

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
DECEMBER 6, 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, December 6, 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 which did not constitute a quorum and the meeting became informational only.

PRESENT:

Chairman Stanley Brien
Commissioner Darrel Saizan

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen
Commissioner Romona Theresa Baudy

STAFF:

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

ALSO PRESENT:

Charles Curtis, Legal Counsel
Al Pappalardo
Walter Baudier

ADOPT AGENDA

Due to lack of quorum, no vote was taken to adopt the Agenda and this meeting was informational only.

APPROVAL OF PRIOR MINUTES

Due to lack of quorum, the minutes of October 6, 2011 were not approved. The minutes of October 6, 2011 will be approved at the January 12, 2012 meeting of the Marina Committee.

PRESENTATION ON CURRENT MARINA ISSUES

Mr. Dixon informed that the Pennick Dock is full. One 95 foot yacht and one 85 foot yacht will come to the Pennick along with a 115 foot yacht going to South Shore Harbor. Per the request of Counselors of Real Estate Mr. Dixon questioned the tenants at South Shore Harbor and Orleans Marina what the top 5 improvements the tenants would like to see regarding areas of improvement. Responses are presently being received and answers will be provided by the next meeting.

OLD BUSINESS

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

Mr. Bruce LeLong, structural engineer with URS, informed that URS has over 600 employees in this area along with offices in Metairie, New Orleans and Baton Rouge. URS has been here over 30 years.

Mr. LeLong informed that everything is looking good and the buildings appear that they can be renovated. Some work needs to be done but there are no major issues.

Dr. Gupta stated that there were some conditions in the Point Building which required temporary shoring to ensure a safe workplace. The building was cleaned up and is in the process of being pressure washed. Since the Bally's building was designed in 1993 it is likely to have a building code with lower wind velocities. There was no visible significant structural damage on the building. It can be repaired under the old code it was designed for. What was damaged can be repaired as the building is not in danger of collapse. There was some corrosion in some of the columns but nothing major. In most cases it was surface rust at the base of the columns. In a couple of cases there was some small flaking. There is some damage to the roofing elements from leaking in the roof, but structural elements are not damaged.

Dr. Gupta informed that a roadmap of the structural repairs would be given to the Authority although there would not be a roadmap for the roof and they would not design the repair. There is some roof damage due to leaking. Looking at the connections and the structural members, there does not seem to be any structural damage in these locations. Damage to the structure is minimal. This structure has a number of columns and is a two story building with the bottom floor being the larger footprint. There is minor rusting on the columns but there is no corrosion at all. On the exterior columns there is some minor rusting which can be taken care of, it is nothing major. The material and debris inside of the building was cleaned up.

Point Building damage is less than 30% of the total building. Based on the code it is not significant structural damage and can be repaired as it was originally designed. The load bearing elements in the north end had a fair amount of damage caused by moisture and insect activity. There was heavy damage to the exterior deck which is not part of the main structure. Some cracking was observed on the masonry along with some corrosion which was not major. There was some leaking in the roof which caused damage along with damage to one side on the façade. The continued deck had some loss of foundation and there is some pavement damage which are minor items outside the structure. There was some damage on the north wall, which is a load bearing wall, leaving the wall with no support which resulted in the wall being taken apart because it was badly rotted. There was no significant structural damage.

The more difficult items found on both projects were the flood issues. Structural modifications need to be made in order to obtain flood insurance to move forward. Options to obtain flood insurance consist of raising the floor and strengthen and modify the structure to resist the wave loads that the code requires. A break wall could be placed outside to isolate the structure from wave action.

Whether the Point Building suffered substantial damage is presently hard to answer. Once it is known what repairs are needed it will indicate more whether the building suffered substantial damage. The code defines substantial damage as repairs that cost more than 50% of the property value of the building at the date of damage.

Mr. LeLong stated that that Terminal Building's uniqueness might insure it is below substantial damage but some data may be need to rely on.

Mr. LeLong defined significant structural damage as damage to the structural system; substantial damage is damage of any kind: HVAC, electrical or interior finishing and flood damage relates to all of the damages. Mr. Pappalardo added that there are two separate calculations being used and until the value of all damage is determined it is unknown if the Authority can secure flood insurance on the buildings. The Terminal Building was built in the back side of the casino and has very unique view. There may be data on the building but we have to search for it. Mr. Gupta advised that the Authority find out if the building was constructed to the right flood elevations at that time because the building can then be grandfathered.

Mr. LeLong addressed the elevation of the Terminal Building and noted the building was constructed lower than the base point elevation at the time. There could be a reason that was done and we want to make sure that you are getting the lowest possible flood insurance. Before the Authority invests in a renovation a historic paper trail is needed along with referring to the Orleans building code official because if it is lower than base flood elevation it will affect your rate of insurance. The proper way to proceed is for the building code official to file a Letter of Variance for the flood mapping and file same with FEMA. Currently, there is nothing on record. This would document it for posterity that the structures do not need to be built to the base flood elevation requirements shown in which case you would receive the most favorable flood insurance rate.

Mr. LeLong advised that the Authority be aware of insurance as well as projected operating and maintenance costs and what rent would be for future tenants before spending money on A&E fees. Mr. Pappalardo added that the tenant would have additional costs if the flood insurance rate was higher than expected which would be an additional expense on the tenant for their flood and content insurance. It is crucial to determine what is out there and what the cost is and whether the Authority can obtain flood insurance at the lowest available rate through grandfathering or other means. Chairman Brien questioned if there was insurance information on file for a history that can be reviewed. Mr. Capo stated he would check the Bally's files because one requirement was Bally's carry the insurance on the two buildings.

Mr. LeLong advised that EFM indicated they have the flood certificate on file and suggested the Authority obtain a copy because that certificate may be very informative and would indicate the base elevations and building construction elevations. Chairman Lupo questioned if the flood certificate was part of the scope of the work for URS. Mr. LeLong advised the flood certificate was not part of the original scope, it was strictly a structural assessment, but URS performed their due diligence by advising the Authority regarding moving forward with this to look into the insurance. Chairman Lupo requested Mr. Capo modify URS contract to expand the scope to take on additional items and obtain a proposal from URS. Mr. LeLong stated this would not be a large amount of money. It is a matter of tracking down the documents and writing a report. Mr. LeLong will prepare a proposal to expand the scope of the contract.

ANNOUNCE NEXT MEETING

The next Marina Committee meeting is scheduled for Thursday, January 12, 2012 at 10:30 a.m.

ADJOURNMENT

Due to lack of a quorum, the meeting ended with no motion to adjourn.

The meeting adjourned at 12:29 a.m.