

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
NOVEMBER 30, 2010 – 10:30 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Asset Protection Management Authority was held on Tuesday, November 30, 2010 at 10:30 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 10:55 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

FURTHERMORE PRESENT:

Robert E. Smith-Lupo

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood
Chuck Dixon, Marina Manager

ALSO PRESENT:

Albert Pappalardo, Pappalardo Consultants
Cpt. Brock Schmidt, USACE
Steve Nelson, Stuart Consultants
Tom Long
Charles Curtis, General Counsel
Michael G. Mayer, Mayer Yacht Service
Dwight Montz, Seabrook Marine

OPENING COMMENTS

Chairman Brien began with reiterating that we are here to support the Marina, an important asset, and that will remain the focus.

ADOPT AGENDA

A motion was called by Commissioner Saizan to adopt the Agenda, seconded by Commissioner Baudy and unanimously adopted.

APPROVAL OF PRIOR MINUTES

A motion was called by Commissioner Saizan to approve the minutes of the November 3, 2010 meeting, seconded by Commissioner Baudy and unanimously adopted.

PRESENTATION ON CURRENT MARINA ISSUES:

Mr. Dixon stated that presently at South Shore Harbor there are 477 slips of which 186 are leased or 39%. The 19 long-term lease holders will bring it up to 43%. Orleans Marina is right at 96.4%. There are 384 useable slips. Mr. Capo stated some slips are unusable because they are very narrow. On the New Basin Canal there are no finger piers, there are no utilities and the depth of the water is very shallow preventing us from getting larger sailboats and boats that require a larger draft.

Commissioner Saizan followed up regarding real estate resources to help with a marketing plan to get the marina up and running as quickly as possible. Mr. Pappalardo advised there are opportunities to provide professional assistance to the Marina. He referred to an international organization which he belongs to, The Counselors of Real Estate, and a program called The Consulting Corps. The Consulting Corps goes to communities and municipalities to provide creative solutions to real estate problems these entities have. They specialize in various real estate endeavors such as marina and marine life. It is a program in which the counselors donate their time and come down for 4-5 days. They would not market the property. They come down and take a snapshot of what we have, look at the underlying economy and recommend a course of action. The organization charges a fee to assemble the body of counselors and bring them down. There would be travel and hotel expenses while they are here. Mr. Pappalardo offered to contact the national office to request material on The Consulting Corps and whether this would qualify as a Consulting Corps project. If so, he would make a presentation at a subsequent meeting.

Commissioner Saizan commented it is a good idea to use those resources. There would be a cost involved which would be minimal compared to the cost if you advertised and asked for a consultant. That might be a good way to figure out a way to market South Shore Harbor and make it work, getting 96% or 100% occupancy and more revenue for the Authority.

Mr. Pappalardo reported that The Consulting Corps is currently doing a project for the Orleans Parish School Board and are scheduled to come and look at all of the excess school properties to determine a course on how those school properties should be sold.

Commissioner Saizan questioned if we could find within that group, people that might be familiar with situations like recovery from an unforeseen event because you want to get people that are familiar with these situations. Mr. Pappalardo stated in October of 2009, the counselors' meeting was held in New Orleans and the theme was disaster recovery. Many members are tuned in to the concept of disaster recovery. We tend to think we are isolated with this disaster but the fact is, it does carry to other areas. Mr. Pappalardo stated he would contact the

national office and get them involved. Any communication will be directed to Chairman Brien.

Commissioner Trask commented if these people donate their services and we are just covering expenses for them to be down here, it sounds like a very reasonable expense but we have to be mindful of the budget. Commissioner Trask questioned if that is something we have the budget for. Mr. Capo referred to the trade-off of them giving us expert advice.

Commissioner Saizan stated this is probably the most cost effective way to get a potential solution from people that understand the industry. We need to figure out how to do it one way or the other because we need to generate as much revenue as possible. This is a very good way to do it because it brings in people that are skilled and it mirrors what the School Board is doing.

PRESENTATIONS

1. USACE – 60” drain lines 17th St. Canal to Orleans Marina

Capt. Brock Schmidt of the Army Corps of Engineers gave an update on two 60” pipes running from the Marina to the 17th Street Canal and the project closest to the Marina. All Hesco baskets in the area are removed. He then addressed the parking lot stating demolition has begun on the eastern gate which will be phased because of work on a drainage pipe that goes through there. The gate is open at the far western end by Lake Marina Drive so people can enter the area from parking lots further away. Construction is about 64% complete and the time frame for is approximately 3½ months. Capt. Schmidt then referred to the area that IER established the permanent pumps project for 17th Street Canal which covers where the pump station came in place. The ground and water area can be used for the permanent pump station at 17th Street Canal replacing the interim structure currently there. One key factor to note is the current pump station has to be built on the outside of the existing pump station. We are in the proposal phase and evaluating the contractors’ proposals to see which contractor will be awarded the work. Construction is due to start around June of next year.

