

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
NOVEMBER 3, 2010 – 11:00 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Asset Protection Management Authority was held on Wednesday, November 3, 2010 at 11:00 A.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 Brien called the meeting to order at 11:25 A.M, and led in the pledge of allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Stanley Brien
Commissioner Romona Theresa Baudy
Commissioner John Trask
Commissioner Darrel Saizan

STAFF:

Louis Capo, Executive Director
Rob Aucoin, Non-Flood
Nick Tusa, OLD-PD
Sharon Martiny, Non-Flood

ALSO PRESENT:

Albert Pappalardo, Pappalardo Consultants
Michael Liebaert, OM
Robert Garrity, OMTA
Nicole Blair, EDS
Hamid Alizadeh, Shaw Coastal
Cpt. Brock Schmidt, USACE
Brad Adams
Thomas Gaffney, EDS
Steve Nelson, Stuart Consultants

OPENING COMMENTS

Chairman Brien thanked everyone for attending the first meeting of the Marina Committee and stated that the work of this committee will be to bring the marinas back; not only to pre-Katrina state but beyond that to their full capacity and to support the marinas as we moved forward.

APPROVAL OF AGENDA

Chairman Brien offered a motion to adopt the agenda, seconded by Commissioner Saizan, and unanimously adopted.

PRESENTATION ON CURRENT MARINA ISSUES:

Mr. Capo advised that the current issues will be addressed under the new business items.

PRESENTATIONS:

1. **Presentation by the USACE on the Orleans Marina Project**

Captain Brock Schmidt thanked the committee and stated that he would give a brief overview of the projects concerning this committee. Captain Schmidt began with the 17th Street canal and Orleans Marina project and stated that this project had some issues with the cleanliness of the site and the overall condition of the project. He emphasized that most of the Hesco baskets will come down in the next two weeks, for they were put up for interim flood protection during hurricane season. We are close to the end hurricane season and the forecasters believe that we will not have many more storm issues to deal with, so we can start to remove them. He stated that the project is approximately 60% complete, and soon the lanes on Lake Marina Drive and Lakeshore Drive will be shifting in the next week or so. The project to complete the corner wall at Lakeshore Dr. will begin shortly. Next, is the parking lot on the flood side across from 7300 Lakeshore Drive, and that location has been used to store and stack material and shortly the contractor will be opening that parking lot back up to the public. 75% of that lot will be cleaned up in the next couple of weeks and we are hoping that we are going to have it 100% by December so the public can enjoy that area for the holiday season. That project will be completed sometime in February.

The contractor is currently fabricating the three gates next to the Orleans Marina area and those will be completed in the next two months. The overall completion is scheduled for the end of February maybe in March. The streets along that area will go back to their original conditions or probably better. The gates are already in place and the monoliths are put in, so overall construction is going well. Moving toward the east along Lakeshore Drive is the Marconi Drive crossing, and that location is essentially complete. Further eastward is the Rail Street construction project and that project has just begun. The contractor is excavating that area and they are working on walls in that area to install the gate. The Bayou St. John construction is approximately 90% complete and at this point, the work is a matter of punch list items and small details to finish, i.e., grass and overall aesthetics. We do understand that the aesthetics may take some time given the time of year and that work may continue into next year. The Canal Street ramp is open and we have some curbing issues that we will be working out with the OLD prior to handing it over. The Franklin Avenue ramp and UNO ramps are paved and we are hoping to have them open in the next couple of weeks. The Leon C. Simon ramp, which is the far eastern edge of Lakeshore Drive, is paved and we are hoping to open that in the next couple of weeks. The Seabrook Boat launch is going to be difficult for us to open prior to March because of the pipe construction and the overall area construction. The Downman Road underpass will be open in about two weeks. He concluded by stating that 90% of the metro area is complete and they are doing really well on Hayne Boulevard and we will have all that completed hopefully in mid-May. If there are any questions concerning that I will happily answer them throughout the course of the day. I will be here the entire time today and I will be here every month to give you an update.

