

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY  
MINUTES OF THE MARINA COMMITTEE MEETING  
APRIL 3, 2012 – 10:30 A.M.**

The regular monthly meeting of the Marina Committee of the Non-Flood Protection Asset Management Authority was held on Thursday, April 3, 2012 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 10:41 a.m. and led in the pledge of allegiance.

The roll was called which constituted a quorum.

**PRESENT:**

Chairman Stanley Brien  
Commissioner Pearl Cantrelle  
Commissioner Patrick DeRouen

**FURTHERMORE PRESENT:**

Robert E. Smith Lupo  
Carlton Dufrechou

**ABSENT:**

Commissioner Darrel Saizan  
Commissioner Romona Theresa Baudy

**STAFF:**

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

**ALSO PRESENT:**

Gerry Metzger, Legal Counsel  
Al Pappalardo, Real Estate Consultant  
Steve Nelson, Stuart Consulting  
Chris Fenner, Stuart Consulting  
Paul Dimitrius, Richard C. Lambert  
Kort Hutchison  
Jeanne Hutchison  
Michael Liebert  
Tony Pontiff  
Joan Rogers  
Tony Pontiff  
Karl Hudson  
Chris Clement  
Ernie Taylor  
Julie McGehee  
Steve Breaux  
Bruce Roussell, Jr.

**ADOPT AGENDA**

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

**APPROVAL OF PRIOR MINUTES**

Commissioner Cantrelle offered a motion to approve the minutes of the February 7 and March 6, 2012 minutes, seconded by Commissioner DeRouen and unanimously adopted.

## **PRESENTATION ON CURRENT MARINA ISSUES**

Mr. Dixon informed that the Committee will be voting on a contract for demolition of the Point Building which is one of our biggest challenges. The area will be topped with crushed concrete and additional lighting will be installed. There will be 4-5 food trucks at the corner of Elysian Fields and Lakeshore Drive for NOLA Navy Week. The situation with the water line at Orleans Marina will be voted on today as the Sewerage & Water Board changed the way the backflow preventer and meter will be installed resulting in a cost increase.

## **OLD BUSINESS**

### **1) Discussion and approval to award contract to lowest responsible respondent for the demolition of the Point Building at South Shore Harbor**

A resolution was approved at the March 22, 2012 Board meeting granting authority to the Marina Committee to contract with the lowest responsible respondent for the demolition of the Point Building. Three quotes were sent to 8 companies, three of which were DBEs. The lowest responsive bidder was Demo Diva in the amount of \$33,097. J.P. & Sons Dredging came in second at \$77,790 and Durr Heavy Construction came in third at \$79,400. The recommendation of staff is to contract with Demo Diva. David Bacci of Stuart Consulting is not sure why there is such a large gap between Demo Diva and the second and third place bids. Stuart Consulting contacted Demo Diva and verified that Demo Diva will provide what was outlined in the request for the quote including all insurance. Insurance was verified and Demo Diva has longshoreman insurance. Demo Diva is not listed as one of the Authority's DBEs.

Mr. Kort Hutchison, Commodore for South Shore Harbor Yacht Club, addressed the Terminal Building being reverted to an open air pavilion adding new restrooms, showers and laundry facilities. The open air pavilion will establish a location where a sense of community can be developed. Mr. Hutchison agrees that the Point Building should be demolished and the Terminal Building should be used as an open air pavilion. The Terminal Building could be used as a location where the Yacht Club could hold weekly meetings and bi-weekly Yacht Club races as well as monthly and quarterly club activities. These activities are open to all tenants and their guests and would offer respite from the weather and heat, establish a point of gathering and improve the sense of community for the Marina.

Commissioner DeRouen offered a motion to recommend a contract with Demo Diva for demolition of the Point Building, seconded by Commissioner Cantrelle and unanimously adopted.

### **2) Discussion and recommendation to amend DeVinci Builders, LLC contract in the amount of \$16,152.02 to match existing site conditions discovered during repair**

Steve Nelson with Stuart Consulting informed of a significant break in a water line at Orleans Marina. Stuart Consulting put together a package to install a backflow preventer, find the leak and repair it. This was coupled with the Sewerage & Water Board relocating the meter to the OLD side in a grass area on top of a concrete pad. The 2-inch water line came out the ground and into the building and came out of the bulkhead. The contractor priced a 2-inch line but found during excavation that the line was 4-inches. The Sewerage & Water Board also requested that the contractor relocate the meter after the S&WB contractor pulls the meter. The Change Order for \$16,000 is for installation of a 4-inch meter with 4-inch water lines and all associated valves. The original contract amount was \$30,000. Research verified that material and installation of a 4-inch line is tripled what a 2-inch line is. Mr. Nelson's recommendation is to move forward, get the hole closed and be finished with this project.

Commissioner DeRouen made a motion to recommend amending DaVinci's contract to the Board, seconded by Commissioner Cantrelle and unanimously adopted.