Some key factors about the 60” pipes; where they exist now is just outside of the interim closure structures. In order for these pipes to be in place they will have to remain outside of the protection. The two 60” culverts start on the marina side and they pass through the 17th Street Canal to keep the water from getting stagnant in the Marina. During an inspection of their current state, the first thing noted were screens on the Marina side. On the Marina side, the southern pipe had about two feet of silt in it and the northern pipe was clear for water flow. There were two gates on the 17th Street Canal side with hinges on the top side so water flows only one way. If the water is trying to push back into the Marina it would elevate the water from the Marina to the 17th Street Canal and those gates would shut that passageway off. Presently, it takes about .2 feet of head to open the swing gates and allow the water passage through. For a period of 10 months head readings were taken on the 17th Street Canal and Marina side. In approximately 7,000 readings only 96 showed a head greater than .2 feet. In order for those gates to open under a head of .2 feet, in only less than 1% was there actually enough water flow to open the swing gates. The highest head read was .47 feet and the average is .05 feet. The data shows because there is enough difference in heads, those culverts were not doing what they were designed to do; the water is sitting still. In the path forward, one option is to abandon them in place and remove the culverts as needed. The culverts would be closed on the Marina side preventing water passage behind the new protection. The second option is to look at compensability of the culverts. If it is compensable the Corps would pay to move the culverts; if it is non-compensable it would fall upon the owner to remove the culverts.

Capt. Schmidt addressed issues with removing culverts and stated depending on where the pump stations goes, the culverts would be taken from where they are now with several 90 degree turns to keep it north of the new pump station. If it is compensable, we return it to what exists presently with two swing gates. You will get the amount of existing flow you have now, which is extremely minimal, based on the swing gates and head differences existing versus the head differences that are needed. There is minimal, if any, gain from these culverts. We are going to do the compensability to find out what it is and you can make a decision from there.

Mr. Capo stated it is his position along with Steven Spencer and Gerry Gillen that the pipes have served some purpose. There has never been any stagnation problem in the Orleans Marina. The flow has been minimal over the years but it did provide some flow between the 17th Street Canal.

Chairman Brien commented we may need to have the Flood side actually at the table with us. While the impact is to the Non-Flood Asset, plainly it has some Flood flavor. Mr. Capo stated he would ask Gerry Gillen to appear at the next meeting and present facts and history on the two lines.

Capt. Schmidt stated he will start looking at compensability to move forward. No matter what the decision is there will be an idea of where it is going to go.

NEW BUSINESS

1. Temporary boat repair facility at South Shore Harbor

Mr. Dwight Montz stated he was the owner and managing partner of Seabrook Marine located ½ mile south of the Industrial Canal under the Seabrook Bridge. Because of flood protection the Army Corps of Engineers is putting up, transportation of vessels coming from the lake into our facility has stopped. 90% of our business comes from the lake. Access now is about 62 miles one way - over 120 miles round trip - which is tough to ask owners to do. Mr. Montz is proposing a temporary, possibly a permanent facility at the location of South Shore Harbor. Proposal #1 is the site owned by the Airport. The good thing about that site is the depth of the water or draft. The second site is Parking Lot P but there is a problem with draft. Mr. Montz intended to do sounding but because of inclement weather last week and high winds, was unable to do that. Mr. Montz intends to do sounding to clarify which site would be a better location. We want to put up a boat repair facility to bring vessels in, repair them and let them go. The area would be fenced in and there would be minimal damage, if any, to your facility because the parking lot in Proposal #1 and Parking Lot P is solid. We would have to put out a runway so travelers can go out and pick up the boats and bring them in. Mr. Capo and Mr. Dixon stated utilities are available such as electric and water; gas is not needed. Time is essential because our revenue source has been greatly affected by the closing of this canal. Once we come to an agreement, I have to contact an engineer regarding the cost of installing the runway. At that point we go to the State who actually caused the problem by giving the Corps of Engineers permission to close the canal, which they acknowledge. The State said it is possible that they can help with the relocation which they want to consider temporary. If it goes well I want to make sure we are there for a permanent basis.

Chairman Brien questioned the nature of business; strictly boat repair or if there would be a day store.

