fielkow  
Ph: 504-658-1063  
Cell: 504-905-9893  
[krschneiderman@cityofno.com](mailto:krschneiderman@cityofno.com)

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New Orleans, LA - November 18, 2008 - Council Vice President Arnie Fielkow, Louis Armstrong International Airport Director of Aviation Sean Hunter and a New Orleans airport consultant returned from an airport privatization fact-finding trip last week to Chicago which yielded helpful information regarding the potential airport privatization of Armstrong International Airport.

Meetings were held with representatives of the Chicago City Council Committee on Aviation, the Chicago Department of Aviation, the Chicago Office of the Mayor, Finance Department and Chicago Midway Airport.

Councilmember Fielkow said, "We met with the key officials involved in Midway's privatization and heard about the process, both its pluses and minuses. It is an intriguing and potentially beneficial program that warrants continued consideration for Armstrong International Airport."

The potential privatization of Armstrong International Airport is one of several options currently being looked into by the New Orleans Aviation Board, the New Orleans City Council and the Southeast Regional Airport Authority.

The Federal Aviation Administration (FAA) began its Airport Privatization Pilot Program in 1997 to explore privatization as a means of generating access to various sources of private capital for airport improvement and development.

Chicago Midway Airport is the first large-scale U.S. airport to undergo privatization and is currently awaiting final FAA approval. Privatization is commonplace overseas. The City of Chicago estimates that due to privatization of Midway, the City can utilize at least part of the proceeds for such projects as debt repayment, city infrastructure and pension investments as the FAA program allows privatization proceeds to be used outside of airport infrastructure. The City of Chicago, assuming FAA approval, will receive \$2.521 billion from Midway Investment and Development Company, the successful bidder for Midway Airport privatization.

During the course of the visit, the New Orleans delegation was advised that the Chicago privatization initiative was a 2-3 year process and involved a full valuation of Midway Airport. Agreement needed to be reached with the airlines at Midway Airport as well as efforts to seek legislative support from the Illinois State Legislature. Additionally, Chicago city officials, as part of the privatization agreement, took efforts to ensure that Chicago Midway employees were provided job security and that existing contractual relationships were honored.

Ultimately, the Chicago City Council was required to approve the privatization effort and it did so in a unanimous vote this fall. Chicago officials will be providing to New Orleans a full listing of the consultants and advisors which guided them in their decision-making process.

Under the Chairmanship of New Orleans City Councilmember Cynthia Hedge-Morrell, the City Council Airport Committee, of which Councilmember Fielkow is a member, heard a recent presentation regarding Chicago's privatization efforts. This Committee will continue its due diligence efforts regarding Armstrong Airport and come up with a solution which best represents the citizens of New Orleans. In the interim, the New Orleans Aviation Board is currently involved in a process to select a firm to provide valuation of Armstrong Airport and to consider applying for the FAA Privatization Pilot Program.

Fielkow continued, "As New Orleans rebuilds and our region becomes stronger, we will need to make improvements to our airport in order to handle increasing capacity and 21st century transport demands. Additionally, the extra funding the City of New Orleans would have due to privatization could help shore up our budget and allow for investments in a variety of critical areas. Privatization is one option, and I look forward to working with Councilmember Hedge-Morrell, the full City Council, the New Orleans Aviation Board and the Southeast Regional Airport Authority in identifying the best possible solution for New Orleans."

## **New Orleans City Council**

The New Orleans City Council is the legislative branch of New Orleans city government. The Council considers and enacts all local laws that govern the City of New Orleans. The Council also approves the operating and capital budgets for the City, as recommended by the mayor, and continually monitors revenues and expenditures for local government operations. The City Council is also the regulatory body for public utilities. It also reviews and has final say on many land use and zoning matters, as well as considers major economic development projects for the City. As a Board of Review for Orleans Parish, the Council examines appeals of property tax assessments for real estate taxes, and certifies tax rolls to the Louisiana Tax Commission. Other responsibilities of the Council include overseeing the operation of the public access television in Orleans Parish.

The City Council is comprised of five districts and two councilmembers-at-large. Council President and Councilmember-at-Large Jacquelyn Brechtel Clarkson; Council Vice-President and Councilmember-at-Large Arnie Fielkow; District "A" Councilmember Shelley Midura; District "B" Councilmember Stacy S. Head; District "C" Councilmember James Carter; District "D" Councilmember Cynthia Hedge-Morrell; and District "E" Councilmember Cynthia Willard-Lewis.

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