

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
OCTOBER 4, 2011 – 10:30 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, October 4, 2011 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 11:00 a.m. and led in the pledge of allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Stanley Brien
Commissioner Darrel Saizan
Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen
Commissioner Romona Theresa Baudy

FURTHERMORE PRESENT:

Robert E. Smith Lupo

STAFF:

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

ALSO PRESENT:

Gerard Metzger, Legal Counsel
Al Pappalardo
Steve Nelson

ADOPT AGENDA

Commissioner Cantrelle offered a motion to adopt the Agenda, seconded by Commissioner Baudy and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Cantrelle offered a motion to approve the minutes of September 8, 2011, seconded by Commissioner Baudy and unanimously adopted.

OPENING COMMENTS:

Chairman Brien commented that we need to get ahead of the news stories and tell the Authority's story of what is going on with the assets that we are overseeing.

CURRENT MARINA ISSUES

Mr. Dixon informed that he went to the food truck festival at the Fairgrounds which featured approximately 10-12 food trucks. The admission was \$15.00. Wine, beer and hard liquor were served and there were small crafts available. The event started at 11:30 a.m. Mr. Dixon arrived at 2:30 p.m. and a number of the trucks were already sold out of food. There was a band inside the Fairgrounds. Mr. Dixon spoke the food truck vendors regarding a festival of some type that would create business at South Shore Harbor which the vendors were very receptive to.

Mr. Dixon informed that there is one 30-foot slip available at Orleans Marina and notices will be given to the tenants at Orleans Marina and South Shore Harbor of

the available slip. There are 250 boats at South Shore Harbor. J P & Sons completed their work. There was some discussion regarding doing revision on one of the PWs to have the rub rails paid for by FEMA. The Point Building and the Bally's Terminal building are the buildings that we asked the Seabees to help us with. Mr. Capo will provide a list to the Seabees of what needs to be done at the Marina. This work will be provided outside of the scope of what the RFP calls for. Commissioner Saizan informed that he will be following up with the Seabees because this is a win/win situation for the Authority as we get resources that follow what the Counselors of Real Estate suggested. Mr. Capo added that in addition to the Seabees there is discussion regarding engaging some of the local labor unions such as the plumbers and electrical union for additional work as the RFP was to white box the structure only.

Chairman Lupo questioned the status of Mr. Capo stated that the RFQ was for the Terminal Building. There are stamped plans from another architectural firm for the Point Building. These plans were to be presented to a new firm for input on where to go with the building and to have them produce stamped plans and submit for an RFQ. Mr. Metzger stated this was exactly what is in the minutes. Mr. Pappalardo added that there was discussion at the last meeting but the quorum was lost and we could not act on this issue.

Mr. Pappalardo stated that an RFQ/RFP is on the Bally's Terminal Building and one is also needed on the Point Building. The Point Building is being shown this afternoon to a restaurant owner but that building may be too small so the Bally's Terminal Building will be shown also. Mr. Pappalardo suggested getting the process started on the Point Building. Mr. Metzger informed that the staff can issue an RFQ, bring back the results and action is taken from there. Chairman Lupo noted that Murray Architects did plans for the Authority regarding a design on the Point Building but those plans can't be used to go to a contractor because the stamp is no longer good as that architect is not involved with the contract. The plans are a close blueprint for where this Authority wants to go with the Point Building. Mr. Capo advised that he would move forward with an RFQ and once a firm is selected an RFP can be issued for the Point Building.

2. Discussion and review on Orleans Marina and South Shore Harbor major maintenance and capital improvement projects

Mr. Dixon stated that a piece of gutter needed to be replaced on the Bally's Terminal but this will not be replaced until it is known if the building is structurally sound. Chairman Lupo questioned the request for grant money for the fuel dock. Mr. Dixon informed that this was a BIG (Building Infrastructure Grant) grant and it is currently in the process. The individual that makes the selection is from a group inside Wildlife & Fisheries. There is \$100,000 per year available. This grant is supposed to go to public entities. There are two entities applying for the grant. The second entity is from Slidell and there is some question as to whether this entity is a public entity. Mr. Capo added that he looked into installing the fuel pump and getting reimbursed later but Wildlife & Fisheries would not reimburse the Authority. Mr. Dixon informed that Retif said they could install a temporary fueling device to ensure a fuel dock for the 1812 event.

Mr. Dixon advised of issues with the high water from Tropical Storm Lee which caused bulging in the parking lot. An e-mail was sent to the contractor and the Army Corps of Engineers requesting specification on what was done to correct the situation. Mr. Capo informed that they milled part of the asphalt that buckled and reapplied the asphalt without correcting the underlying problem. The corrective action that was taken will not be acceptable to the Authority so we can refute the repair because it is unacceptable.

