

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE COMMERCIAL REAL ESTATE COMMITTEE MEETING
JANUARY 12, 2012 – 1:30 P.M.**

The regular monthly meeting of the Commercial Real Estate Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, January 12, 2012 at 1:30 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.

Commissioner Trask called the meeting to order at 1:30 p.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman John Trask
Commissioner Stanley Brien
Commissioner Joe Hassinger

ABSENT:

Commissioner Wilma Heaton

FURTHERMORE PRESENT:

Commissioner Carlton Dufrechou

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood

ALSO PRESENT:

Gerard Metzger
Charles Curtis
Albert Pappalardo
Wesley Mills
John Lopez

APPROVAL OF AGENDA

Commissioner Hassinger offered a motion to adopt the agenda, seconded by Commissioner Brien and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hassinger offered a motion to approve the minutes of the Real Estate Committee from November 3, 2011, seconded by Commissioner Brien and unanimously adopted.

PRESENTATIONS

Dr. John Lopez – Lake Pontchartrain Basin Foundation

Dr. Lopez stated that the project site is the old Lighthouse location on the New Basin Canal, referred to as the New Canal Lighthouse Museum and Education Center. Lake Pontchartrain Basin Foundation is a 501C3 non-profit organization well established in the community and recognized for their work in water quality, coastal and development work in terms of fund raising. LPBF does environmental education funded mainly through the Pontchartrain Restoration Program. Lake Pontchartrain Basin Foundation performs water quality work on the North Shore with tremendous improvements in Lake Pontchartrain water quality over the last 10 years. Lake Pontchartrain Basin Foundation is involved in coastal work as some areas show a 100% loss of coastal wetlands. The foundation has advocated to link coastal restoration to the flood protection

system. The planning team for the state master plan are integrating these ideas which are an important issue that Lake Pontchartrain Basin Foundation is involved with.

There are three facilities which include the main office in Metairie, the existing structure at the Lighthouse site for education and a lab at the University of New Orleans for coastal work. LPBF's mission is to protect and restore the financial resources of the Pontchartrain Basin which covers much of southeast Louisiana.

The strategic site is in the center of the basin on the New Orleans Lakefront with much access to the public. LPBF is a public organization and very transparent with hundreds of documents describing technology accessible to the public electronically and through other medians. This site will provide physical access which will enable people to walk or drive up and visit.

The education building will be located next to the former Lighthouse site. The Coast Guard left this site in 2002, Hurricane Katrina and Rita destroyed the Lighthouse and Lake Pontchartrain Basin Foundation leased the property from the Coast Guard in 2006. The old Lighthouse was removed and stored. Lake Pontchartrain Basin Foundation refurbished the existing building and maintained the property. Plans for the new Lighthouse were approved in 2008, the Coast Guard decided to delist the property and the Authority acknowledged its reversionary rights in September. The Coast Guard acknowledged they no longer owned title or rights to the Lighthouse Parcel which is also referred to in the Bureau of Land Management Land Survey as the New Basin Canal Lighthouse.

Lake Pontchartrain Basin Foundation has developed a thorough preliminary plan for the property including operating costs, strengths and weaknesses. This will be a challenge in terms of managing an historic structure. The Lighthouse Parcel is the property that LPBF would like to lease and where the new structure would be built. A Bureau of Land Management survey shows that the old structure on the 1838 property is on the same footprint as the new structure. The new structure would replicate the appearance and layout of the old Lighthouse and will be elevated 18 feet. The Lighthouse and Educational Center will be tied together with a deck. An elevator will be incorporated on the Lighthouse which replicates the old bell tower and will restore replication of the Lighthouse.

The first elevated floor is 550 sf with actual working space being 400 sf and is the only part accessible by the public as the State Fire Marshall will not allow access to the upper floor. LPBF raised close to \$800,000 for the Lighthouse and has spent approximately \$350,000 on refurbishing the building, demolishing the Lighthouse, insurance and operations costs over the last 5 years. Money raised is currently over \$110,000 with \$50,000 for displays. School trips and adult courses will be the center of our mission as an environmental organization in the Lighthouse. Included in the museum will be a display on the history and tradition of the Orleans Levee District because of the significance to the Lakefront and the Lighthouse. LPBF is requesting a long term lease in the Lighthouse Parcel with the Authority allowing reconstruction of the Lighthouse and establishing the New Canal Lighthouse Museum and Education Center.

