

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE COMMERCIAL REAL ESTATE COMMITTEE MEETING
THURSDAY APRIL 3, 2014 – 2:30 P.M.

The regular monthly meeting of the Commercial Real Estate Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, April 3, 2014 at 2:30 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.

Chairman Ernst called the meeting to order at 1:39 p.m. and led in the Pledge of Allegiance.

The roll was called which constituted a quorum.

PRESENT:

Commissioner John Trask
Vice Chair Robert E. Smith Lupo
Commissioner Eugene Green

FURTHERMORE PRESENT:

Commissioner Carlton Dufrechou

ABSENT:

Chairman Greg Ernst

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood

ALSO PRESENT:

Gerard Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Lorri Murray - Resident

OPENING COMMENTS

Vice Chair Robert E. Smith Lupo chaired the Commercial Real Estate Committee meeting in Chairman Ernst's absence.

APPROVAL OF AGENDA

Commissioner Green offered a motion to Amend the Agenda, seconded by Commissioner Trask and unanimously adopted. Agenda Item New Business No. 2 will now be Agenda Item New Business Item No. 1.

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

APPROVAL OF PRIOR MINUTES

Commissioner Green offered a motion to Approve the minutes of the December 5, 2013 and February 6, 2014 Commercial Real Estate Committee meetings, seconded by Commissioner Trask and unanimously adopted.

NEW BUSINESS

1) Discussion regarding request by Stanton Murray of Murray Yacht Sales to lease Suite 6500 on the ground floor of the Lake Vista Community Center

Murray Yacht Sales has been a Lake Vista Community Center tenant for three years and the current lease for Suite 6510 expires May 31, 2014. Due to the recent vacancy of Suite 6500, Mr. Murray requested to lease that location. Suite

6500 is 25% larger and in a better retail location in the Lake Vista Community Center. The new lease tracks the old lease with two 1-year options starting at \$15.00 per square foot. Mr. Murray will be granted access to Suite 6500 May 1, 2014 and will begin paying rent on June 1, 2014 at \$15.00 per square foot.

Chairman Trask recommended that this matter be moved to the full Board, seconded by Commissioner Green and unanimously adopted. Mr. Capo advised that this item would be moved to the full Board on April 17, 2014.

2) Discussion and review of facts relative to Louisiana Revised Statutes regarding the development of Zone 5

Commissioner Green informed the Committee that the Authority has the ability and rights to develop the area north of Hayne Boulevard from South Shore Harbor Marina to Lincoln Beach. Everything in New Orleans north of Robert E. Lee Blvd. was developed by the Orleans Levee District under the authority by the State of Louisiana. Prior to 1930, all subdivisions, the University of New Orleans and Lakefront Airport were water. Orleans Levee District developed the subdivisions, UNO, the Airport and South Shore Harbor Marina by pumping in sand from Lake Pontchartrain. As these locations were built higher, the area was spared the brunt of flooding that resulted from destruction of the levees by Hurricane Katrina.

The Orleans Levee District developed four Zones and has the statutory ability to develop Zone 5 which runs from South Shore Harbor to Paris Road. Commissioner Green proposed the Authority explore investment in Zone 5 and withdrew his prior request for \$250,000 from the State of Louisiana to update the studies. There may be federal funding sources for development of Zone 5 because there will be wetlands restoration consideration involved with development of Zone 5 along with a potential flood barrier. Development of Zone 5 also has potential to be a funding resource from the Department of the Interior due to the importance of maintaining wetlands.

Chairman Lupo requested that Commissioner Green read how the last WHEREAS paragraph be changed in his proposed resolution. Commissioner Green stated that he is proposing that Legal Counsel develop the paragraph. The last WHEREAS, which refers to money, the bottom line is that I am asking the Board to have this resolution to express the will of the Non-Flood Protection Asset Management Authority to develop Zone 5 in the future and authorize staff and interested Board members to approach public and private government and funding sources in furtherance of that development.

Commissioner Green requested a substitute resolution which expresses the will of the Authority to develop Zone 5 and authorize staff and interested Board members to approach public and private government and funding for development of same.

Commissioner Dufrechou informed the Committee that development of the Lakefront and some of the higher area was developed pre-NEPA (1970 - National Park Policy Act) to avoid or minimize environmental impact and then to mitigate. Development of Zone 5 did not proceed 20 years ago due to NEPA. Wetlands should be kept contiguous to the Mississippi River. The Corps of Engineers, Environmental Protection Agency and the State Regulatory Agencies were opposed to this development. The Authority currently has the areas known as Lincoln Beach and Pontchartrain Beach along with a linear Lakefront, which are opportunities to reach a public that desires the Lakefront resource. Development of Zone 5 would change the contours of Lake Pontchartrain in a large way by redirecting flows and possible impacts to South Shore Harbor, Lakefront Airport and the North Shore. The North Shore has been denied a

surge barrier in New Orleans East because New Orleans East opens up to the Riggolets and Chef Pass.

Commissioner Green advised that Development of Zone 5 would require approval by the Environmental Protection Agency and noted that he would meet with Steve Spencer and Gerry Gillen to discuss this issue.

Commissioner Lupo suggested that the Committee make no recommendation and discuss the issue with experts and staff involved in discussions 20 years ago who possess records on events dating back to 1999. Discussions were had between the Department of Environmental Protection, the Department of Natural Resources and the Department of Environmental Quality and development of Zone 5 was primarily a way to treat outfall canal discharge and have some type of development on the edge. The Pontchartrain Beach area is ready and waiting to come back in public use.

Commissioner Trask suggested tabling the issue and discussing the matter further before putting resources into the project.

Commissioner Green noted that the coastline is still eroding with the constant flow of water, which impacted the area north of Hayne Boulevard causing the levee breaches in several places. Development of Zone 5 would address the constant erosion. Commissioner Dufrechou noted that USGS data indicates subsidence degree on the south shore of Louisiana is approximately one foot per decade. The storm protection system bought 20-25 years. Years ago New Orleans was the Gulf of Mexico and without river sediments it will become the Gulf of Mexico once again.

PUBLIC COMMENTS

Commissioner Green requested a status on the transfer of the police station. Mr. Capo advised Commissioner Heaton was working on that issue with the Flood Authority. Once the Loft Building is demolished, Commissioner Heaton will propose the Flood Authority re-build the police station at the old Elysian Fields site.

ANNOUNCEMENT OF NEXT MEETING

Chairman Lupo announced the next scheduled Commercial Real Estate meeting is scheduled for Thursday, May 8, 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 2:05 p.m.