

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE
COMMERCIAL REAL ESTATE COMMITTEE MEETING
TUESDAY OCTOBER 18, 2016 – 12:00 P.M.**

The regular meeting of the Commercial Real Estate Committee of the Non-Flood Asset Protection Management Authority was held on Tuesday, October 18, 2016 at 12:00 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.

Chair Green called the meeting to order at 12:05 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

Present:

Chair Eugene Green
Comm. Leila Eames
Comm. William Settoon

Furthermore Present:

Full Board Chair Wilma Heaton

Absent:

Comm. Cedric Grant

Staff:

Chuck Dixon – Marina Director
Sharon Martiny – Administrative Assistant
Marlene Wilkerson – Accounting

Also Present:

Gerry Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Zack Butterworth – Peninsula Condominiums
William Hall - Lighthouse Harbor Condominium Association
Tommy Merk - Lighthouse Harbor Condominium Association

Adopt Agenda

Comm. Eames offered a motion to Adopt the Agenda, second by Comm. Settoon. Motion passed.

Approve Minutes

Comm. Settoon offered a motion to approve the August 4, 2016 Joint CRE/Legal Committee meeting minutes, second by Comm. Eames. Motion passed. Comm. Eames offered a motion to approve the September 6, 2016 Commercial Real Estate meeting minutes, second by Comm. Settoon. Motion passed.

Public Comments

Zack Butterworth, Peninsula Condominium tenant, advised that the conditions have changed significantly since Hurricane Katrina. The base flood elevation has gone up, and we are now at a +17 elevation. Insurance rates are extremely high, and Peninsula Condominium tenants do not have access to the boat slips, which have not been repaired since Katrina. The bulkheads are allowing erosion to occur and the ground is falling into the Harbor. Peninsula submitted the new lease requests, which are reasonable, and looks forward to discussions with the Authority at this critical point.

Chair Green noted that there are complexities involved in this matter as the Board is bound by the appraisal previously completed. This Committee is prepared to authorize Legal Counsel and the Real Estate Consultant to engage in discussions with Peninsula Condominium representatives regarding extension of the lease, and the Committee is inclined to recommend the Board authorize those negotiations.

Comm. Settoon advised that the Marina Committee recently approved a preliminary report projecting estimated costs to repair the slips surrounding Peninsula Condominiums as the Authority is aware of the situation with those slips. Tommy Merk (Peninsula Condominiums) noted that some slips were repaired to some extent. Issues with the lease must be resolved in the near future as the present lease term is affecting potential buyers' decisions to purchase several units.

Old Business

1) Discussion and approval of Landry's appraisal and new lease rate

Mr. Metzger advised that the Landry's land lease is appraised every 10 years, by one appraiser selected by Landry's and one appraiser selected by the Authority. If the appraisers do not agree a third party appraiser is brought in. Both appraiser met and both concluded that the new rate will be \$3.15 per s.f., an increase of \$48,000 annually. The Agreement, which Landry's has signed, memorializes what the rent will be for the next five years. The Committee recommends this matter be brought before the Board for approval. Comm. Eames moved to recommend to the Board approval of Landry's appraisal and new lease rate, second by Comm. Settoon. The matter will be placed on the full Board Agenda.

2) Discussion with Lighthouse Harbor Condominium Association regarding lease rate/extension

Chair Green requested the Committee authorize Legal Counsel and the Real Estate Consultant to engage in discussions with Lighthouse Harbor relative to the lease rate and potential extension requested. Comm. Eames moved to authorize Legal Counsel and the Real Estate Consultant to enter into discussions with Lighthouse Harbor Condominium Association regarding lease rate/extension, second by Comm. Settoon. This item will be presented to the full Board for approval after discussions are complete and a decision regarding the extension is made.

3) Discussion and approval to enter into preliminary discussions with Peninsula Condominiums regarding lease extension

Comm. Eames offered a motion for Legal Counsel and the Real Estate Consultant to enter into preliminary discussions with Peninsula Condominiums regarding lease extension, second by Comm. Settoon. Motion passed.