**3) Discussion on the slip rental rate increase at Orleans Marina for Fiscal Year 2013**

Mr. Dixon noted the various rates at different marinas as follows: 30-foot slip rates are \$573 to \$1,074 and 40-foot slip rates are \$723 to \$1,143. The Authority does not charge a live aboard fee, however, other marinas charge from \$150 to \$450 per quarter. The increase the Authority is asking for falls in line with other marinas in the Metro area. Commissioner Cantrelle noted that 30-foot slips are in line but the 50-60-foot slip rent is much higher. Chairman Lupo advised the difference in rates for larger slips is market rate due to supply and demand. There is a premium paid per linear foot for larger boats because of the scarcity of that commodity. A full service 50-foot slip on the south shore of Lake Pontchartrain in the metropolitan area demands a higher price per foot than in Mandeville on the North Shore.

Chairman Lupo added that many of the Authority's assets require some of these dollars to keep them in the market. The Board recently passed a budget that included \$90,000 for major maintenance which cannot be done unless rates are increased to a point where there is a profit. Mr. Capo advised that last fiscal year Orleans Marina received \$838,000 in slip rental with expenditures of \$665,700 resulting in a slight income of \$172,000. Chairman Lupo added that committing \$90,000 for next year in capital improvements shows the Board is moving in the right direction to keep the properties in shape.

Mr. Dixon advised that the Authority does not presently have a capital improvement fund at any of the properties. The 10% cannot be earmarked, but the Authority will do its best to ensure the 10% is spent on major maintenance at the Marina. The \$90,000 is for major maintenance, but there are regular maintenance items throughout the year that will be paid for out of the \$172,000.

**Michael Liebert – Orleans Marina Tenant's Association**

Michael Liebert advised that the OMTA objects to the 10% rent increase for Fiscal Year 2013. Since Katrina rates at Orleans Marina have increased by 25%. The additional 10% would nearly double the rise in the Consumer Price Index. Slip rental rates were reviewed and Orleans Marina has the overall highest rates of any marina contacted. The Tenants Association is also objecting to the parallel reduction in services and safety measures at Orleans Marina which include the following:

- A) The Marina no longer provides personnel and emergency rope to assist in securing vessels before a tropical storm
- B) Management resists enforcing mooring standards
- C) A marine surveyor should be employed each hurricane season to identify deficient vessels with rotten or chaffed mooring lines. Mr. Dixon walked the piers to identify problems and issues with each boat and submitted letters and e-mails advising boat owners of the deficiencies. Tenants requested additional cleats and the Marina installed \$8,000 worth of cleats in the Marina.
- D) Trash receptacles have been removed
- E) Levee Board police detailed to the Marina have been replaced with security guards that are not as efficient
- F) Wooden dock boxes were replaced with fiberglass dock boxes
- G) Custom made stairs are no longer an option
- H) Free mail was eliminated

The levee wall construction resulted in sand and concrete dust inundating the parking lot from scaling the levee wall. The concrete dust when mixed with rain

became so caustic it etched glass and paint, tore up plastic and vinyl on the vessels costing tenants hundreds of dollars to maintain vehicles and vessels in the marina during construction of the wall. There is a huge amount of trash floating in the Marina. When trash gets into the intake of a vessel it stops cooling of the generator, engine, air conditioner, refrigeration system and could burn up the system which then requires a diver to pull the debris out of the seacap. The Marina should be cleaned once a month with a dip net to retrieve the trash.

The OMTA requested reducing the rental increase from 10% to 5% or dedicating the 10% increase to a maintenance fund for future year's maintenance to guarantee the Marina will be maintained in the future. If funds reach a point where maintenance is satisfied, services should be restored with that extra money.

Julie McGehee agreed with Mr. Liebert's comments and added that the rent increase is unimpressive in light of the issues Mr. Liebert listed. Karl Hudson stated the big issue is the rate increase and commented that the Authority will be taking back slips from the condos that will generate an extra \$74,000 in revenue not reflected in the budget. Commissioner DeRouen advised that the increase for those slips is reflected in the new budget and questioned Mr. Dixon why slips in the New Basin Canal are empty. Mr. Dixon informed that there are no amenities in that area. The slips are rented to those who want to rent on New Basin Canal. Mr. Capo added that the draft is only 3 feet and sometimes lower in that area.

Robert Garrity, former President of OMTA, commented that when the legislature divided the Levee Board all money went to the Flood side leaving the Non-Flood side to fend for itself. The Orleans Marina is the only milk cow and is tagged every time the Authority needs money. Orleans Marina has been tagged 3 times for 25% and that money went to the Airport and South Shore Harbor. The \$90,000 in capital improvements for Orleans Marina is not a drop in the bucket because the marina is 45 years old and nothing has been repaired since Katrina that FEMA did not pay for. Trash accumulates in the Marina because of the tides. OMTA cleaned the Marina with scoop nets and retrieved floating dock boxes, pieces of wood, many bags of trash and used Sintas' crane to dig debris out of the water.