Mr. Montz advised there are several facilities but this particular area is strictly for repairs, not for storage. Some boats are going to be there because of the time it takes to repair them but not to dock them as a marina. Several boats at South Shore Harbor have been our clients so it would be a win-win situation. We also

attract boats from West End and the North Shore which would help draw boats to the area. It is a plus for South Shore Harbor if owners had a boat repair facility on site.

Chairman Trask questioned if the boats were recreational or industrial. Mr. Montz informed that the business is 95% recreational craft with some small commercial craft but that is not our intention because the type of system proposed would not handle that type of boat.

Commissioner Trask commented on the need to support as many small businesses as we can to get this economy moving and to produce jobs. Commissioner Trask then raised the concern of a negative impact on another business or homeowners nearby that have aesthetics on the lake.

Mr. Montz informed that site #1 is the old parking lot by the Belle of Orleans and there are no homeowners at all. Parking Lot P is also a non-residential area and because it has landscaping around it, it would blend right in. We want to keep it a nice, pleasant atmosphere and a clean place where owners can come in and don't have to worry because the area will be fenced and locked. We would work 5-6 days a week depending upon business. The office will be miniscule with a minimum office staff. We are trying to continue our revenue and keep our 40 plus employees busy.

Commissioner Trask questioned the timeline on the gate project. Mr. Capo informed it is approximately 18 months. Mr. Montz stated it was originally a 6-9 month project but in speaking to the contractor recently, he was informed the contract now is 24-plus months until there is access from the lake into the Industrial Canal.

Mr. Capo stated he will work with Mr. Montz to move forward on this matter and bring something more definitive to the Committee. Mr. Pappalardo and Mr. Curtis will be involved as well.

Mr. Michael Mayer with Mayer Yacht Service questioned if the lease is available for public bid or if this was private arrangement. Mr. Curtis responded that he will look into this matter.

2. Ad in Hornets Yearbook

Mr. Dixon addressed the ad in the Hornets Yearbook. Mr. Dixon explained that demographics of the Hornets are the same as boat owners: men are 60%, 30% managers and professionals, 65% attended college or graduated from college; medium income is \$77,000 and the age is 39. The cost is \$4,475. Commissioner Trask stated that it sounds like a lot of money, especially with having to try to get money to have consultants come in. Commissioner Trask commented that if you have a boat you have to park it somewhere and South Shore Harbor is about the only game in town since Orleans Marina is full.

Commissioner Saizan agreed and stated there is going to be a cost for real estate professionals therefore resources must be spent wisely. Commissioner Saizan requested to table the Hornets ad for next year. Chairman Brien agreed.

PUBLIC COMMENTS

MICHAEL LIEBAERT - Orleans Marina Resident

Mr. Liebaert first addressed the culverts that run into the Marina and statements made by Capt. Schmidt regarding water flow from the Marina to the canal. Capt. Schmidt stated water flow is accomplished via a flapper valve that prevents water flow from the canal to the Marina. Mr. Liebaert disagreed with this and stated

when there is a heavy rain the pumping station that feeds the canal pushes water in the canal, the canal rises and water from the canal comes into the Marina. There is nothing that causes water to flow one way or the other, water flows into the Marina during rain. It is basically the same water coming off of the street.

Mr. Liebaert then addressed South Shore Harbor and stated the problem is the peninsula is not built up and there is nothing to prevent the lake from connecting with the Marina during a storm tide which is what happened during Katrina. There is also a lack of services such as fuel, a restaurant, shipyards and other amenities.

Mr. Liebaert also addressed Orleans Marina and stated Orleans Marina is a relatively small and protected marina. It is a choice property. Mr. Liebaert addressed the custom made dock boxes that were previously there which were replaced with smaller fiberglass dock boxes. He stated people living on their boat need storage space. Additionally, there are slips dedicated for transients and transients are way down. Mr. Liebaert suggested putting transient slips back into commerce and collecting rents off of those. Mr. Liebaert also suggested enforcement of a mooring standard in both marinas which is a subject the Tenants Association has touched on. Enforcing a mooring standard would assure tenants that their vessels would not break loose during a storm and start a downward effect and would give tenants a greater confidence to keep their boat in that marina.

ANNOUNCEMENT FOR NEXT MARINA COMMITTEE MEETING:

Mr. Capo announced the next Marina Committee meeting is January 11, 2011 at 10:30 a.m.

ADJOURNMENT:

Commissioner Saizan offered a motion to adjourn, seconded by Commissioner Baudy and unanimously adopted.

The meeting adjourned at 11:46 a.m.