

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE MARINA COMMITTEE MEETING  
MAY 3, 2011 – 10:30 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, May 3, 2011 at 10:30 A.M., in the Lake Vista Community Center, 2<sup>nd</sup> 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 Darrel Saizan  
Commissioner Pearl Cantrelle  
Commissioner Patrick DeRouen

**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:**

Charles Curtis, General Counsel

**ADOPT AGENDA**

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

**APPROVAL OF PRIOR MINUTES**

A motion was called by Commissioner DeRouen to approve the minutes of the February 1, 2011 meeting, seconded by Commissioner Cantrelle and unanimously adopted.

**OPENING COMMENTS:**

Chairman Brien advised that the counselors of Real Estate will be coming at the end of the month to look at the marinas and begin to formulate how we can bring both of them to their highest and best use.

Mr. Dixon advised that he attended two local boat shows; one in Slidell and the New Orleans Boat Show. There was an unbelievable turnout for the first boat show in Slidell. The boat show in New Orleans was lacking in participation. Boaters attended to buy a boat or to talk about where to put their boat. People attending the boat shows questioned when there would be something to eat & drink and fuel at South Shore Harbor. The pump facility out is open and people are using it. We are having issues with debris that fell into the lake from the passenger walkway making the approach and docking very shallow to the extent of about 6 feet. The area around the dolphins is running about 10-14 feet. Tin

and plywood pieces have been picked up off of the ground that has come off of the walkway.

Mr. Dixon informed that tenant leases are set to expire June 30<sup>th</sup> and the recommendation is to leave the lease unchanged for an increase. The leases do not have a CPI. Mr. Metzger added these are annual leases and there have been rental increases. Mr. Capo stated there is real interest in South Shore Harbor so the rates should be kept low to attract tenants to South Shore Harbor. There is an automatic renewal in the lease because there are no changes so the lease will automatically renew for another year. Next year the Authority has the option 90 days out to make adjustments and changes to the lease. There are 200 leases at South Shore Harbor and 300 at Orleans Marina. Tenants have an option to opt out of the lease. Mr. Dixon has put the lease on the web site so the tenant can type it on a PDF format and drop it off. Rent is paid quarterly either by credit card or automatic check draft. The leases are structured for January, April, July and September payments. One or two that on occasion will send a check if their credit card is declined and there is a \$50 fee for decline, bad credit card or an NSF check the first time and then the fee escalates. This fee was implemented due to collection problems at the Marina on the slip leases, costing the District money to hire an attorney. Mr. Dixon informed there is one delinquent at Orleans Marina and three at South Shore Harbor. Fee increases were stepped up with the last lease for being late or NSF because renters were letting the lease go because there was no penalty. We have increased the fee and they have come around.

## **OLD BUSINESS**

### **1) Discussion to remove Bally's passenger ramp and walkway**

Mr. Capo advised that the passenger ramp by Bally's needs to be removed because it is dangerous, unsightly and hurricane season is approaching. When there are strong winds, the tin starts flapping and it becomes a hazard. This is to inform the committee that we are going out with this RFP. Mr. Dixon informed of one offer for the scrap value of the metal. The cost to remove this would be approximately \$45,000.00. The range to remove the walkway is from zero (taking down for scrap metal) to \$45,000.00 and \$4,000 for the four roll off dumpsters. This will be to completely clean up that area and seal off the back part of Bally's. Mr. Dixon informed that a bond depends upon what they are bidding and what their high bid is. If it is bid \$25,000 then a bond is required. Mr. Capo informed that a mandatory inspection is required because of the uniqueness of the add in, the area and what is involved. If they are working on a barge or some type of vessel or boat in the marina itself they must carry Jones Act type of insurance.

## **NEW BUSINESS**

### **1) Capital Improvements at Orleans Marina**

Mr. Dixon advised that there has not been any major maintenance done on the Marina in years. A slide show was presented showing conditions starting with Pier 1 which identified cross timbers and pilings that are disintegrating along with the braces that hold the pier up. Other piers at the Marina have similar damage. Once replaced, the cross timbers and pilings will last approximately 10-15 years, depending on the weather. Orleans Marina was built in 1962 and renovated in 1970. Piers 1-4 are the original piers and the Levee Board added 5 and 6 which are much narrower. At one time the rest rooms were on the piers so you have sewer pipes underneath. There is concrete sitting on top of the caps and there is support underneath that keeps it from rocking back and forth and there is also support to keep the piles together. There are no slips on the west side of the New Basin Canal. We could put 40 foot slips there and it would increase revenue. There are five slips in which Mr. Mayer put electricity which are leased by Michael Mayer Yachts. From pier 25 on down there is no power or water.

