

NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE MARINA COMMITTEE MEETING
JUNE 8, 2011 – 11:00 A.M.

The regular monthly meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Wednesday, June 8, 2011 at 11:00 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 11:14 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

FURTHERMORE PRESENT:

Robert E. Smith Lupo

ABSENT:

Commissioner Romona Theresa Baudy
Commissioner Patrick DeRouen

STAFF:

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

ALSO PRESENT:

Charles Curtis, General Counsel
Kevin Gray
Al Pappalardo

ADOPT AGENDA

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

APPROVAL OF PRIOR MINUTES

A motion was called by Commissioner Cantrelle to approve the minutes of the May 3, 2011 meeting, seconded by Commissioner Saizan and unanimously adopted.

OPENING COMMENTS:

Chairman Brien advised that the counselors of Real Estate arrived about 10 days ago and it was a very productive visit. We look forward to their final report which will be available in approximately 30 days. At that point we will begin to formulate an action plan to go forward with that report.

PRESENTATION ON CURRENT MARINA ISSUES

Mr. Dixon informed that the pump out is open and working at South Shore Harbor which is really a big advantage for us having that pump out as there are only two on the south side of the lake; one at Orleans Marina and one at South Shore Harbor. Three boat leases were lost at South Shore Harbor last month due to nothing to drink or eat and no fuel at South Shore Harbor. The leases expire June 30, 2011 and our recommendation is to extend the leases for another year. We are replacing lights that are out at Orleans Marina. We are at a loss right

now on the engineering because we don't have personnel on staff to help us out on getting all of the lights done. We proposed moving the \$1.3 million, but that is dedicated to the Airport. We still have the issues of the transformers, lights and the cross braces being inspected. The transformers have never been inspected.

There was a major theft at the Orleans Marina. A \$25,000 BMW motorcycle belonging to the Corporal who addressed the committee a few months ago was stolen. He purchased the BMW motorcycle and there has been a rash of BMW motorcycle thefts throughout the city. They followed him in, the cover was on the bike which was removed and the bike was taken. New Orleans Police Dept. did the report on the bike which was parked at Pier 4. Mr. Dixon had conversations with OMTA members (tenants' association members) about cameras being installed. The first time the issue was raised regarding installing cameras, there was not a good reception. We may need to start thinking about cameras at the entrance and exit gates so we will have a quick picture of who is coming in and out and if there are any extraordinary items in a car or truck we will know. The tenants were upset about having cameras claiming that it is a privacy issue.

Mr. Dixon further informed that he applied to start the process of applying for boating infrastructure grants through Wildlife & Fisheries. One is for transient boats. I am hoping to dredge New Basin Canal. There is only one person handling these Wildlife & Fisheries grants and it is difficult to have him come down for a look. There are also pier upgrades along the bulkhead where the blue dolphins and transient boats are. There is an urban fishing grant we can use to upgrade the Frank Davis fishing pier. This is a 75/25 split and the engineering is not included in the 25% so we are going to have to come up with the engineering funds to do this.

Commissioner Saizan addressed the jet boat ferry and questioned if they are going to be coming in at Orleans Marina. Chairman Lupo stated the news commented last night that they were three months away and there is a lack of a facility across the lake and no dredging has been done. They have confected nothing with this Authority, which would come under Chairman Brien's committee. Chairman Lupo added that it would come under the Real Estate Committee because they propose to go on the New Basin Canal. This is a high speed ferry to go between Madisonville and somewhere over here. Mr. Pappalardo informed that the precaution was taken the last time it was on Channel 4 news. Mr. Curtis wrote a letter advising the captain that there is no lease and he has no option. The Authority is particularly sensitive to this issue because we don't want to be the bad guys that are ruining this economic development opportunity for the city. The captain has been shown sites where he can dock but there are infrastructure and transportation issues regarding parking and the residential condominium neighbors are up in arms wanting to know what is going to happen.

Chairman Lupo added that this Authority's tenants would have to be brought into the conversation. The captain was offered to purchase an option which dollars would go against the lease which the captain turned down. Mr. Pappalardo stated that we offered the captain South Shore Harbor which he declined. The spot offered is the spot where the Hong Kong was and the spot next to that which is large enough for them to embark and disembark. Mr. Dixon expressed concern because of issues regarding big boats coming into the Pennock Dock because of shallow water. The New Basin Canal is wide enough but it is shallow.

Mr. Dixon informed that construction of the flood gates is coming right along. An e-mail was sent to all tenants informing that next Monday there will be balancing and putting the rubber gasket on the east gate at the Orleans Marina. Lake Marina Drive at West End Blvd. will be shut down all day Tuesday for the gate work.

