

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE COMMERCIAL REAL ESTATE COMMITTEE MEETING
WEDNESDAY JULY 26, 2017 – 3:30 P.M.**

The regular meeting of the Commercial Real Estate Committee of the Non-Flood Protection Asset Management Authority was held on Wednesday July 26, 2017 at 3:30 p.m., in the 2nd Floor Conference Center in New Orleans Lakefront Airport, 6001 Stars & Stripes 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 3:43 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

Present:

Chair Eugene Green
Comm. William Settoon
Comm. Cedric Grant

Furthermore Present:

Chair Wilma Heaton

Absent:

Comm. Leila Eames

Staff:

Jesse D. Noel, P.E. – Executive Director
Sharon Martiny – Administrative Assistant

Also Present:

Gerry Metzger – Legal Counsel
Al Pappalardo – Real Estate Consultant
Ray Landeche – Lakeshore Resident
Mark Marzoni – Boathouse Tenant
Steven Massicot – Massicot Group
Jordan Brimer – Schubert's Marine
Michele Brimer – Schubert's Marine
Monte Shalett – LVPOA
Ann Duffy – Lake Oaks Resident
Jack Panno – Lakeview Landings
Mike Moffett – LVPOA

Opening Comments

Waived.

Adopt Agenda

Comm. Grant offered a motion to adopt the Agenda, second by Comm. Settoon. Motion passed.

Approve Minutes

Comm. Settoon offered a motion to approve the Commercial Real Estate Committee meeting minutes from June 15, 2017, second by Comm. Grant. Motion passed.

Director's Report

E.D. Noel advised that the Asset Management Plan is underway and a draft of that report is expected in September, 2017. Four members of the Board attended the tour of all NFPAMA facilities.

Old Business

1) **Motion to recommend execution of a lease with Metro Studio for Suites 6501 and 6513 at the Lake Vista Community Center**

Mr. Noel advised that Metro Studio requested to expand offices to include Suite 6513 at the Lake Vista Community Center, which is currently vacant. Metro Studio has offered to make the necessary repairs to bring the Suite up to code to use as standard office space. An estimate for those repairs was submitted in the amount of \$71,8197.00. Metro Studio will receive a 100% rent credit for all repairs up to \$50,000.00. Going forward, a new lease will be signed that includes both Suite 6501 and 6513.

Comm. Green offered a motion to recommend approval for execution of a lease with Metro Studio for Suites 6501 and 6513 at the Lake Vista Community Center, second by Comm. Settoon. The item will be added to the July 27, 2017 Board Agenda.

2) **Motion to recommend approval of a lease transfer by Mark Marzoni to Eric Hernandez for Boathouse N-34 at Orleans Marina**

Mr. Noel advised that this item was on the June Board Agenda, but was withdrawn by Mr. Hernandez. Mr. Metzger advised that the issue with the previous transfer was that of the requested extension of the boathouse lease. This transfer will be a straight boathouse transfer and assignment of lease with no lease extension. All requirements for the boathouse transfer were submitted including the structural report. The sale price of the boathouse is \$154,000 of which the Authority will receive an 8% transfer fee (\$12,000). This is a long-term lease that will expire in 2037.

Comm. Green offered a motion to recommend approval of a lease transfer by Mark Marzoni to Eric Hernandez for Boathouse N-34 at Orleans Marina, second by Comm. Settoon. The item will be added to the July 27, 2017 Board Agenda.

3) **Motion to approve the initial Term Sheet relative to Oceana Development's proposed condominium project and to authorize the NFPAMA Executive Director, Counsel, and Real Estate Consultant to negotiate an amendment based on those terms to Oceana's existing lease for NFPAMA Board consideration and approval.**

Mr. Noel requested that this item be deferred due to concerns with the Term Sheet. The lease will be contingent upon the lessee obtaining all required permits. The potential lessee is requesting a height variance. Parking would be available in the structure (one spot per condominium tenant).

Comm. Grant moved to defer the item until August, second by Comm. Settoon. The item will be added to the August Commercial Real Estate Committee Agenda.

4) **Motion to approve the initial Term Sheet relative to Brisbi Development's proposed condominium project on Parcel K, and to authorize the NFPAMA Executive Director, Counsel, and Real Estate Consultant to negotiate a lease, based on those terms for NFPAMA Board consideration and approval.**

Mr. Noel advised that the Lease for Parcel K is based on the proposal submitted by Brisbi Development, LLC. The Lease term is 50 years (primary term) with one 25-year option and a second 24-year option for a total of 99 years. The rate is \$2.75 per square foot. There are CPI and appraisal provisions in the Lease. The condominium development will be a total of 16 condominiums, which will be phased in a five-year construction deadline. Mr. Pappalardo added that the condominiums will be built in stages with the first eight condominiums constructed in 24 months, and the second set of eight condominiums constructed within 36 months. Construction will take approximately three years until completion. Comm. Settoon noted that the previous proposal submitted by Brisbi Development, LLC was non responsive as it included no rent during construction of the condominiums.

Chair Green offered a motion to recommend approval of the initial Term Sheet relative to Brisbi Development's proposed condominium project on Parcel K, and to authorize the NFPAMA Executive Director, Counsel, and Real Estate Consultant to negotiate a lease, based on those terms for NFPAMA Board consideration and approval, second by Comm. Grant. The item will be placed on the July 27, 2017 Board Agenda.