Chairman Lupo informed that when this Board was put in place it was projected that the money would run out in less than 1 year. This Authority is projecting out three years with the same dollars and doing positive things to bring back the properties desolated by the storm. If it was not for FEMA dollars Non-Flood assets would not be operating. This Authority never looked at Orleans Marina as a cash cow to be used as the savior. The Authority has a huge operation and is responsible for supporting those properties that do not generate revenue. Orleans Marina is very unique and the only safe marina and those facts affect the marketability of that Marina and what the Authority should charge. The dialogue between OMTA and staff should be constantly ongoing in order to address some of these issues. The Board reviewed Mr. Liebert's comments and Mr. Dixon will comment on those issues so the entire Board can hear the reasons for actions taken by management.

Mr. Dixon addressed Mr. Liebert's issues as follows:

- A) ***The Marina no longer provides personnel and emergency rope to assist in securing vessels before a tropical storm.*** Legal counsel advised that if staff were to secure a boat and it came loose the Authority is liable for that boat.
- B) ***Management resists enforcing mooring standards.*** Orleans Marina does not enforce a mooring line standard. If the Authority were to

mandate a standard line, and if that line were to fail, the Authority would be liable.

- C) ***A marine surveyor should be employed each hurricane season to identify deficient vessels with rotten or chaffed mooring lines.*** Mr. Dixon walked the piers to identify problems and issues with each boat and submitted letters and e-mails advising boat owners of the deficiencies. Tenants requested additional cleats and the Marina installed \$8,000 worth of cleats in the Marina.
- D) ***Trash receptacles have been removed and are in storage.*** Trash receptacles were removed because they were used for garbage attracting rats and roaches. Dumpsters are available in the parking lot. The concrete decorative receptacles were moved to the Franklin facility because they are designed for cups and bottles with a small opening. The receptacles on the Lakefront are open barrels and easier to place garbage in.
- E) ***Levee Board police detailed to the Marina have been replaced with security guards that are not as efficient and often sleep on the job.*** Mr. Dixon informed that Levee Board police were eliminated after Katrina and replaced with Weiser security guards. If a tenant reported an issue with a security guard, Weiser supervisors were called. Security guards do make phone calls to the tenants and to Mr. Dixon if an alarm is sounded or if something does not look.
- F) ***Wooden dock boxes were replaced with fiberglass dock boxes.*** Mr. Dixon advised that fiberglass dock boxes are now used to replace wooden boxes because fiberglass boxes are sturdier and it has become a uniform situation.
- G) ***Custom made stairs are no longer an option.*** Mr. Dixon advised that tenants were installing oversized wooden steps which took up 75% of the walkway. Fiberglass stairs are now made upon request and attached past the pile and the finger pier is widened to prevent the steps from blocking the walkway or common area.
- H) ***Free mail was eliminated.*** The free mail was eliminated because UPS, FedEx and the post office require a signature for packages and the Authority is then responsible for that package if it is broke or goes missing. There were pigeon holes in the office and the secretary put mail in the pigeon holes that included checks and credit cards. A tenant was observed going through mail in other pigeon holes so secure cluster boxes were installed at a cost of \$50 per year.

Commissioner Cantrelle addressed the issues of securing vessels in the Marina and the debris floating in the Marina. The Authority should not be responsible for taking care of someone else's vessel. It was never a Levee Board policy to board the vessels and tie them up. It should be the Authority's responsibility to verify periodically that tenants are in possession of what is needed to secure their vessel in the event of a hurricane. The removal of debris should be performed by the security guards since they have time to take a nap. Mr. Dixon advised that whenever the tide comes in debris in the Marina accumulates from the Lake down to New Basin Canal and into the Marina. Staff removes it to the best of their ability.

Commissioner DeRouen suggested a three year lease with a frozen base rent in which the Authority has the opportunity once a year to charge an assessment not greater than 10%. The 10% would be dedicated strictly to capital improvements. The following year the tenants still have the same base rent and if the Board opts to spend \$45,000 on capital improvements there would be a 5% increase. Each year the Board would decide if there would be an assessment. If the 10% assessment is not spent on capital improvements the Board cannot assess the 10% the following year. There is no commitment to charge an assessment in year 2 or 3.

Mr. Garrity confirmed for the record that tenants would have a base rent that is frozen for three years. Tenants will pay a 10% assessment which will be dedicated to maintenance as budgeted in the 2013 budget. If the Board managed that 10% and used it for maintenance the Board would get the same 10% assessment, but not on top of the previous 10% assessment. The same option would apply for year 3. If the 10% assessment is not used for maintenance the Board is not entitled to the 10% the following year.

Mr. Metzger clarified that there would be no rent increase, but there would be a 10% assessment on the tenants. Tenants are given the same base rent for three years, but each year the Board is entitled to come back and charge an assessment of not more than 10% if it is warranted. The leases come up July 1 of each year. A lease amendment will be prepared reflecting the new lease rates and conditions for approval at the May 1, 2012 Marina Committee meeting.

Chairman Lupo requested Mr. Metzger also prepare a resolution stating that the Board has adopted the policy described above.

**ANNOUNCE NEXT MEETING**

Chairman Brien the next Marina Committee meeting scheduled for Tuesday, May 1, 2012 at 10:30 a.m.

**ADJOURNMENT**

Commissioner Cantrelle offered a motion to adjourn, seconded by Commissioner DeRouen and unanimously adopted. The meeting adjourned at 12:22 p.m.