Chairman Brien questioned if the fuel dock grant was just for infrastructure to provide for the possibility to bring in a fuel dock in an effort to entice tenants. Mr. Dixon informed that the grant will pay for rest rooms, piers or anything for transient boats. Everything is a 75/25 split and the engineering fees are not included in that 25%.

Mr. Capo informed one of the sites offered was the spot by West End which they did not want to use. The spot they want is next to Landry's but we have a letter of intent with another developer who is far into their planning and permits for a commercial business.

Commissioner Cantrelle questioned who was responsible for the old light house. Mr. Capo stated this was in discussion with the Lake Pontchartrain Basin Foundation. There are some issues and discussion going back and forth with the Lake Pontchartrain Basin Foundation and the U.S. Coast Guard. That land is still under control of the Coast Guard. The Lake Pontchartrain Basin Foundation has raised money to restore the lighthouse.

Chairman Lupu requested Mr. Capo put together a retreat at a convenient time for the Board to view the various properties and be briefed on who has what authority for what properties. Secondly, schedule a meeting with Chairman Lupu, Mr. Capo and Mr. Dixon to take a look at the assets at the Orleans Marina and South Shore Harbor to see how we can fund immediate repairs to bring activity to that facility. It is Chairman Lupu's recommendation to do something positive instead of letting these assets flounder and go into even more disrepair.

Chairman Lupu recommended going forward with the demolition of the passageway. Commissioner Saizan commented that he viewed South Shore Harbor and at a minimum we need maintenance performed and the grass cut. Mr. Dixon informed that the grass is cut every two weeks at South Shore Harbor. We have been working on a proposal to replace the rock that is presently there and put dirt and jasmine in for ground cover which cost is approximately \$19,000. FEMA will pay for the sprinkler system.

Mr. Dixon informed that people are requesting something to eat and drink and fuel at South Shore Harbor. Mr. Dixon suggested the point building become a restaurant and grill, put the deck back in, have a small convenience store where people could purchase motor oil and a small ship store where they can pick up a bag of ice. Mr. Pappalardo advised it would take several hundred thousand dollars to repair. When the report from the Counselors of Real Estate is received one thing that may be addressed is that we do an engineering study of the marina terminal building to find out whether it should be kept or demolished. The point building should be kept because it is of the size that it can be put to use.

Mr. Pappalardo suggested using food service trucks on the weekends at South Shore Harbor to ensure that these types of amenities are going to be out there on the weekends which may be advantageous for South Shore Harbor to get some life. Commissioner Saizan questioned since there are approximately 250 boats there does this make it attractive for a developer seriously look at making the investment in the point building and tie that into some type of deal on rent to entice them to make the improvements. Mr. Dixon stated that would be attractive to a developer if the Authority worked with them on rent and other amenities so it is a shared cost. Mr. Pappalardo informed that the Counselors of Real Estate did a brief exit presentation and in their estimation South Shore Harbor was the best marina in the Lake Pontchartrain Basin. South Shore Harbor was the best constructed and provided the best turn opportunity lanes and turning basin with the ability to provide amenities and recreational opportunities than any marina on the north shore, including Orleans Marina or the Municipal Yacht Harbor.

The Counselors of Real Estate gave us ideas regarding how to bring life to the marina and create activities there. One concept could be to contract with food service vendors and partner with outfits across the city to have their festivals at South Shore Harbor as that is a tremendous festival ground. The Counselors also suggested pulling up some of the parking lot and placing grass there to create a festival marketplace. You want to show that you have life at South Shore Harbor. Bringing the Crawfish Festival or the Andouille Festival to South Shore Harbor will entice people to get their boats in there and then the developers will come after that.

Commissioner Cantrelle suggested having an annual marina festival to bring in funds to help with the marina. Mr. Pappalardo said there is an opportunity there because other marinas at West End are still crippled. The restaurants once on the point are never going to be there because of the Corps of Engineers so there will be no synergy there with different restaurants for the people can go. There are a few landside restaurants and Landry's, other than that you have nothing else at West End. Although we consider ourselves to be damaged at South Shore Harbor, we have the best built marina in the whole Lake Pontchartrain Basin. What we need to do is uncover it for the people. There is a perception that South Shore Harbor was the overflow marina but the fact is, these people come from all over the country because this is the jewel marina in the area. The Counselors also suggested insignificant things such as putting up flags and banners to add color out there. Commissioner Saizan suggested the grass be cut and the palm trees manicured for a better visual appearance which are things to make it more attractive from a visual standpoint. Mr. Pappalardo suggested coordinating with the Convention and Visitors' Bureau because they have event planners looking for places to have events when people come in for conventions. There are conventions and meetings where people go to a marina and board a boat for dinner which is the type of thing that the Counselors have suggested.