5) Status regarding request by Schubert's Marine to open a restaurant at their location located at 126 S. Roadway

Mr. Noel advised that 9,171 square feet of the existing fuel dock store leased by Crescent City Marine (d/b/a Schubert's Marine) will be converted into a pizza restaurant on West End. The 9,171 square feet leased for the restaurant will transition into the current market rate for a restaurant, which includes the exterior dock and restaurant area.

Jordan Brimer (Schubert's Marine) addressed the square footage on the waterfront side, which is charged at a commercial rate. Al Pappalardo, Real Estate Consultant, advised that Mickey Weiser requested 6,671, which included no water bottom. All tenants on the New Basin Canal are charged for water bottom. Mr. Noel determined that portion of water adjacent to the restaurant (9,171 square feet) at an additional \$1.42 per square foot would increase the rent from total industrial to allow for a restaurant for an additional \$1,085 more per month. The additional rent compromise keeps in place what is currently charged for restaurants on the New Basin Canal, and is half of what was originally considered. The dock will be used by both gas and restaurant customers. The dock, which closes at 6 p.m. would then be open for restaurant customers.

Comm. Green offered a motion to recommend to the Board the request by Schubert's Marine to open a restaurant at their location located at 126 S. Roadway, second by Comm. Settoon. The item will be placed on the July 27, 2017 Board Agenda.

6) Update regarding term sheet with le Triomphe for the lease and development of the North Peninsula

Chair Green noted that the Authority issued a Request for Proposals for the development of the N. Peninsula, and le Triomphe was the respondent awarded the opportunity for development. E.D. Noel advised that le Triomphe is currently performing its due diligence, asking questions and requesting back-up documents in an effort to be better prepared to discuss the term sheet. The biggest request is a property survey of the N. Peninsula to better define the demography. Staff is diligently submitting all requested documentation to assist le Triomphe in presenting a business development plan.

Chair Heaton noted that the due diligence currently being performed by le Triomphe will result in less problems for the future. The developer will have a more concrete concept by the next Committee meeting. The future development will be the first on that parcel of land.

7) Update regarding former Naval Reserve site

Chair Green advised that the Naval Reserve facility has been torn down, and is a potential site for development. A survey is needed to get an idea of what the boundaries and square footage is before proceeding farther. Mr. Noel noted that the survey is expecting within the next 45 and will be a guide on how to develop that area with regard to setbacks and subdivision laws.

Mr. Pappalardo reported that the parcel is tear drop shaped parcel, and may be difficult to subdivide due to issues related to ingress and egress. The Authority may have to determine if the parcel can be legally subdivided or separated into portions of lots within lots. The survey is starting point to get those questions answered.

Monte Shalett (LVPOA Chair) advised that Statute 38:336 (law governing reclaimed land in this area) requires that there be a setback of 350 feet from the lake shore. The setback should be reflected on the survey. The Statute stems from Act 292 (1928)

when the waterbottoms were granted to the Board to be reclaimed as land from the state. Under the Act, at least 30% of the land must be preserved for recreation. Paragraphs B1 and B2 of the Act state that notwithstanding the 30%, an average depth of 500 feet from the lake shore of the land created must be saved for recreation, beachfront and playgrounds. Many residents feel this site is affected by the Act, and the language was incorporated in the 2013 New Basin Canal/Lincoln Beach land swap.

8) Motion to approve the placement of tables and chairs exterior to Suite 6508 at Lake Vista during the day for use by LVCC patrons.

E.D. Noel noted that the Birds Nest is well underway and has received the necessary permits. Owner Courtney Enderle has requested authorization to place outdoor seating (chairs and tables) within the bounds of Suite 6508. Research of several cafes show it is standard practice to allow owners to place chairs and tables outside restaurants at no additional charge. At least 48 inches of the sidewalk must be left as open space for people to pass.

Chair Green offered a motion to approve the placement of tables and chairs exterior to suite 6508 at Lake Vista during the day for use by LVCC patrons, second by Comm. Grant. This item does not need Board approval.

9) Discussion regarding LVCC tenants and available space.

Chair Green noted that there are several prospective tenants inquiring about space at the Lake Vista Community Center now that staff has relocated to Lakefront Airport. E.D. Noel added that the vacant spaces have not been advertised. Interested parties include Lakeview Creative Arts Dance Studio, Edward Drury (shipping agent), and Edward Jones Financial Consulting (once a former tenant in LVCC). The current rate for office space in the Community Center is \$26.00 per square foot. Proposals received will be brought before the Commercial Real Estate Committee for review.

Mr. Pappalardo noted that Lakeview Creative Arts Dance Studio has proposed to lease three contiguous spaces (18% of the entire Community Center). It is not advisable to have one tenant occupy a large amount of space in a shopping center configuration; if that tenant moves, the Authority will not lose a lot of revenue. Chair Heaton noted that the second floor of the Community is used for neighborhood association and crime district meetings. Tenants at the Community Center are also allowed use of the upper floor, which is also used by the Secretary of State for early voting.

Announcement of next Commercial Real Estate meeting

Chair Green announced that the next Commercial Real Estate Committee meeting is scheduled for Thursday August 17, 2017 at 3:30 p.m.

Adjournment

Comm. Settoon offered a motion to adjourn, second by Comm. Grant. The meeting ended at 4:46 p.m.