OLD BUSINESS:

NONE

NEW BUSINESS:

Chairman Brien called upon Mr. Capo to address the items and recommended that he should address items 2 and 4 because they are related.

Item 2- South Shore Harbor Pump-Out Facility
Item 4- Discussion and Approval – Boone Express

Mr. Capo began by stating that item 2 is a permanent fixed pump-out facility. Prior to Hurricane Katrina, South Shore Harbor had a pump-out but it was on a trailer. It was a moveable piece of equipment. Since Katrina we applied for grant funding for the Clean Vessel Grant Program Funds administered through the Department of Wildlife and Fisheries. We had an opportunity to partner with the Wildlife and Fisheries with a 75-25% split in the cost of this permanent pump-out facility. As we know, South Shore has nothing out there right now other than open slips and covered slips. We are trying to bring some services to the boaters; something that would attract additional interest in South Shore Harbor, one of those items would be a pump-out facility. This is a necessary item that the boaters need. The total current cost is approximately \$15,000. The Wildlife and Fisheries will pay up to 75% of the cost, and we, this Authority, will pick up the remaining 25%. The permanent facility is in place. There are a few other things we need to do in order for the pump-out facility to be fully operational. This project has already been started but we are bringing this to the committee for notification and approval.

Commissioner Baudy made a motion to approve, seconded by Commissioner Trask and unanimously approved.

Mr. Capo stated that Item No. 4 is requesting approval to contract with Boone Express to remove a steel ramp, support railings and two steel piles left over from the Bally's mooring site. The contract amount is \$2,000. This work is needed to allow the boaters to safely access the new pump out facility.

Mr. Dixon, Marina Director, stated that Boone Express is working with the Wildlife and Fisheries at South Shore Harbor and they are doing the clean up in Lake Pontchartrain. There would not be a set up or take down cost, so that is the reason for the low price.

Commissioner Saizan made the motion to approve, seconded by Commissioner Baudy, and the motion was unanimously adopted.

Item 1: EDS Employment Development Services (onetime grass cutting and weed removal)

Mr. Capo explained that is the entity that performs all of our grass cutting on all of our properties. The location for this discussion is the Point Building at the South Shore Harbor Marina. The vegetation is starting to become overgrown and we are trying to keep the area as nice and attractive as possible with the funding that we have. This is a onetime cut by EDS to remove the overgrowth, the vegetation and to clean up the small trees that have sprouted over the last couple of years and dress up that area.

Commissioner Baudy inquired as to who owns the property and who manages the property. Mr. Capo responded that it is our property and prior to Katrina, it was managed and maintained by Bally's.

Commissioner Trask asked if this one time cut would make it less costly going forward.

Mr. Capo explained that it is to cut down the vegetation, and clear the area and we hope to have that building leased and make that the responsibility of the tenant.

Mr. Capo responded that is the first thing boaters see when they enter from Lake Pontchartrain, and the overgrowth is very unsightly. We are trying to clean up and keep the area and make it as attractive as we can.

Commissioner Trask asked if we had a couple of bids and was this most attractive.

Mr. Dixon responded that EDS is on state contract and with state contracts there is no need for bids.

Chairman Trask made a motion to approve, seconded by Chairman Brien, and the motion was adopted.

Item 3, Boathouse W-2 Transfer

Mr. Pappalardo, Real Estate Consultant to the Authority began by stating that this is a rather routine matter. The lease that we have does not allow for us to transfer the lease without the approval of the District, in this case the Authority. What we have here is boathouse W-2 that has been on the market since May of 2009. It was placed on the market and the price had constantly decreased until such time as an offer was made. Mr. Adams, who is the adjoining boathouse owner, made a successful offer to the existing owners of the boathouse and they have agreed on a price. Effectively, they are now coming to us. The purchase is contingent upon the Authority granting the transfer of the lease into Mr. Adams' name. Effectively, you will move to approve the lease transfer. There is a clause in the lease where there is an 8% transfer fee. In this case, the purchase price on the property \$45,000 so we would be getting back \$3,000 plus change as a matter of course. Mr. Adams is one of the tenants in the Marina that exhibits a tremendous amount of pride in his boathouse. He has W-3 and W-4. I am assuming by his acquisition of W-2, he will completely renovate it. It is in a non-renovated state since Hurricane Katrina.