Mr. Dixon informed that we are working with Honda right now on the international work boat convention and the fishing rodeo in October at South Shore Harbor.

NEW BUSINESS

1) Discussion and approval to move water meter at Orleans Marina

Mr. Dixon informed that the water meter is in the middle of Lake Marina Drive which was previously two lanes. When it was expanded to four lanes they just put the road over the meter. The cost to move the meter inside the flood wall is \$9,288.00. Moving the meter would ensure there would be no chance of a leak from the meter to inside the flood wall. Mr. Capo stated this is paid to the Sewerage and Water Board and they contract to have the meter moved. This meter has caused problems in the past and presently there is a water bill that is astronomical. We have had numerous leaks resulting in a meeting with Sewerage & Water Board. There are 3 meters on which we have large bills: Hayne Blvd. which feeds South Shore Harbor and the east side of the Airport, Downman Rd. which feeds the west side of the Airport and Lake Marina that feeds Orleans Marina. The Sewerage and Water Board is going to adjust all sewerage charges but we will be responsible for the water charges. There is also a leak under the harbor master's office which entails moving the meter but there is a telephone pole that was placed 2 feet from the water main. Cox is also attached to that pole and so we are going place the line overhead. The Corps is saying that if it was overhead before it is going to be overhead now. Commissioner Saizan offered a motion to move the meter, seconded by Commissioner Cantrelle and unanimously adopted.

2) Acceptance of bid for demolition for passenger walkway and Blue Dolphins at South Shore Harbor Marina

Mr. Dixon informed that the bid was put out to 11 contractors for removal of the passenger walkway, Blue Dolphins, all debris that fell into the lake and to put a plywood wall so the building will remain walled in. This is included in the total package. There were 4 companies that bid on the project ranging in price from \$24,000 to \$325,000. The company that bid the \$24,000 transposed the numbers on the bid sheet. In discussion with counsel and talking with the company that transposed the numbers, they withdrew the bid. The next lowest bid is from J.P. & Sons Demolition for \$81,931.00 keeping the salvage value. Mr. Dixon informed it would take approximately 30 days for this to be completely removed. J.P. & Sons gave us copies of their bid and bid bond and will not require Jones Act because they are not going to use the vessel although they will have Longshoreman's Workers Comp. Insurance. Mr. Dixon informed that J.P. & Sons will remove the passenger walkway, all of the Blue Dolphins and dredge to get all material up against the flood wall. The concrete pedestals are being kept to make into tables with a future developer. The pilings will be cut below the mud line. Once this is approved it has to go to the Full Board next week and Mr. Capo will then put out a Notice to Proceed; so it will start in about two weeks. Commissioner Cantrelle offered a motion to remove the passenger walkway, seconded by Commissioner Saizan and unanimously adopted.

3) Acceptance of Cox Cable proposal to place overhead cable lines on Lake Marina Drive.

Mr. Dixon stated that Cox Cable is requesting to go overhead instead of underground because they were overhead to begin with. Now the floodwall is finished and they are going to have to go above ground. There will be three lines; one for Orleans Marina, one for Sailboat Bay Apartments and one for the condos. Commissioner Saizan offered a motion to approve the overhead cables, seconded by Commissioner Cantrelle and unanimously adopted.

4) One year lease extension for tenants at Orleans Marina and South Shore Harbor

Mr. Dixon stated that it is recommended to extend the leases which run out on June 30, 2011. Management is asking that we extend the leases for another year. Mr. Capo added that this is an automatic renewal and tenants need to update their new insurance papers and registration changes only. Because of what has transpired at the Orleans Marina and South Shore Harbor in the past year, management staff feels there is not a significant reason for an increase in the rental rate this year. Mr. Dixon added that there is a lot of infrastructure work needed at the Marinas. Mr. Capo informed the rent was increased last year 5% so that 5% still carries forward but we propose not to increase either Orleans Marina or South Shore Harbor this year. Commissioner Cantrelle offered a motion for a one year lease extension, seconded by Commissioner Saizan and unanimously adopted.

ANNOUNCE NEXT MEETING

The next Marina Committee meeting is scheduled for July 12, 2011 at 10:30 a.m.

ADJOURNMENT

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

The meeting adjourned at 12:15 p.m.