

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY NOVEMBER 21, 2013 – 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 November 21, 2013 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.

Vice Chairman Ernst chaired the Board meeting in Chairman Scott's absence. Vice Chairman Ernst called the meeting to order at 5:46 p.m. and led in the Pledge of Allegiance. The roll was called which did not constitute a quorum and the Board meeting was informational only.

PRESENT:

Vice Chairman Gregory Ernst
Secretary Romona Baudy
Commissioner Wilma Heaton
Commissioner Carlton Dufrechou
Commissioner William Hoffman
Commissioner Michael Stack
Commissioner Stan Brien
Commissioner Eugene Green

ABSENT:

Chairman Nyka Scott
Commissioner Robert E. Smith Lupo
Commissioner John Trask
Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen
Commissioner Darrel Saizan

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood
Dawn Wagener – Non-Flood
Fred Pruitt – Airport Director

ALSO PRESENT:

Al Pappalardo - Real Estate Consultant
Gerard Metzger - Legal Counsel
Alton Davis – Richard C. Lambert
Chris Fenner – Stuart Consulting
Christopher Blaze – Stuart Consulting
Mike Gillen – South Shore Harbor Marina

ADOPT AGENDA

Due to a lack of quorum the Agenda could not be adopted.

APPROVE MINUTES

Due to a lack of quorum the minutes of the September 19 and October 17, 2013 Board meetings could not be approved. The minutes will be presented for approval at the December 19, 2013 full Board meeting.

REPORT BY EXECUTIVE DIRECTOR

Vice Chairman Ernst noted that since a quorum was lacking, the Board would proceed with an informational meeting.

COMMITTEE REPORTS

Airport Committee – Commissioner Heaton noted that the Airport Committee discussed issues with the chiller in the Airport and the lease with Messina's. The remaining items from the Airport Committee meeting are on the Agenda and will be addressed. Item No. 4 addresses the lease of the Bastian-Mitchell Hangar which may require a special Board meeting. The proposals were due by Friday, November 1, 2013. Although the Authority is anxious to lease and receive revenue from the Bastian-Mitchell Hangar, the proposals came in late and did not allow staff or proposers adequate time to make the proper analysis or presentations regarding the proposals. Proposals were submitted by Landmark and Hawthorne and both were excellent. Representatives of both attended the November Airport Committee meeting where questions regarding the proposals were addressed and answered.

A Special Airport Committee meeting was held today for the principals to make their best proposal on leasing the Bastian-Mitchell Hangar, but a quorum was not present. Further information was provided by the proposers and two additional questions will be answered via e-mail. The Board should have a full analysis of the proposals and all materials that were provided by the proposers and if it is necessary a special Board meeting will be scheduled to expedite the process. There is much data to review and the Board and the proposers deserve a thorough analysis of all data without prolonging the issue. This issue should be deferred and addressed in the December Board meeting or a special Board meeting.

Commissioner Heaton advised that a commitment was made to the FBOs that the Authority would have open dialogue regarding how the Authority can better the Airport and secure any available grants. Such dialogue proceeded in the November Airport Committee meeting and excellent issues arose. The FBOs are willing to assist the Authority in Baton Rouge and support this Board to better the Lakefront Airport.

Marina Committee – Commissioner Dufrechou reported that dock boxes are on order, the security has been enhanced and there have been no further break-ins at South Shore Harbor Marina since the new fencing is in place. Consultants will select several shore power receptacles throughout the South Shore Harbor Marina to address questions regarding possible shortages due to Hurricane Isaac. At Orleans Marina the closures on the gates to each pier have been replaced.

Commercial Real Estate Committee – Vice Chairman Ernst informed that the Commercial Real Estate Committee meeting was cancelled. There is nothing to report.

Recreation/Subdivision Committee meeting - Vice Chairman Ernst informed that the Recreation/Subdivision Committee meeting was cancelled.