Chairman Lupo questioned why Lake Marina Drive is not open as it has been finished for weeks. Mr. Dixon stated that the Corps has Tetra Tech doing different duties. Mr. Dixon requested the waste oil facility be turned over for use but Tetra Tech stated they want everything signed off at one time, not

piecemealed; the same thing with Lake Marina Drive. The Flood side has requested that both sides of the flood be painted.

Mr. Tom Long, stated he has a slip in Orleans Marina. Mr. Long is requesting the Board's assistance to open Lake Marina Drive for the next two weekends. The Times Picayune is working on a major story about sailing in Lake Pontchartrain. There is going to be a world boating championship which will bring in boats from all over the United States, Germany, Canada and the Cayman Islands. Those 22 foot boats have to be hauled in on large trailers. If a boat gets damaged going through Pontchartrain Blvd. while Lake Marina Drive has a brand new smooth surface available, it is going to be embarrassing to the City of New Orleans, Southern Yacht Club and the Authority. Lake Marina Drive needs to be opened for the weekend to allow boats in and the following weekend so they can get out. Any influence this committee can have would be greatly appreciated.

Mr. Dixon stated that the street paving is finished with the exception of the striping. The waste oil facility was torn down when the new wall was put up. A new one was placed at the far end of the parking lot instead of in the middle of the parking lot but they will not turn it over because they have not been signed off on the work.

Mr. Dixon noted that on the website for the month of September there were 564 hits. In January there were 403, and those are great numbers. There are also facebook pages for Orleans Marina and South Shore Harbor.

NEW BUSINESS

1) Update on structural analysis of the former Bally's Terminal Building

Mr. Capo stated that he had been in contact with DEI and URS regarding plans going forward regarding the structural analysis of the Bally's Terminal Building. There was a meeting with Mr. Steve Nelson of Stuart Consulting and representatives of DEI and URS last Friday at the Bally's site to begin this process. There is some minor demolition that needs to be done to open up the 18-21 steel columns. The purpose of this analysis is to see if the building is structurally sound. If it is found to be structurally sound there is a certain group of options on what to do with the building. If it is found not structurally sound, the only options are to tear it down or try to repair it.

Mr. Nelson informed that when DEI toured the site they advised they would provide numbers for the cost of their assessment which numbers should be ready for Thursday's Finance Committee meeting for contract approval. Mr. Nelson's personal opinion upon observation of the building is that it did not look as bad as was expected as there are no visible water lines inside of the building. Should the columns be opened up the only thing that would raise concern would be if corrosion is found at the base points of the steel connections as this is a steel building. The roof appeared intact and the second floor was not as musty as most buildings due to the west end of the building being open and ventilated. There is a need for a structural engineer to look at the structure and get a professional opinion.

2) Discussion and review on Orleans Marina and South Shore Harbor Marina major maintenance and capital improvement projects

Mr. Capo informed that Budget Adjustments Obligated are the expenses that were approved at previous Board meetings. J.P. & Sons in the amount of \$100,000 is for the Bally's overhead passenger walkway which was removed. Additional work was done behind the Terminal Building with crushed stone and fill.

Graci Hart in the amount of \$4,500 was a contract for installing light poles addressed in the third item regarding the purchase of the light poles. Those

three items have been approved. The cost for the structural analysis for the terminal is unknown at this time.

Other items relate to salaries for South Shore Harbor and Orleans Marina security (Weiser). When the budget was approved there were security guards at Orleans Marina and we hired Weiser. Our security personnel moved from Orleans Marina to South Shore Harbor so that cost is following them and vice-versa with Weiser. Chairman Lupo questioned why Weiser was not performing security at both Marinas. Mr. Capo informed that previously the District had security guards at both marinas in addition to our own police at night. The Weiser security guards are there to supplement the police so the Authority will not have to hire additional employees. The Authority's policy is to outsource through a Civil Service approved layoff plan and do full outsourcing but Civil Service will have to weigh in on that. You can eliminate the positions but the question becomes can you eliminate positions and then outsource to replace them. Mr. Dixon added the security swap between the two marinas took place because this Authority no longer has the police and it was not economically feasible to have outside security guards drive vehicles at the Airport to provide security at night. It was more cost effective for employees to provide this service because the cost was \$1,000 per month to have a car to go outside and patrol the Airport. Once you add a vehicle to a contracted service it drives the cost up dramatically which is the reason for the swap.

Mr. Michael Liebert, Secretary of Orleans Marina Tenants Association, stated he was a retired New Orleans Police Officer and has lived in New Orleans for 28 years aboard his vessel. Levee Board Police Officers were assigned to the Marinas for security purposes. The police officers were better trained and were familiar with residents and tenants of the marina. The police officers also surveyed the water lines and caught vessels as they were sinking because every few months a vessel sinks for one reason or another. The Weiser security officers are brought in with minimal training and qualification and are switched out on a regular basis. The Weiser officers do not get a chance to learn the marina tenants. Trained personnel increases the security at the marina.