4) Discussion and approval to enter into a contract with the selected Architect/Firm to develop and write current building standards for boathouses in Orleans Marina and also develop a conceptual design for new boathouses to be built on West Roadway for the NFPAMA

Chair Green suggested this item be deferred as scoring is not yet complete. The Scoring Committee will be headed by two members of the Marina Committee and two members of the Commercial Real Estate Committee: Commissioners Arrigo, Eames, Settoon and Brien. The scoring sheets are due on Tuesday October 25, 2016, two days prior to the October 27, 2016 full Board meeting.

5) Discussion and approval to authorize \$10,000 to assist the City of New Orleans in the initial clean-up of Lincoln Beach on Saturday November 5, 2016

Comm. Green advised that the City of New Orleans will do an initial clean-up of Lincoln Beach on Saturday November 5, 2016. As this is an important part of the development of the eastern area and Area 5, which is under this Authority's purview, I am requesting the Authority assist the City in the clean-up effort by donating \$10,000 which cost could be absorbed by the Contractual line item in the budget. Mr. Metzger advised of a possible legal issue (funds from one political subdivision used for another political subdivision), which may be a prohibited donation. The issue will be researched and findings as to whether this donation is allowed under the Constitution will be presented to the Board at the October 27, 2016 Board meeting. Comm. Settoon offered a motion (pending outcome of investigation) to authorize \$10,000 to assist the City of New Orleans in the initial clean-up of Lincoln Beach on Saturday November 5, 2016, second by Comm. Eames.

6) Report by Marina Director on maintenance and enhancement of the North Peninsula and estimate on dredging South Shore Harbor for fill for the North Peninsula to satisfy FEMA requirements

Mr. Dixon reported that sediment comes in from the Channel and silt builds up around the N. Peninsula. Silt is currently built up surrounding the Peninsula. Sediment removal will clear the lines along the breakwater and east bulkhead. We would like to dredge 10 feet deep at a cost of \$4 million plus \$20,000 for setup and breakdown. Fill up to 16 feet is required to bring the Peninsula up to FEMA standards. Utilities must be brought in from the top of the Peninsula along with a lift station. Chair Green noted that the cost to bring sewer, water and electric to the Peninsula is reasonable.

7) Discussion and approval to authorize staff and Real Estate Consultant to prepare a Request for Proposals relative to the North Peninsula

Chair Green requested that the Real Estate Consultant and Legal Counsel prepare an RFP by November 30, 2016 to solicit proposals for development of the N. Peninsula. Al Pappalardo, Real Estate Consultant, noted that the issue in developing the N. Peninsula has been that of the cost to bring utilities to the site. DEI prepared a report prior to Katrina detailing that cost, which was approximately \$12 million. For the RFP to be valid (if it is determined that the cost is not \$12 million), the Authority could proceed in two ways: 1) advise potential proposers that the Peninsula lacks utilities, and allow additional time for investigation and inspection relating to the cost as the nature of the proposed development dictates what services would be needed or 2) identify the beginning point and types of utilities existing and advise via RFP that respondents will be responsible to determine the cost, which will be borne by the developer. Chair Heaton requested Mr. Pappalardo contact Steve Spencer to obtain a baseline of what Engineering knows relating to the cost to bring utilities to the N. Peninsula as that valuable information may help this issue move forward. Chair Green suggested a three month period for the developer to estimate the cost.

New Business

None.

Executive Session

Richard Rubin, MD v. NFPAMA, et al
CDC Docket No. 2016-07582

Comm. Eames offered a motion to enter into Executive Session, second by Comm. Settoon. A unanimous roll call vote was taken to enter into Executive Session.

Upon exiting Executive Session, Chair Green noted that no votes or action were taken.

Announcement of next Commercial Real Estate meeting

Chair Green announced that the next Commercial Real Estate Committee meeting is scheduled for Thursday November 3, 2016 at 1:30 p.m.

Adjournment

Comm. Eames moved to adjourn, second by Chair Green. Motion passed. The meeting ended at 1:06 p.m.