

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
JANUARY 13, 2011 – 10:00 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Asset Protection Management Authority was held on Thursday, January 13, 2011 at 10:00 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 10:30 a.m. and led in the pledge of allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Stanley Brien
Commissioner John Trask
Commissioner Darrel Saizan

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Romona Theresa Baudy

STAFF:

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

ALSO PRESENT:

Albert Pappalardo, Pappalardo Consultants
Charles Curtis, General Counsel
Brent Palmer, Chairman, Counselors Real Estate
Michael Liebaert, Orleans Marina resident

ADOPT AGENDA

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

APPROVAL OF PRIOR MINUTES

A motion was called by Commissioner Saizan to approve the minutes of the November 30, 2010 meeting, seconded by Commissioner Trask and unanimously adopted.

Chairman Brien stated this is an important meeting and thanked all members for changing their schedules to allow us to meet today noting that the meeting was previously scheduled for Tuesday, January 11th. We have some good things to discuss and we look forward to moving the meeting along.

I. PRESENTATIONS

1. Mr. Brent Palmer, Chairman, Consulting Corps of the Counselors of Real Estate (South Shore Harbor Study)

Mr. Palmer stated that it was good to be here and continued the discussion about the utility needs on the north peninsula. Mr. Palmer then questioned if there are any issues in terms of the site itself

Mr. Pappalardo stated that any commercial development would have to be built per FEMA elevation standards. Further, Mr. Pappalardo advised that the former Bally's terminal building provides a shell for any commercial development. Mr. Pappalardo clarified that the terminal building was built by the casino and it is the retail side of the casino where the restaurants and shops were. The casino boat that was there used every square inch of that boat for gaming machines and tables.

Mr. Lupo stated that we have two sets of regulations regarding FEMA elevations. There are also city regulations on permitted elevation to build. There are some oddities about building on Orleans Levee District reclaimed land that don't apply to city regulations. Mr. Capo added that we are not required to have city inspectors issue permits on property that we own, but we are required to build to code.

Mr. Curtis stated that there are different building rules that apply outside of flood protection. Mr. Capo added that the biggest hurdle is going to be the V-Zone. We ran into the V-Zone problem on the Airport and on the New Basin Canal. We have some latitude with FEMA in that you can repair but anything new would have to be built according to new FEMA standards. Mr. Lupo questioned if this was so you can get insurance. Mr. Capo stated he did not think FEMA would provide funding if not built to FEMA standards or get insurance.

Mr. Michael Liebaert commented that it has been his experience on the Municipal Yacht Harbor Board that if boathouses are more than 50% destroyed the owner has to comply with the new regulations. If renovations are less than 50% of the total value, they can be grandfathered in. If it is more than 50%, they have to abide by the new regulations and increase height.

Mr. Palmer added that this is good background and the tour was a good precursor to envision what we are discussing.

Mr. Lupo then requested an overview on the Consulting Corps.

Mr. Palmer stated the Consulting Corps does projects around the world targeting clients that are not for profit municipalities and communities. The Consulting Corps has done work for the archdiocese and school districts. Once a proposed project is reviewed, and if it fits the criteria of what the Consulting Corps is trying to do, the Consulting Corps will create an engagement. If both sides agree, it is staffed with real estate counselors from around the United States with specific expertise that addresses the problem. There is a fair amount of marina expertise amongst the counselors. This is a by invitation only organization, you cannot lobby to become a counselor. There is a minimum ten years experience in real estate counseling, not just appraising or land use planning and you have to be an active counselor in the industry. There are only 1,100 CRE's across the U.S. and the expertise level is high. The demands are high and so is the commitment to support your organization and give back to the communities.

Mr. Palmer stated that we would staff this engagement with 5-6 real estate counselors with specific expertise to tackle issues such as a strategic plan, redevelopment and maximizing amenities that would be sufficient to address the issue. The staff would be recruited to donate time. They don't get compensated for their time but there is a required fee that covers out-of-pocket expenses and time put in for administration of the Real Estate Counsel Organization. Those fees are a fraction of what a normal fee would be to bring in that level of expertise. The panel would come on site and spend a week of dedicated time to meet with you and any other interested parties to gain whatever insight they can. There will be a series of questions and answers. There is a lot of dialogue and understanding the history, what research has been performed and what details are available. If we agreed to proceed, the panel would be staffed within 30 days and an on-site meeting would be scheduled and commenced. That is a little bit

about the process and the brochure explains the type of expertise and assignments done around the world.

Mr. Lupo stated that we are fortunate to have Mr. Pappalardo's institutional knowledge, his background, and his relationship with the Counselors of Real Estate.

Mr. Palmer stated he has been involved in this organization for a long time and was one of the younger members who came to this organization at the age 34 or 35 with enough background and opportunity to participate. The Consulting Corps is a stellar group of professionals. There are no politics or agendas. They are some of the brightest minds in real estate in the U.S. to draw from and they are all happy and anxious to do it. When the School District was staffed I went through 60 requests to be on that panel of which 6 were selected. That gives you a sense of the interest and the commitment of these folks.