Mr. Capo stated the depth of the water is unknown heading from New Basin Canal to the pump station by Robert E. Lee. Closer to the pump station the depth gets shallow. A request was put in with FEMA for that area on New Basin Canal to be dredged. Information from the last dredging was submitted to FEMA dating back to 1980 and FEMA is now requesting information from the time before that. There are no records for the prior dredging so we are at a stalemate with dredging.

The slips at Orleans Marina are a mixture of slip sizes with 40 foot being the most requested slip size. There are six 50s and there are also 40s and 45s. Mr. Dixon stated there was discussion to expand some 30 foot slips into wider, longer slips but you would be blocked in by the fairway. The marina was built in 1962 and at that time the boats were narrower and shorter.

Mr. Dixon added that the dock boxes at Orleans Marina need to be replaced. There are 220 dock boxes made of plywood and they are falling apart. It is cheaper to buy fiberglass boxes and replace them than it is to have a carpenter make the dock boxes. At South Shore Harbor all of the dock boxes are the new fiberglass dock boxes. OMTA is coming up with a fiberglass type dock box. Robert Garrity, President of OMTA, will forward that information for the next meeting.

Presently, water lines at Orleans Marina run to the old harbor master's office down underneath the promenade. When the water started seeping through the sheet piles gunnite was pumped underneath the promenade. We are asking to bring up the water line and put it on the bulkhead. When Levee Board built the bulkhead they did not put valves in so if there is a leak on pier one the entire marina is without water. Mr. Dixon is requesting to go out for a RFQ for an engineer to give us a proposal, pick an engineer and then go out to bid. Commissioner DeRouen questioned if the Counselors of Real Estate can do this so we can avoid having to spend money on an engineering firm. Mr. Dixon stated if a contractor views the job they can't bid because they will have the advantage of knowing what is going on with the job so there are not that many contractors that would do that. Mr. Capo advised that the Counselors of Real Estate will address the strategic plan at South Shore Harbor. There may be questions on the two marinas as it folds in to the Non-Flood Authority but the major focus is redevelopment and best use of South Shore Harbor and not so much the repairs.

The problem we have with repairs is funding because the bottom line is \$1.1 million and we don't have the funds. The marina is deteriorating and because monies are put into restoring and maintaining the assets because those monies are used to cut grass. One proposal was to use the \$1.9 million from the Naval Reserve facility, which is an alternate funding project, as a source to do repairs at Orleans Marina. Stuart Consulting is handling FEMA projects regarding concrete and slab removal for the Naval Reserve facility and there may be money available there. The Naval Reserve facility is by Seabrook and is 12.6 acres. There is \$12 million from FEMA and through an alternate process with alternate funding they will reduce that by 25%. Some monies were used for other funding such as the Airport exterior but there is still money left. Commissioner DeRouen questioned if FEMA money was available for repairs. Mr. Capo advised these repairs are strictly age and wear, not damage. We received approximately \$1 million in FEMA funds. We could possibly get funding for boathouse slip 40 which would be approximately \$40,000. The repair money was spent on removal of the damaged vessel, piers, roofing which was damaged over the covered walkways and the Harbor Master building. We could start appropriating funds on an annual basis to do some of the repairs. It would be best to do the repairs all once but some things may have to be done in phases.

Mr. Dixon advised that a number of cleats were removed when the old dock boxes were put in and we had to replace those cleats before the 2011 storm season. There are a number of lights on the walkway in which the covers and lenses are falling off because they are so old and there are naked fluorescent bulbs on the walkway which is a hazard. The old lights will be obsolete this year for environmental purposes and the cost will skyrocket so a new type of lighting will replace the old lighting. The new lighting luminance is quadrupled and the cost saving is astronomical. Mr. Dixon informed this will be done one pier at a time. The lighting will be taken down and painted and the electrical work will be done at the same time the things in the water would be repaired in order to have as little disruption as possible to the tenants. We have already started on the lighting. Mr. Dixon informed that by replacing 78 fixtures there is grant money available and we also save with the electric bill. Mr. Dixon added that priming and painting underneath the lights is being done now so we won't have to do it again.