Legal Committee – Mr. Metzger advised that the Legal Committee addressed Item No. 5 and recommended to approve a settlement with Lakeview Landings in the amount of \$90,511.97 for expenses incurred in connection with underground utility lines that delayed the project. The settlement is conditioned upon receipt of proof of payment for the incurred expenses. Copies of the checks were received and an Affidavit was executed by one of the principals under penalty of perjury

Finance Committee – Commissioner Hoffman reported that there was nothing unusual discussed in the Finance Committee meeting. Normal monthly reports came in and everything is on track. The Finance Committee is focusing heavily on the next two years and how to fill the gap between what is coming in and what is going out. There is a gap of approximately \$1 - \$1.8 million to maintain the properties at the bare-minimum. This does not include any types of enhancement. The millage starts in 2016, but is collected and remitted in the latter half of 2016. This is a serious problem and there is a lot of effort to put together a plan to present to the Board.

Mr. Capo advised that the restaurant lease was signed with Messina's and takes effect December 1, 2013. Two events are planned for the month of December so the Authority will receive revenue immediately. Events held in the atrium generate 8% on

the first dollar. There is a Resolution which addresses two issues with the Messina lease. The first issue addresses the inadequacy of the gas line in which Messina's and the Authority agreed to split the repair cost 50/50. The second issue addresses Chiller No. 1 which supplies air conditioning strictly to the restaurant leasehold. Both the building and restaurant chillers were crossed in the BAS system. There was also debris in the line that feeds the flow meter. The flow meter is being replaced and will be monitored to determine how the reading compares to the 13% that was agreed upon in the Messina's lease. Messina's will be invoiced 13% of the main building meter and will pay for the second meter for the restaurant.

Mr. Davis advised there were two problems with the building automation system (BAS). Readings made it apparent that there were problems with the system. After checking the system, it was noted that the BAS programming was wrong. There was also a problem with solids in the closed loop system for the chiller. A water test indicated the system was clean, but after the flow meters began sticking they were taken out and solids were found in the system. The meters were taken out and recalibrated. After another test indicated solids still in the system it was determined that the system would have to be flushed again for seven days. The water testing company will flush the system at no expense to the Authority. This is a contractor issue.

Mr. Davis informed that the flow meters were mapped wrong in the computer program and the readings from the chillers were crossed. Commissioner Heaton clarified that this issue arose during lease negotiations because Messina's wanted an estimation of what the utilities were going to cost as that was part of the lease. In the middle of negotiations these issues arose. An agreement was reached with Messina's for 13% until the issue could be resolved.

Commissioner Hoffman confirmed with Mr. Davis that the software and utility bill did not correspond, but nobody noticed there was something seriously wrong. Mr. Davis explained that there were two utility bills; one for the main building and one for the restaurant. The restaurant utility bill only handles electrical loads, there is very little load on the direct utilities. The building handles all electrical loads, two chillers, two pumps and the compressors. The BAS system had the chillers crossed. The chillers will be split in order to read the restaurant chiller separate and charge that electricity as a kilowatt hour usage. This is a contractor punch list item and not uncommon in new buildings. Mr. Davis informed that an estimate was provided by RS Means in the amount of \$42,000 to put the chiller on Messina's line. I will obtain additional quotes from mechanical contractors so the Board can determine what to do long-term.

Commissioner Heaton addressed the Non-Flood Authority's police complex property located at Elysian Fields. There have been informal discussions regarding the property. I cannot approach the Flood Authority until this Authority advises where it stands with transferring control of the property to the Flood Authority. There may be an opportunity for the police station to be rebuilt if this Board gave up control of the property under the caveat to amend the MOU for the police station to be transferred to the Flood Authority with the purpose of constructing a new police station. If the police station was rebuilt with the right complimentary design to the community it would assist the University, the Airport, and the community with providing security on the flood protection system. Commissioner Hoffman clarified that the facility is dilapidated. If the Authority does not go that route there are very few options left other than demolishing the building and converting the property to green space. Commissioner Heaton informed that this is a time when agencies can work together towards a win/win situation for the entire community. This could be a positive in terms of safety issues and visual aesthetics. Vice Chairman Ernst requested this item be put on the Agenda for the December Commercial Real Estate meeting. Mr. Pappalardo can give us a recommendation and the issue can be brought to the Board.