Mr. Pappalardo informed this is the end of an 8-10 year road which was conceived in 2002. The Levee District was very supportive of this use at the Lighthouse. There is one hurdle to cross regarding the Landry's lease which when written Landry reserved the right of first refusal if that parcel ever became available for a commercial venture. The land is zoned RS1, single family residential. A 2009 ordinance of the City of New Orleans allowed a conditional use for a museum. The lease being confected between the Foundation and the Authority will limit the use of that parcel for a specific museum containing

language that states exactly what the Foundation intends to use the museum for and will require the tenant to be a 501C3. This will be a 60 year lease with 5 year periods and rental of \$100 per year. The two parcels of land the Coast Guard held title to is commonly called the Lighthouse Parcel. They have released the Lighthouse Parcel and the other parcel will be given up at some point because it is the seawall, Lakefront and road bed which the Foundation is going to use for ingress and egress. There will be memorial brick laid somewhere in the area. Both US Senators supported this transfer from the Coast Guard.

Mr. Metzger informed that the lease and rate of \$100 per year has been approved and blessed by the Louisiana Supreme Court in 1978 in the case of *Arnold v. The Board of Commissioners of the Orleans Levee District*. The Authority will receive little rent but will get a building at the end of the term of the lease. Insurance will be paid and the grounds and building will be maintained. This is a valid and enforceable lease and is a legal lease for the Board to approve. The right of first refusal in the Landry's lease states Lessor grants Lessee a right of first refusal to any proposal for development as may be received and approved by Lessor. LPBF is proposing a museum and the zoning is residential. This can be constructed because of the city ordinance adopted years ago. The resolution will state that the lease is subject to the waiver of Landry's right of first refusal and we will give Landry's 30 days to respond. If Landry's does not respond the Authority will consider that to be waived and the Authority will be open to sign the lease.

Commissioner Heaton made a motion to recommend the lease proposal from the Lake Pontchartrain Basin Foundation to the Full Board, seconded by Commissioner Hassinger and unanimously approved.

NEW BUSINESS

Discussion to perform a structural analysis for Lake Vista Community Center

Mr. Capo advised of structural problems at the Lake Vista Community Center with cracks developing in the brick wall and movement in the building. There are cracks in the structure in Mr. Capo's office which get worse as you move to the opposite end of the building. 6517 Spanish Fort is a vacant office with a crack developing in that office along with a brick column that is starting to crack. Mr. Capo is requesting approval for a structural analysis to be performed on this building for information on how to correct the issues. Mr. Capo will obtain a cost estimate to bring to the Board.

Mr. Capo noted that this building was on a floating slab with possible voids underneath some areas causing the building to sag. No demolition is involved as there was with South Shore Harbor. Mr. Nelson will put together the RFP requirements and a cost for the structural analysis. Chairman Trask supported the structural analysis and recommended passing this to the Full Board. Commissioner Heaton suggested passing the issue to the full Board without recommendation for discussions on financial estimates.

Mr. Pappalardo's recollection is that Lake Vista Community Center's perimeter and some of the walls are on footings. The sidewalk is falling away from the front doors and concrete entry paths have been added over the years because the perimeter of the building is on firm foundation and the sidewalk is not. The interior slabs were poured without being tied into in 1949. Pictures of Mr. Capo's office show defects, although the office was redone in 1995 from store 3 to St. Pius. Mr. Wesley Mills of Design Engineering informed of similar findings at the Point Building in which the main structure behind the columns was steel with no space around the steel member and brick all the way around it. When the steel

member sweats it expands and cracks the brick. What is happening at Lake Vista Community Center is similar to what happened at the Point Building.

Mr. Capo informed that Board approval is not needed for an RFP or RFQ although a dollar amount will need to be approved. Chairman Trask recommended bringing this to the full Board for approval to move forward, seconded by Commissioner Heaton and unanimously adopted.

ANNOUNCEMENT OF NEXT MEETING

Chairman Trask announced the next Commercial Real Estate meeting is scheduled for Thursday, February 9, 2012 at 1:30 p.m.

ADJOURNMENT

Commissioner Hassinger offered a motion to adjourn, seconded by Commissioner Heaton and unanimously adopted.

The meeting adjourned at 2:25 p.m.