Mr. Capo stated a selection can be done through an RFQ for an engineer to provide the service. The engineer can design this and issue and evaluate the RFPs, selecting the lowest responsive bidder and moving forward in that direction. This is a low dollar amount for an engineering firm to come out. In order to meet the transparency the best thing to do is go out for an RFQ.

South Shore Harbor was built in 1982-1984 and opened in 1984. South Shore Harbor does not have the same problems as Orleans Marina because it is newer. Mr. Dixon stated that 100% of the electrical and telephone, all of the plumbing is new and 50-60% of the piers are brand new.

Mr. Capo stated that any damage that could be FEMA related, Stuart Consulting advises FEMA reps and writes a PW to get FEMA funding. Orleans Marina has been so far identified and paid about \$1 million; South Shore Harbor was closer to \$9 million. South Shore Harbor was totally wiped out; Orleans Marina being inner harbor was protected. There were 6 sunken boats at Orleans Marina due boats being tied up and crashing into other boats. At South Shore Harbor boats were pushed up against the Levee and many were sunk. There was more devastation at South Shore Harbor than at Orleans Marina.

Mr. Dixon stated the rates at Orleans Marina are lower than other marinas. People have come to South Shore Harbor from Mississippi, Alabama and Florida because of the rates and the gas. Mr. Capo stated that Orleans Marina has always been slightly higher than South Shore Harbor. We have raised the rates in Orleans Marina 30% since Katrina. Mr. Dixon added rates could be increased at Orleans Marina because it is the preferred marina but work needs to be done before rates are raised because Orleans Marina has not had maintenance done that it should have over the years. Mr. Capo advised we will identify and dedicate funds to particular capital improvement projects. In the beginning of the budget year projects are identified for the current fiscal year and funding is identified and allocated and then we move forward with the project.

Chairman Brien questioned the regional average for slip rates. Mr. Dixon informed there is no competition in the New Orleans area. In blue water areas such as Florida and Alabama our quarterly rate is what they pay each month. We can go up approximately another 30-40% to meet our bills without losing business. Municipal Yacht Harbor has no lights and power and the rates are \$100 per quarter however Municipal Yacht Harbor's rates were always lower than Orleans Marina, even before Katrina.

Mr. Dixon advised that money is coming out of the marina and going to other projects that don't help the marina itself which is a problem with OMTA. Rates are being raised but we are not giving anything back. Planking was replaced on all of the piers and upgrades on the fire protection and the fire system have been performed. Tenants are requesting green area and decking because BBQ is

restricted on the piers and boats due to Fire Marshall's regulations. Mr. Capo advised that before we embark on any amenities at Orleans Marina the marina needs to be turned back over from the Corps' contractor who has the entire parking lot under construction. By June 1<sup>st</sup> the flood wall and the gates will be in and by no later than July 1<sup>st</sup> we will have the new parking lot. The Corps and contractors have been a nuisance to the marina because all of the sand blowing on the boats and cars which the tenants constantly wash off. The Authority pays the water at Orleans Marina and it is costing us more money with all the tenants washing their boats and cars more often. Tenants have been displaced over the last year which is why we didn't feel a rate increase was justified.

Commissioner DeRouen suggested to request Counselors of Real Estate look at Orleans Marina because it is the money making engine and it is worth the effort to give us ideas regarding helping the marinas to continue to make money and to get money for necessary improvements. Mr. Capo advised that the Authority is at the discussion level and other options will be explored regarding ways to implement this plan to get additional funding. We wanted to get discussion started with the committee regarding repair work needed at Orleans Marina so we can look at funding and ways to move forward with this.

Commissioner Cantrelle inquired if a maintenance fee was placed on the tenants. Mr. Dixon informed that is what the rent is. Mr. Capo added at one time the rental structure of the marinas included a rent figure, an environmental fee and an insurance fee which made up the quarterly rent. After Katrina this was abolished into one fee. Maintenance fees would be better off inside the rent as opposed to a separate fee unless the maintenance fees were dedicated to certain projects.