Mr. Adams thanked the commissioners, and agreed with Mr. Pappalardo assessment. He stated that he is buying the next door neighbor's boathouse because it is adjoined to his boathouse's structure and they have not done a thing to it since Hurricane Katrina. That is the reason why the price is so low because it has been exposed to the elements: cats and rats and I have to live next to it, so I am going to buy it and just add it to my boathouse and I would appreciate your consideration of that.

Commissioner Baudy made a motion to approve the transfer of boathouse W-2, seconded by Commissioner Trask and the motion was adopted.

PUBLIC COMMENTS:

MICHAEL LIEBAERT, Orleans Marina tenant:

Mr. Liebaert stated that before I get into what I am here to bring to your attention, I would like to explain to you a little of who I am. I am going on my 28th year of living on my vessel in the Orleans Marina and in 1986 was one of the founding members of the Orleans Marina Tenants Association. I currently serve as secretary of the Orleans Marina Tenants Association and I am a member of the New Orleans Municipal Yacht Harbor Management Corporation. I am appearing before you today personally. Anything that I say does not represent the view or opinion of the Tenants Association or Municipal Yacht Harbor. I came to raise some concerns about emissions, housekeeping, safety and traffic issues surrounding the construction project at the Orleans Marina. Fortunately, I have

had a very good meeting with Captain Schmidt previous to this meeting. I voiced all of my concerns to him and he listened very well. I think we had good communication. The Captain has promised to follow-up on my concerns, therefore, I am not going to make a formal presentation and outline all of those concerns. Thank you very much; we appreciate you being here.

ROBERT GARRITY, Orleans Marina Tenant Association, Past President:

Mr. Garrity began his comments by thanking the committee members and for passing the motion with respect to Mr. Adams. I looked at that boathouse. I am the past President of the Orleans Marina Tenants Association as it was revived about three years ago right after Katrina and I am here to ask the Committee to continue the degree of cooperation we have had with management. First, we threatened them personally and then we threatened their jobs and then we decided to ask nice and we got everything we asked for. Our issue is maintenance in the Marina and our rent. Our rent has gone 35-40% since Katrina and there is no other real estate in this state that has had that kind of increase since Katrina. We have had multiple meetings with management and I understand their problem. My criticism is of the legislature when they split up Flood and Non-Flood Assets. Flood got all of the money, Non-Flood got assets and they told Mr. Capo he had to cut the grass, pay for police and by the way you have no money and to go raise your own money. At the time we were the only cash cow left in the barn. We are asking to assist this committee in going to the legislature to find funding sources for the Non-Flood Assets. For instance, millage was passed to get the parks between Robert E. Lee and the lake cut. All that millage went to Flood, the job of paying for it went to Non-Flood. Why does Non-Flood own the neutral ground on West End and can we get rid of it. Those are the issues that we have. We believe that the Orleans Marina has paid for itself. We looked at numbers and the rents collected exceed what it costs to operate. That is with minimal improvements being put back in. On Pier 2, we have a support column that with a good, swift kick it will come undone. I know it is in the budget to replace. We have tried to do our part. We had a Marina clean-up day back in May and got Mr. Dixon out there to get his hands dirty. We went out with boats, people and nets and scooped up quite a bit of trash and floating debris in the Marina. Our current project is to station long handled dip nets in the front and back of every pier so that tenants can pick up debris in the water. We want to do our part. Why we are asking is because we are getting to the point now where if rent goes up again it is going to start affecting me personally. That is why I am here. We want to try to assist in going to the legislature and look for solutions. We understand one thing: we are rich boat owners and the legislature has other problems. When we first went to Mr. Capo we told him we will never ask for anything without us paying for it or without finding a solution. If you want something, you pay for it but on the same token we are paying for a lot of services that are not directly related to the Marina. The other thing I hope to impress upon you because I understand this is the first meeting is that if you go to every major city on the coast in this country, San Diego, San Francisco, Los Angeles, their waterfront and their Marina is a catalyst for economic activity. Ours is no catalyst and we want to be part of making West End a catalyst for economic development. Thank you.