Chairman Lupo noted that some comments made by the tenants are valid and some things mentioned that the security officers do as a result of their familiarity at the marina are nice but that is not what the tenants are paying for; tenants are not paying for someone to see if their boat is sinking. Mr. Capo noted he has been spot checking on weekends at Orleans Marina to see what the officers are doing. On each occasion the security guard has stopped and asked me who I was and what is the nature of my business at the marina. Chairman Lupo advised that Mr. Capo and Mr. Dixon are communicating to the security sub-contractor and advising them what action needs to be taken and as a result there is a better job by the contractor. Commissioner Cantrelle commented the biggest problem with contracting security is the turnover. Chairman Lupo stated this was the negative side of sub-contracting work. The positive side is when someone is out sick a contractor has a huge pool to draw from. You have to look at it from the side of the operator which is the Authority. If you hire people you have an incredibly huge staff and all the overhead that goes along with it. If you look at it from one side you have to look at it from the side of the Authority, that it is sometimes a lot easier even though you get the turnover problem you want people that are familiar with the property but then you have this huge staff constantly on the payroll.

3.) Discussion on the 2012 proposed budget revisions for Orleans Marina and South Shore Harbor

Mr. Capo informed of the running items the departments have requested which comes to over \$2 million. One recommendation from South Shore Harbor addresses the equipment used for street maintenance which is not being performed due to lack of staff. This maintenance includes sweeping and washing the streets along Lakeshore Drive, the Marinas, the Airport and South

Shore Harbor. The Authority owns a street sweeper which is a sweeper truck with a vacuum. Staff is requesting a mobile equipment operator to operate this piece of equipment and the water truck along Lakeshore Drive, the Seabrook Boat Launch, the Airport exterior and in front of Stars and Stripes and the two Marinas. Those areas have been neglected over the years.

Commissioner DeRouen questioned if a vendor can provide these services. Mr. Capo stated that this was the alternative and would get proposals from vendors to provide these services. Mr. Dixon stated that he contacted SDT repeatedly to get proposals to street sweep but the calls have not been returned. Chairman Lupo stated that is not something that SDT is interested in providing unless it is a large city-wide contract and agreed with the committees' opinion to look at options for sweeping and cleaning the streets.

Commissioner Cantrelle addressed Lakeshore and the problem with sink holes between the seawall and the street. Mr. Capo explained that northwest fronts move through and push the lake forward which washes out all of the mud from behind the seawall into the street. The Flood side has been scooping the mud up and applying the dirt behind the seawall. The Corps does not accept responsibility as this has been an ongoing issue for many years. Commissioner Cantrelle added that the trenches are a safety concern for the families and children who fish at night in complete darkness. Chairman Lupo stated added that this has been happening for a long time. When the Orleans Levee District was one entity the manpower, dollars and equipment was available they would go out and fix it the same week and the money spent was incredible. The Flood side understands that is their responsibility because it is a flooding event and have in their plan to repair it in phases with paving and pile supporters along with possible benches and garbage cans.

Mr. Capo and Mr. Lupo met with the company that performs the maintenance of the grass, clean-up and trash and noted that the area between Franklin and Seabrook Bridge needs better attention. When the Corps is finished with the section that is fenced in, the fence will be pulled up and that area will be cleaned which will open several acres in that area.

Mr. Capo noted that a sink hole had developed in front of Shelter 4 which is being addressed which is part of the four sinkholes that we are going out for an RFP on.

Chairman Brien questioned if there was an order of priority regarding these departmental project requests. Mr. Capo noted the project at Orleans Marina to build twenty 40-foot slips on the New Basin Canal was checked off because it would bring in additional revenue for the Authority. The cost of the projects between the two Marinas is approximately \$2.3 million.

Mr. Dixon informed that he issued a prioritized list of what he thought were the items that needed to be done which are as follows:

At the Orleans Marina the number one priority is inspection of the electrical system on piers and the replacement which has not been done in years which cost is \$60,000. Also, the cross members and piles need replacement which cost is \$305,000. Painting the marina is \$175,000; decking and green space is approximately \$50,000 which would allow for grills and a green area.

Along the New Basin Canal the 40-foot slips are approximately \$65,000. The current guardhouse is unusable and a new one is \$35,000. At Orleans Marina replacement of the dock boxes is \$125,000. and electrical, cable and telephone service has not been upgraded which cost is \$260,000.00.