In addition to rent extra dollars could be added each quarter for lighting, a green space area with decking and maintaining the decking which is another maintenance issue. There are areas on the east side of the Harbor Master to put the decking because OMTA likes to have functions there. It is good for the marina and brings interest in the boating community there.

Commissioner Brien asked if there was a waiting list at New Basin Canal. Mr. Dixon advised when a slip becomes available an e-mail is sent advising tenants at Orleans Marina of the opening. If there is no interest, tenants at South Shore Harbor are notified. It is first come first serve basis; whoever turns in the lease first gets the slip.

Mr. Capo informed there is also a demand at New Basin Canal but Orleans Marina is the preferred marina on the South Shore. A waiting list is a bad idea because there was talk of a black market for slips on the waiting list because the list was never public. The way it was handled, it was a bad idea.

Commissioner DeRouen questioned if, when South Shore Harbor comes on line, will there be extra money to subsidize grass cutting. Mr. Dixon informed South Shore Harbor has approximately 200 boats and there are 450 slips. Without getting the point building open the passenger walkway taken down we are at our max. People do not want to put a \$1 million dollar boat on a pier with a view of the passenger walkway because it is unsightly and there is the danger of boats getting damaged. There are no amenities at South Shore Harbor with the exception of showers, bathrooms and a Coke machine. People want something to eat and drink. With the synergy of the point building other boaters will come from the North Shore to bring their boat in. The Counselors of Real Estate will advise the best use of the two buildings and getting them back into commerce.

Commissioner DrRouen asked if there are meetings with OMTA to plan and talk through stuff. Is it something were matters are proposed and input is obtained from OMTA regarding their concerns and suggestions?

Mr. Dixon advised that there is correspondence through e-mails with Warner Tureaud and Bob Garrity of the OMTA to discuss concerns and suggestions of tenants. There is open dialogue with OMTA who have been very supportive. We are in the business to run marinas so the Authority does not always take the suggestions but we do listen.

We need to prioritize and identify funds and get input from Stuart Consulting for the next committee meeting so this can be discussed further. The Naval Reserve may be able to provide a big chunk of money for us to which \$1.3 million would go to Orleans Marina and \$300,000 on Lake Vista Community Center because this is another asset we are not keeping up with. There are two offices that could be rented if a build out was done. The cost for both build outs is approximately \$85,000.00.

**2. Dave McGee (Entergy Management) – discussion on lighting at Orleans Marina**

Mr. McGee informed that this is a new Entergy Smart program sponsored by Entergy New Orleans. The program consists of a large and small commercial division with the difference being the rebate amount and some of the items that qualify for a rebate. Mr. McGee did a walk through survey and a sample will be put up to look at. The sample is a high output T5 fluorescent. The present lighting will become obsolete in July of next year. The program provides a survey and recommendations. A Dean savings calculator is used to affirmate the savings. The variables are what you pay for kilowatt hours and then your hours of moderation. The printout gives an approximate annual savings and approximately what your rebate will be which comes in the form of a check to the property owner. When you start a final inspection in performed and another calculation is run for the rebate. There are two scenarios and it is recommended you install the sample of each to look at. A T8 28 watt is suggested. The T8 28 watt can vary the ballast factor with it and there is an annual savings of \$3,000 and a rebate of \$4,200. It is a lineal fixture which throws the light to help you see out in your boat. Mr. Dixon added that two samples will be put on the pier by Mr. Liebaert. Mr. Capo informed we have already enrolled in the program and it is just a matter of signing the documentation. This does not cost anything or obligate us to anything, it ensures our place in line as this is on a first come first serve basis. A letter of intent was signed by Mr. Capo. The Authority is not under the gun because we are a small company and so far there has not been a rush like with the larger companies.

Mr. Capo reminded the commissioners that the Ethics forms are due on May 15, 2011.

**ANNOUNCE NEXT MEETING**

The next Marina Committee meeting is scheduled for June 7, 2011 at 10:30 a.m.

**ADJOURNMENT**

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

The meeting adjourned at 11:15 a.m.