Commissioner Saizan commented that this is a perfect solution to have qualified people and we are blessed to have Al who has been a long-time friend. I think we have a tremendous asset out there and I want to see it developed.

Mr. Palmer stated that Consulting Corps never staffs a panel with local expertise, although the local expertise is a resource to the panel. That is very attractive to clients we work with because they want to avoid political and traditional issues. When you bring someone in fresh, they bring in background, expertise and insights you may not find otherwise. When you get five of those minds debating in a room for a week a lot of interesting things come out of that. It has been a benefit that our clients continue to give us feedback in a very articulate, reasoned, sound manner.

Chairman Brien inquired as to steps needed in order to undertake and begin the process. Mr. Palmer stated he would communicate with the Real Estate Counselors and put a proposal together to continue the process. Mr. Palmer stated he will have conversations with panel members. When we have identified and researched this, we will recruit volunteers. Mr. Palmer stated that he has some marina background as well and he will get back with the committee in the next couple of weeks.

Chairman Brien inquired if there is any common experience amongst the panel brought in with the School Board that could perhaps also be on this panel, if that does not present a conflict. Mr. Palmer stated there is an extensive demographic and economic analysis being done, and there may be some leverage from that analysis.

Mr. Lupo stated he has been a boater all his life and in the late 70's, people back then said there was nothing to do by boat on this side of the lake. Restaurants started to disappear on the water as well as the infrastructure, gas stations and bars; the things you want to take your boat to or service your boat from. The same thing with our airport, all of the sudden Lakefront Airport didn't have prop shops and mechanic shops. All of the infrastructure for beautiful facilities like Lakefront Airport and South Shore Harbor were not there. That is the real question that has to be answered.

Mr. Liebaert stated that in 1986 there was a move by the Levee District to get folks from Orleans Marina to move to South Shore Harbor. There was not a lot of interest because the peninsula that forms the northern boundary of the harbor is low. During Katrina the storm surge came over the height of that peninsula. There was nothing separating the wave action in the lake from the marina. When the marina was being built all of the pilings had to be uniform height. They took the lowest level piling and cut them all off creating a situation where you have unusually low pilings along with an unusually low breakwater to the north. Those are a recipe for disaster in a hurricane. It is Mr. Liebaert's opinion that there are

people there now because it is a last resort as there is no other place since the Municipal Harbor is 2/3 crippled with no water and no electricity. Mr. Liebaert stated the number one priority for that marina is to build a wave break that will protect everything in there during a hurricane. Once that is accomplished, people will know they have a safer place to be in a storm.

Commissioner Saizan stated that when the people are selected, we want to try to maximize the use of the Airport along with it. Mr. Palmer informed that would be folded in.

Commissioner Saizan then questioned if there was any place around the country we might compare to. Mr. Palmer stated you would have to have some similarities with areas from Houston to Florida and up the east coast to the Carolinas.

Mr. Liebaert stated it is unusual to have a marina next to an airport where they exist so closely together. Mr. Liebaert added that the FAA has a regulation that says you cannot have a residence so close to the airport. Therefore, you can't have any live-a-boards in South Shore Harbor. Live-a-boards add an element to a marina that it does not have; you get increased security and a different ambiance. It is a little bit warmer, homier feeling.

Mr. Lupo then questioned if the Airport Director or FAA ever stated that there is a no live-a-board policy. Mr. Dixon stated that he recalls seeing a letter from the Army Corps of Engineers to the FAA about live-a-boards and that is the reason why there are no live-a-boards at South Shore Harbor. Mr. Pappalardo added it allowed transients and thought we could put a hotel on the peninsula.

Mr. Palmer then questioned if there is any kind of sport fishing in New Orleans. Mr. Lupo stated there are smaller marinas south of New Orleans because the big sport fishing takes place 150 miles off of the Mississippi Coast but only 20 miles off the coast of South Louisiana. The big boats historically have been in these marinas. When the major tournaments take place South of New Orleans, many of the big fishing boats could be seen heading out of the marinas to participate in the tournaments. Mr. Capo stated that he recalls attending a boat show at South Shore Harbor in the 1990's.

Mr. Liebaert added before Hurricane Katrina there were Bart's, Augie's DeLago, Jaegers, The Dock, Amberjack's and Hong Kong. Bart's was such a popular venue that there were so many boats abreast they were clogging up the water way. At Augie's DeLago, Jaegers and The Dock the people used to dock Mediterranean style and back in stern first. There was a critical mass between the bar setting and the vessel. That critical mass worked but since then it has died. They tried to come back in their original location. At the last minute the Corps said the outfall from the proposed pumping station will undermine the pilings so nothing is going to go where restaurant row used to be.

Commissioner Saizan added that if it can't happen there because of what the Corps is demanding; maybe we can make it happen here. There was a restaurant in the 80's that had jazz on Sundays at South Shore Harbor and a lot of people would go to that and that ties you into New Orleans music.

Mr. Palmer stated that a lot of this is cultural history which will spark thoughts and ideas; this is the right kind of information that we need when we reconvene.

Chairman Brien called for a motion to adjourn. Commissioner Trask offered a motion to adjourn, seconded by Commissioner Saizan and unanimously adopted.

The meeting adjourned at 11:11 a.m.