Projects at South Shore Harbor include landscaping in keeping with the CRE recommendation which is \$25,000. The current bath house is in need of repair

which would cost approximately \$20,000. The Point Building renovation is \$350,000 and the fuel dock is \$125,000. The common green space area and doing stamped concrete is \$175,000. Getting the Marina Terminal Building white boxed is \$20,000.00 and a new roof is \$425,000. Those are all estimates on pricing. The Point Building and the Terminal Building projects are subject to the structural soundness

Commissioner Cantrelle questioned if we could get the money for the wish list by having fund raisers or if we could petition the flood side or the state. Mr. Capo informed that wherever we can get funding whether it be from fundraising, grants or through other mechanisms. One issue Mr. Dixon addressed was the Boating Infrastructure Grant (BIG) and possibly other grants we can look at for funding. Mr. Dixon noted that the pump-out facility was a 75/25 split with the Wildlife & Fisheries and the BIG grant for the fuel dock is \$100,000. Every time there is something that comes up, it is applied for.

Mr. Capo informed that if all 40-foot slips were rented it would generate approximately \$140,000 per year which is a significant increase. The budget adjustments obligated have been approved by the Board. The items not approved are on the wish list or as a staff recommendation and will be vetted at the meetings on Thursday and at the Board meeting. Also included on the list are future revenue items such as the new tenants in the Lake Vista Community Center and New Basin Canal. We are looking at \$4 million just on the wish list and there is another \$1 million on staff recommendations so you are looking at \$5 million.

Mr. Liebert also addressed the fiberglass dock boxes that are on the list. The Tenant's Association objects to the fiberglass dock boxes as replacement dock boxes. Prior to Hurricane Katrina the dock boxes that were built had front opening doors, shelves, lids that opened up, sides that would fold down and you could store a great deal of things in those dock boxes. The fiberglass dock boxes are just a fraction of the size and if you want something at the bottom you have to take everything out to get to that item. The Tenant's Association has urged management to authorize tenants to build the wooden dock boxes to the same specifications as before and to replace the dock boxes at the tenant's expense. Mr. Liebert requested the committee review this issue and work with the Tenant's Association on a plan to reproduce the wooden dock boxes as they are a better service to the boat owner. The Orleans Marina was built as a Cadillac with covered walkways and high quality standards such as the dock boxes as a special amenity within the marina. This Cadillac is slowly turning into a Chevrolet. The tenants are there and willing to help maintain the Cadillac with used parts but we need some help pushing that forward.

Commissioner Cantrelle stated the problem with the tenants building their own wooden dock boxes was it became very unsightly because some were being built tall, some were wide, some were maintained and some were not. Using strictly fiberglass dock boxes would be uniform and it would look better for the marina. Mr. Liebert stated that the Orleans Marina Tenant's Association is willing to have the dock boxes built to the exact specifications of what the Levee Board previously produced and to stick by that because those dock boxes that still remain are a fantastic product. Some of the dock boxes have been there over 30 years old and are just need to get painted every ten years. It does not take that much to maintain them after they are built. Chairman Lupo added that the Marina Director will have more information and will be able to draw from what is the standard around the country and from experience.

PUBLIC COMMENTS

Mr. Liebert commented that the tenants have come to expect the Levee Board Police responding to sinking vessels and stated that many amenities and services have been discontinued. These services and amenities include custom made dock boxes, maintenance personnel on site, mail service, police officers, trash pick-up service on the piers, guards who stayed in the marina during the storm and helped and prepare improperly moored vessels to prevent the domino effect from taking place. The Tenant's Association came up with a special insurance assessment that was to cover vessels that could not get the Levee Board's name as additional insured and that insurance assessment never went away; it got incorporated into the rent. There have been rental increases exceeding the Consumer Price Index and leases that get more strict every year. That marina is the home to many people, not just a boat slip being rented out. These are hard working average citizens who prefer living at sea level instead of below sea level.

Chairman Lupo commented that what the tenant says is valid. This Authority is in the business of providing a service that should be of a certain quality and that is what this Board is trying to do with all of the assets. This menu of items were there before because the marina was run by an institution that was flush with funds. It might be good for informational purposes to the committee and the tenants to put together a budget that shows what those things would cost on an ongoing basis. We also have to look at what this Authority's budget is to run the marina and see how these things equate. Then factor into that what this Authority should have been putting away in a sinking fund every year to maintain this property. This would make the tenants understand the situation better. Information helps everybody on opposite sides understand the situation. This would help the Board to understand what it really costs and what it would cost to do the sort of things that were there before when there was an institution that was flush with funds. There was no sinking fund or ongoing maintenance and the deferred maintenance is \$2.3 million. Nowhere in the contract between landlord and tenant does it say there would be security at the Marina.

ANNOUNCE NEXT MEETING

The next Marina Committee meeting is scheduled for Tuesday, November 1, 2011 at 10:30 a.m.

ADJOURNMENT

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

The meeting adjourned at 12:29 a.m.