Commissioner Saizan stated that he has spoken to the Chairman and to Mr. Pappalardo whom I have implicit faith in about one other issue you brought up. We have to figure out some kind of way to market the Marinas. I agree with what you said. You have more people on West End side then you have on the other side. We have to come up with a strategy to market both sides to make them attractive using different techniques on both sides. We have to figure out a way to do that to bring more revenue into the District. If it is done right, the Marinas would be a catalyst.

Mr. Garrity explained that he had never been to South Shore Harbor by water until this summer. My wife and I were cruising around in the boat and went into South Shore Harbor and right when you come in is a building that is magnificent that is in substantial disrepair. Weeds and trees were growing up around it. The issue then becomes; why isn't a restaurant there. I spoke to Mr. Dixon and Mr. Capo last week about this. Mr. Garrity noted that if you go to Slidell, the first thing you do see when you come into the harbor is a restaurant called The Dock. It has a fuel pump and the restaurant and it is packed because they are coming off the water. It is no different than when what we had a West End restaurants. The issue is to try to figure out a private/public partnership where you can lure a tenant with tax rebates or rent rebates because you are going to invest a lot of money. Mr. Garrity explained how a friend of his from high school was trying to buy the lease from the Hong Kong, and unfortunately he died of a heart attack earlier this year. He was going to invest \$1 million to restore that property. The pilings are rotting. Mr. Adams will confess the boathouse that he is buying; at the water level the pilings are six inches in diameter. If you are going to invest that kind of money, nobody is going to do it because they are good citizens. They are going to do it to make money. That is where we are trying to go. Our organization wants to be a part of the solution. As far as marketing the Orleans Marina, we have a waiting list. We have to market South Shore Marina. That is where the open slips are. The problem with South Shore Marina is that there is nothing to attract boaters other than they have no place else to go.

Mr. Saizan stated we thought about that during the precursor to this Authority. I agree with you, it is something that can represent a significant source of revenue. When you had the boat there, a lot of people went out there. I mentioned that while giving a report at my neighborhood association meeting last week. One of the senior people in the room said he used to go to Bally's to the brunch buffet. It was an outing. I don't believe that we are going to get a boat back as much as I would like to. We need to figure out how to get a source of revenue out there.

Mr. Garrity explained with other cities like Houston, Savannah, Morehead City and Destin, when you put in restaurants, boat stores and shops people are going to come to it. What we are suggesting a marketing strategy to get people there. There is no sense in reinventing the wheel. Mr. Pappalardo will tell you that if you can get those people out there, it will attract people and start filling up the Marinas.

In closing, Mr. Garrity stated that people come to the water to dine whether they are boaters or not. That is where we hope this Committee is heading. We want that development because it will generate revenue that we won't be required to generate in the future. Thank you for your time.

Mr. Liebaert noted that in 1986 when South Shore Harbor opened there was a lot of dialogue between the Orleans Marina Tenants Association and the Levee Board in helping with several issues that they had down there. One of the biggest issues was the lack of anything being built up on the peninsula. It is my opinion that until something is built on that peninsula separating the lake from the marina during hurricane level water; tenants are going to shy away from going there because it is not a safe harbor during a hurricane. You can see what happened there after Katrina. You have to look at the infrastructure before someone is going to want to stay there year round.

ANNOUNCEMENT FOR NEXT MARINA COMMITTEE MEETING:

Mr. Capo announced that the next Marina Committee meeting will be held on November 30, 2010 at 11:00.

ADJOURNMENT:

Chairman Brien called for a motion to adjourn, seconded by Commissioner Trask, and the motion was approved to adjourn.

The meeting was adjourned.