Commissioner Hoffman addressed the restoration of the Four Winds Fountain and noted that there are no funds available to restore the Fountain. Commissioner Heaton advised that the Airport Committee addressed the issue because the Agenda Item description was to make the Four Winds Fountain an alternate project under FEMA and

convert the Fountain into a sculpture. The Fountain is under the jurisdiction of the Airport Committee and it is the consensus of the Committee that the Four Winds Fountain should be restored to a working fountain for many reasons. The Airport Committee felt a courtesy to send the issue to the Finance Committee to keep Finance apprised, but it will take some private funds to restore the fountain.

Commissioner Hoffman addressed relocating the fountain. Commissioner Heaton advised that the Committee does not have all of the facts or the costs that would be involved to move this fragile piece of artwork that is in this Authority's care. There are many options, pros and cons and this Authority has an obligation to come up with a strategy on how to best use this treasured piece of art. To raise money and make the fountain into a sculpture or restore it to a working fountain is a Board decision which will not be made over night because Board members may have different opinions on the various options involved with the Fountain. Commissioner Dufrechou noted that the fountain suggests that there is a tremendous synergy between the Airport and the Marina. No other place in the country has an Airport and a Marina of quality next to each other. The Authority has many opportunities to make the Airport grow. The fountain could possibly be a destination for people flying or boating in or for tourists in general.

Commissioner Heaton noted that one complaint regarding the Fountain is that it is not visual enough. Mr. Davis advised that there were studies regarding the statue and questioned if there was any possibility that the Corps of Engineers would tear down the old floodwall as it blocks the view of the Airport and the Fountain. The old floodwall is no longer viable and serves no purpose except to block the view of the Airport. If part of the floodwall could be eliminated the Fountain would get the view and the entire Terminal would then become exposed. Commissioner Hoffman stated that the Corps paying to take down the old floodwall is another issue that should be addressed. Commissioner Heaton advised that at some point in time the Board should make a decision of what direction will be taken with the Fountain because if you don't know where you are going you will never get there.

Commissioner Heaton noted that the Board could not vote tonight on any motions due to a lack of quorum. Some Agenda Items address an extension on a contract that will have to be approved and may warrant a special Board meeting. A lease agreement was negotiated with Bonomolo Limousine Service and Senator Morrell would like an office in the Terminal which will be addressed at the next meeting. Also, all information and the analysis on the Bastian-Mitchell Hangar will be distributed for the Board to review.

Commissioner Hoffman noted that at a previous meeting the framework for leasing at the Airport was approved. With that framework in place; does each lease have to come before the Board? Commissioner Heaton stated that the Framework was in place, but each new lease is required to come before the Board for approval. That is the process that is currently in place. Mr. Metzger advised that the Board enacted a procedure which the tenant follows that comes back before the Board. Commissioner Heaton added that the tenant is required to provide a Letter of Intent advising what space is desired and what it will be used for. The Airport Committee then recommends the issue to the Board for final approval. If there is no quorum in the Airport Committee meeting, the Committee is not adverse to move this issue directly to the Board if the required criteria is acceptable. If there are multiple people wanting to lease the same space the Airport Committee makes a recommendation, but at the end of the day it is a full Board decision.

Vice Chairman Ernst noted that the time as 6:22 p.m. and advised that there was still no quorum. Public Comments will be heard.

PUBLIC COMMENTS

Mike Gillen – South Shore Harbor Marina Association

Mike Gillen, South Shore Harbor Marina Association, reported that there are 51 in the South Shore Harbor Association which was formed approximately two months ago. I wanted to thank Mr. Capo's office, Mr. Dixon and the entire Board and staff for the support that the Association has received so far. We are trying to bring South Shore Harbor up to where it should be. There is a synergy between the Airport and the Marina and a great potential to work together. South Shore Harbor is a fantastic facility that needs some help and sprucing up to bring it to where it should be. I appreciate your help and look forward to working with you.

Commissioner Dufrechou informed the Board that Mike Gillen, Mr. Capo, and Mr. Dixon did a lot of volunteer clean-up work at South Shore Harbor and thanked them for making that happen.

NEXT BOARD MEETING

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, December 19, 2013 at 5:30 p.m.

ADJOURNMENT

Due to a lack of quorum, there was no motion to adjourn and the meeting ended at 6:27 p.m.