

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE COMMERCIAL REAL ESTATE COMMITTEE MEETING
THURSDAY DECEMBER 5, 2013 – 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, December 5, 2013 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 Ernst called the meeting to order at 1:50 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Chairman Greg Ernst
Commissioner John Trask
Commissioner Eugene Green

ABSENT:

Vice Chair Robert E. Smith Lupo

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Ray Landeche – Lakeshore Resident

APPROVAL OF AGENDA

Commissioner Trask offered a motion to adopt the Agenda, seconded by Commissioner Green and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Green offered a motion to approve the minutes of the Commercial Real Estate Committee minutes from October 3, 2013, seconded by Commissioner Trask and unanimously adopted.

NEW BUSINESS

- 1) Discussion and approval to recommend the transfer of the management and control of the former Orleans Levee District Police Department's Headquarters property on Elysian Fields from The Non-Flood Protection Asset Management Authority to the Southeast Louisiana Flood Protection Authority – East**

Chairman Ernst informed the Committee that this issue was discussed at the November 20, 2014 full Board meeting on the suggestion of Commissioner Heaton. In follow-up to that discussion the item was added to the Commercial Real Estate Committee Agenda for discussion and approval to the full Board.

Commissioner Green suggested the Non-Flood Authority have a mechanism in place to recover the asset if the SLFPA-E was not able to develop the property. Mr. Pappalardo informed that Mr. Metzger will be use a resolatory condition. Mr. Metzger advised if the SLFPA-E does not use the property as a Police Station, the control and management will revert back to the Non-Flood Authority. Mr. Capo noted that this meeting is the first step to advise SLFPA-E that the Non-Flood Authority is willing to transfer the property back to the Flood Authority.

After the Non-Flood Authority passes the Resolution, SLFPA-E can either accept or reject the transfer.

Chairman Ernst noted that recommendation of a Resolution may be premature and suggested that the Executive Director contact the SLFPA-E Executive Director to discuss the issue. Mr. Metzger agreed that it was prudent that contact be made with SLFPA-E. The Committee is not required to vote to recommend the issue.

Commissioner Trask clarified that as SLFPA-E is in charge of the Orleans Levee District Police it makes sense to transfer the headquarters to SLFPA-E. The Non-Flood Authority should stipulate that the property remain a Police Headquarters. The property should not be turned into something it is not zoned for as that could upset the Lake Oaks residents. Any different use of the building should require approval from the Non-Flood Authority Board.

Mr. Capo advised the Committee that the police are housed in the Loft Building. When the Levee District Police reverted back to the Flood Authority, the Loft Building went with the police, which was specified in the Memorandum Of Understanding. Mr. Metzger noted that the MOU was signed and entered into in 2007 between the Flood Authority East and West and the Division of Administration which was the governing authority of the Non-Flood Protection Assets at that time. The MOU outlines what properties go with which Authority. The Loft Building needs to be demolished. Commissioner Heaton suggested that the previous Levee District Police Headquarters is the ideal location located in the neighborhood where the police were formerly housed. A new police station could be built at that location which would house both the administration and the patrolmen.

Mr. Metzger suggested that this Committee not make a recommendation at this time. Contact should be made with SLFPA-E to determine if there is any interest in the building and to discuss the terms and conditions if the building was transferred. Mr. Pappalardo advised that Commissioner Heaton indicated that there is a deadline with respect to funding for construction of the property. This Committee could pass a motion noting that the Non-Flood Authority has no objection regarding the transfer of the property with the stipulation that the property will be used as a Police Headquarters. The zoning is residential/single family, and a police station would require a conditional use. A recommendation should be made to the Board stating that there is no objection from the Real Estate Committee to the transfer of the property if the property is to be used as a police station. Commissioner Heaton will be attending the Board meeting and will discuss whether there is funding. If the property back could be put back into commerce as a Police Headquarters it would be a win/win situation.

Mr. Pappalardo advised that if the building were not transferred the cost of demolition is approximately \$40,000, which includes demolition of the site, turning the property into green space and maintaining the area. The parcel is not large, approximately 15,000 square feet, but it is additional property that the Non-Flood Authority has to maintain. Mr. Capo added that the building is currently vacant and is an eye sore. The building was occupied until the Levee District police were transferred to SLFPA-E in 2011. The building was a 1950's Esso Service Station retrofitted into a police station. The rear section of the building is a modular building that was added and has a different elevation when you step from the front building into the rear modular portion of the building.

