

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE
COMMERCIAL REAL ESTATE COMMITTEE MEETING
THURSDAY DECEMBER 8, 2016 – 1:30 P.M.**

The regular meeting of the Commercial Real Estate Committee of the Non-Flood Asset Protection Management Authority was held on Tuesday, December 8, 2016 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.

Chair Green called the meeting to order at 1:35 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

Also Present:

Gerry Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Tom Long – Lake Vista Resident

Adopt Agenda

Chair Green requested that the Agenda be amended as follows, “Update and Motion regarding Lincoln Beach”, which must be unanimously approved by the Committee. Comm. Eames offered a motion to amend the Agenda, second by Comm. Settoon, and unanimously adopted.

Approve Minutes

Comm. Settoon offered a motion to approve the October 11 and October 18, 2016 Commercial Real Estate Committee meeting minutes, second by Comm. Eames. Motion passed.

Public Comments

None.

Old Business

1) 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 Non Flood Protection Asset Management Authority
Chair Green noted that an RFQ was advertised to secure the services of a licensed architect to write current boathouse building standards and develop a conceptual design for the vacant spaces that were once boathouses. The idea is to have a uniform development of boathouses along that roadway. A review committee consisting of three commissioners has reviewed the five proposals, and this motion will allow the Authority to engage in contract negotiations with the highest scoring firm.

The scores have been added, and the results are as follows:

MetroStudio – 283, CLS– 233, GouldEvans - 268, Design (Home) Office – 197, and DPH – 202. The highest score was MetroStudio at 283. Comm. Eames noted that she was pleased with ranking, some of which were comprehensive and some which were light. Comm. Settoon agreed with the ranking and offered a motion to recommend the Authority enter into contract negotiations with MetroStudio, second by Eames.

2) Status and Update on Condominium Lease Negotiations

Real Estate Consultant Al Pappalardo advised that a meeting was held with Peninsula Condominiums to discuss possible lease extensions. The parties were requested to put requested negotiation items in writing and elaborate on items the Authority may not be aware of. We are awaiting a response from Peninsula Condominiums to determine if there is anything the appraiser can reconsider for a different valuation.

During a telephone conference with William Hall of Lighthouse Harbor Condominiums, Mr. Hall explained that Lighthouse Harbor has 35 years left on their lease. The Real Estate Consultant and Legal Counsel are tasked to determine if negotiations will yield a solution for a long-term extension in both cases. Lighthouse Harbor has an issue with a Minimum floor 20% automatic increase after CIP escalation every 10th year, and are currently paying the highest rent on NBC. The lease was written in 1981, and at that time the 20% increase was a common clause in lease. That clause is now outdated. It is possible that the Authority could rework the entire lease with the lease extension based on Lighthouse Harbor purchasing the value of the reversion and put the current terms and conditions in the new lease. Comm. Eames noted that the 1981 clause does not meet current standards, and the Authority must be fair to all tenants.

3) Update regarding Lincoln Beach

Chair Green advised of a meeting with the head of New Orleans Building Corporation, who will be overseeing Lincoln Beach who advised that the Authority should either offer to purchase or lease Lincoln Beach. Chair Green requested a motion to recommend the Authority offer the City of New Orleans \$1.00 annually to lease the Lincoln Beach site. Comm. Eames offered the motion to recommend the Authority offer the City of New Orleans \$1.00 annually to lease the Lincoln Beach site, second by Comm. Settoon.

Metzger – Morial signed quit claim deal. Settoon – one of few places that has ped underpass under the river. Does that include property on north side. Green – slfpa has jurisdiction and they maintain the wall. Reason for offer is we will assume maint, ins, and liability of property. We can submit letter to city. Metzger – mtn to make offer of \$1 per year on triple net lease for 49 years. Can go up to 99 years under civil code for a lease. Green – 50 years with 49 year option. Must be something to initial term.

4) Motion to Approve Issuance of the Request for Proposal for the Commercial development of the North Peninsula in South Shore Harbor Marina

Chair Green noted that the N. Peninsula is another example of undeveloped assets under this Authority's. The N. Peninsula has been undeveloped since the 1980's, and a RFP should be issued to determine the various developers' concepts on how to develop the N. Peninsula, not for a lease or lease price. The RFP would be available for download on the Authority website, and the Authority will provide as much information as possible about the site. Mr. Dixon will be the contact person, and an on-site inspection will be scheduled for January 23, 2017 for prospective proposers. There will be issues regarding FEMA issues and height issues with the FAA as the parcel is located close to Lakefront Airport.

Comm. Eames offered a motion to authorize issuance of the RFP for development of the N. Peninsula, second by Comm. Settoon.

5) Discussion regarding the response to the RFP for Parcel K

Chair Green advised that the RFP relative Parcel K was advertised and one response was received. Comm. Settoon will take the lead for the CRE Committee along with the Real Estate Consultant to review the response. Legal Counsel will also review the response to ensure it is responsible and in compliance with the Request for Bids. The matter will be on the January 2017 Commercial Real Estate Agenda. Comm. Settoon offered a motion for Legal Counsel to review the RFP for responsiveness and for Mr. Pappalardo, Real Estate Consultant to engage in negotiations with a recommendation back to the Commercial Real Estate Committee, second by Comm. Eames.

New Business

None.

Executive Session

None.

Announcement of next Commercial Real Estate meeting

Chair Green announced that the next Commercial Real Estate Committee meeting is scheduled for Thursday January 12, 2017 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.