

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
LEGAL COMMITTEE MEETING MINUTES
JUNE 7, 2012 – 3:30 P.M.**

The Legal Committee meeting of the Non-Flood Protection Asset Management Authority was held on Thursday, June 7, 2012 at 3:30 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 3:41 p.m. and led in the Pledge of Allegiance. The roll was called and a quorum was present.

PRESENT

Chairman Greg Ernst
Commissioner Wilma Heaton
Commissioner Michael Stack
Commissioner Joe Hassinger

STAFF

Louis Capo, Executive Director
Sharon Martiny, Non-Flood

ALSO PRESENT

Albert Pappalardo – Real Estate Consultant
Gerard Metzger – Legal Counsel
Ray Landeche - Lakeshore

APPROVAL OF AGENDA

Commissioner Hassinger offered a motion to adopt the agenda, seconded by Commissioner Stack and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hassinger offered a motion to approve the minutes of the Legal Committee meeting of April 5, 2012, seconded by Commissioner Stack and unanimously adopted.

OPENING COMMENTS

Commissioner Ernst informed the Committee that today's Agenda item concerns the professional legal services contract for Gerry G. Metzger, APLC. The Authority has a deficit again this year and will have to make up for the continued hard work Mr. Metzger has performed for the Authority. There have been many unanticipated matters each year, and the budget has been short, which is the case again this year.

EXECUTIVE SESSION

OLD BUSINESS

1) Motion for recommendation to increase budget for professional legal service contact with Gerard G. Metzger (APLC)

Gerard G. Metzger, APLC has a total contact amount of \$240,000 budgeted for fiscal year 2012. As of April 30, 2012 \$230,436 was expended of the \$240,000 leaving a balance of \$9,563, which will not cover the month of May. An additional \$10,000 is needed for the month of May and an additional \$20,000 for the month of June. The total amendment amount is \$30,000 with the total contract not to exceed to \$270,000. Mr. Metzger represents the Authority in several cases in the court system along with attending all Authority meetings, handling lease issues and day-to-day legal matters. The staff is also in contact with Mr. Metzger on a daily basis.

Mr. Metzger noted that the litigation involving the Airport has driven the amendment and is also the reason the budget has been exceeded. A memo from Mr. Metzger is attached outlining the status of the fiscal year legal budget. Through April 30, 2012, Flightline and AeroPremier have had continuing legal work.

AeroPremier required a lease assignment assumption, consent and mutual release agreement and a release of all liability from both parties which will put an end to the AeroPremier matter. Everything owed under the lease has been brought up to date and there was no compromise of settlement on any issue in dispute. There were two components to the agreement. The first component is an agreement allowing \$100,000 per year credit with a total credit of \$500,000. The credit was applied to the outstanding balance on the National Guard Hangar in the amount of \$137,000, which brought the credit limit down to \$343,000, which will be transferred to Hawthorne. The second component was a rent dispute regarding a sod and apron issue dealing with the McDermott Hangar. Payment of \$27,000 was received for the McDermott Hangar and all issues have been resolved in a letter agreement. Insurance was brought up to date and the fuel flowage fee was resolved. Mr. Metzger advised that going forward Hawthorne is entitled to the rent credit of \$100,000 which was part of a settlement agreement when the Division of Administration took control of the assets. The settlement agreement allows a draw down on the credit at \$100,000 per year.

Mr. Metzger noted that he is waiting for a decision by the FAA on Flightline's Part 16 Complaint. Through May 1, 2012 \$41,000 was spent on that litigation. There were also many good transactions this year including new leases with Tides, LLC and Lakeview Landings, both of which have continuing issues that the Authority has been involved with. Tides, LLC has started to sign the paperwork for the loan needed to build the new restaurant. There were also estoppels certificates and a short amendment to the lease. Lakeview Landings also had an issue which was addressed last month. This Authority is a corporate entity that has many continuing legal needs.

Mr. Metzger advised that the case load is down from last year. The *Hugel* litigation is picking up. A Motion for Summary Judgment was filed which could possibly end that matter. In the *Napolitano* case there is a Writ of Certiorari to the Louisiana Supreme Court. In the *Rogers* litigation, Jones, Walker is being paid by the tenant. The *Richmond* case was settled and the Motion to Dismiss was prepared. The amendment of lease was prepared and sent and we are waiting to receive it back from the Congressman. There is also a claim against the excess insurer, RSUI, and Mr. Curtis is handling that matter. The new contract has a budgeted amount of \$237,500 and it is hopeful that it will stay within that range.

Commissioner Heaton noted for the record that the Authority's budget is tight. Outside of the budget, the amount of holdings the Authority has and the amount of litigation this Authority inherited, costs have been kept down. From a budget perspective, this is a large amount that the Authority has dealt with and the severity of some of the legal issues. I am proud of what we have accomplished in getting all of these issues settled at this point. If a dollar amount is placed on the transactions Mr. Metzger is overseeing, it will be a whole different perspective.

Mr. Capo added that along with the Authority's caseload, there are contracts for work at the Airport and leases that all go to Mr. Metzger for review. Chairman Ernst advised that the Dept. of Transportation submitted a contract to be executed for the transfer of the Ted Hickey Bridge which also has to be reviewed by Mr. Metzger

Mr. Metzger stated that he appreciates the Committee's support and enjoys doing work for the Levee District. Commissioner Hassinger offered a motion to increase the professional legal services contract by \$30,000 with an amount not to exceed \$270,000 for the fiscal year ending June 30, 2012, seconded by Commissioner Heaton and unanimously adopted.

2) Motion for recommendation to renew professional legal services contract with Gerard G. Metzger (APLC) for FY 2013

The contract for Gerard G. Metzger (APLC) ends on June 30, 2012 and a new contract is needed for the next fiscal year. The same terms and conditions will apply with a not to exceed amount of \$237,500 subject to approval of the Attorney General's office.

Chairman Ernst noted that Mr. Metzger's rate per hour is staying the same. The rates are \$150 for litigation and \$120 for transactional work. The not to exceed amount of \$237,500 includes costs incurred by Mr. Metzger's office for Levee District legal work. This is below the Attorney General rate which is presently \$175.

Commissioner Hassinger offered a motion to approve the contract for Gerard G. Metzger, APLC for the fiscal year 2013, seconded by Commissioner Heaton and unanimously adopted.

ANNOUNCE NEXT LEGAL COMMITTEE MEETING

The next Legal Committee meeting is scheduled for July 12, 2012 at 3:30 p.m.

ADJOURN

Commissioner Stack offered a motion to adjourn, seconded by Commissioner Heaton and unanimously adopted. The meeting adjourned at 3:58 p.m.