Commissioner Trask suggested that the Non-Flood Authority give SLFPA-E three years to demolish and rebuild the building into a new police station. If SLFPA-E does not demolish and rebuild the property within the three years, the Non-Flood Authority would have to agree to renewing the Agreement. Commissioner Green moved to recommend to the Board that the Real Estate Committee had no

objection to the transfer of the former Orleans Levee District Police Department Headquarters to the SLFPA-E. Chairman Ernst suggested that a condition of the transfer state that the property be developed within a certain amount of time. If the property ceased to be a police station, management and control would revert back to the Non-Flood Authority. Also, a clause should be included stating that the property be rebuilt within three years. Mr. Pappalardo agreed and noted that three years is sufficient as there will be architects involved, it is a public building and would have to go out to public bid.

Commissioner Trask advised the Committee that the property is potentially going to sit dormant and become an eyesore and a place for vagrancy. The building has to be demolished so it is not a problem for the neighborhood. Mr. Pappalardo informed that Commissioner Heaton is attempting to accomplish that by getting the building demolished and rebuilt along with preserving the Non-Flood Authority funds. By transferring the property, the Authority that has the funding could maintain the property.

Mr. Metzger stated the motion from the Commercial Real Estate Committee will state that the Committee has no objection to transfer the management and control of the former Orleans Levee District Police Department Headquarters' property on Elysian Fields from the Non-Flood Authority to the SLFPA-E subject to the following conditions: the property be used as a police station, the property be developed within the next three years into a new police station and there be a clause regarding demolition of the building. Chairman Ernst requested a condition that the property revert back to the Non-Flood Authority if it is not developed. Mr. Metzger noted that these would be considered resolatory conditions and management and control revert to the Non-Flood Authority if these conditions are not fulfilled.

Mr. Pappalardo stated that the NOPD could take the property over as a police station. At one point this Authority discussed this issue with the NOPD who did not have the wherewithal to expand at that time. The building can be used as any kind of police station. Mr. Capo advised of preliminary discussions with the Constable's Office regarding relocating the Constable's Satellite Office to that building. Mr. Metzger noted that the Constable has a lease in the Airport which includes a 90-day cancellation clause for that reason. When the Airport Committee approved Constable Bossier's lease it was noted that if the former Levee District Police building became available Constable Bossier's Airport lease should include a 90-day cancellation clause in the event the Constable wanted to relocate in that building along with the Orleans Levee District Police. The 90-day cancellation clause is also required as the Constable is an elected official.

Mr. Capo suggested a clause preventing any other law enforcement agency being placed on that property unless approval is given by the Non-Flood Authority. Mr. Pappalardo advised that this is a \$1 million-plus investment and stated there may be too many conditions regarding transfer of the building. The Non-Flood Authority wants to transfer the property as it is a liability. Someone may get hurt on the property, there could be a fire or the building could be inhabited by vagrants. From a real estate portfolio standpoint, the Non-Flood Authority should get rid of the property. Commissioner Heaton suggested that there may be funding to do this on the Flood Authority side, which could be a win/win situation. The Non-Flood Authority would not have the liability or the building and the neighborhood would gain police presence. The neighborhood is supportive as a police presence enhances the neighborhood.

Mr. Metzger advised that the two conditions of the transfer are that the property be used as a police station by the Orleans Levee District Police Department and that the Flood Authority demolish and develop the property within three years. If those conditions are not met, the property reverts back to the Non-Flood

Authority. Mr. Capo noted that the Board can suggest revisions at the appropriate time.

Commissioner Green moved to recommend to the Board the transfer of the Orleans Levee District Police Department Headquarters building, seconded by Commissioner Trask and unanimously adopted.

Commissioner Trask addressed the barrel barricades on Canal Blvd. and suggested placing a drop down gate or something with an arm that comes down. The area is at Amethyst Street before the levee. Mr. Capo advised that the reasons are funding and possible legalities or DOTD standards as far as blocking a road or installing a swing arm gate. Historically, the barricades have always been used. Mr. Capo informed this issue should be placed on the Recreation/Subdivision Committee. Commissioner Stack could provide DOTD standards with respect to a swing arm gate, which would be more aesthetically pleasing. The problem is if there is a metal arm and someone proceeds on without stopping, those barrels will move when hit. The arm will be more difficult to cause damage.

ANNOUNCEMENT OF NEXT MEETING

Chairman Ernst announced the next scheduled Commercial Real Estate meeting is Thursday, January 9, 2014 at 1:30 p.m.

ADJOURNMENT

Commissioner Trask offered a motion to adjourn, seconded by Commissioner Green and unanimously adopted.

The meeting adjourned at 2:14 p.m.