

**NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE JOINT MARINA/COMMERCIAL REAL ESTATE
COMMITTEE MEETING
TUESDAY JANUARY 6, 2015 – 10:30 A.M.**

A Joint meeting of the Marina/Commercial Real Estate Committee of the Non-Flood Protection Asset Management Authority was held on Tuesday, January 6, 2015 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 Green called the meeting to order at 10:30 a.m. and led in the pledge of allegiance.

The roll was called which constituted a quorum.

PRESENT: (Marina Committee)

Chairman William Settoon
Vice-Chair Stanley Brien
Commissioner Glenn Higgins
Commissioner Pearl Cantrelle

PRESENT: (Commercial Real Estate Committee)

Chairman Eugene Green
Commissioner Leila Eames
Commissioner Romona Baudy
Commissioner Dieter Hugel

STAFF:

Cornelia Ullmann – Chief Operating Officer
Sharon Martiny – Administrative Assistant
Chuck Dixon – Marina Director

ALSO PRESENT:

Al Pappalardo – Real Estate Consultant
Gerry Metzger – Legal Counsel
Steve Nelson – Stuart Consulting
Roland Von Kurnatowski – Tipitina's Foundation
Angele Davis – Tipitina's Foundation
Taylor Casey – Municipal Yacht Harbor Association
Al Herrera – South Shore Harbor Tenant Association
Carl Hudson – Tenant at Orleans Marina
Tom Long - Resident

ADOPT AGENDA

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

APPROVAL OF PRIOR MINUTES

Commissioner Brien offered a motion to approve the Marina Committee minutes of October 9, 2014, seconded by Commissioner Cantrelle and unanimously adopted.

Commissioner Hugel offered a motion to approve the Commercial Real Estate Committee minutes of June 6, 2014, October 9, 2014 and November 17, 2014, seconded by Commissioner Baudy and unanimously adopted.

CURRENT MARINA ISSUES

Current Marina issues will be addressed during the meeting.

PRESENTATIONS

Stuart Consulting - Report relative to scope of work to maximize rental income for Lake Vista Community Center commercial space.

The Board voted unanimously to prioritize funding for repairs at the Lake Vista Community Center in the amount of \$350,000. The FEMA project worksheet from the Walter Wedell Hangar (alternate project) will be used to cover the cost. The Authority will receive approximately \$3 million from that PW. A structural assessment will determine if the building has a floating slab or piles underneath. A Request for Qualifications for a structural engineer and/or architect will be advertised. The cost of repairs is contingent upon the assessment. A structural issue will be considerably more expensive. This project is capped at \$350,000 and the scope will be determined by that amount. The top three alternate projects selected by the Board are: 1) Customs build-out, 2) repairs to the Community Center and 3) Shelter repairs.

Commissioner Hugel offered a motion to put out a Request for Qualifications for a structural engineer and/or architect, seconded by Commissioner Settoon and unanimously adopted.

OLD BUSINESS

1. Presentation by TIPS Foundation and discussion of talking points related to the September 2015 music festival proposed to be held at Bally's terminal site. Update on lease negotiations with Studio Network-Lakefront, LLC for a permanent music venue at the same site. (Marina and Commercial Real Estate.)

Roland Von Kurnatowski, Tipitina's Foundation, submitted a Request for Proposal the long-term development of the South Shore Harbor Marina Site, and a second request was made for a 3-day music festival in September of 2015. Mr. von Kurnatowski is requesting timely approval for the September 15, 2015 event to begin booking acts to be held at the South Shore Harbor Terminal and surrounding area. A facts sheet was submitted and a proposal was made for the cost of the event. There will be approximately 3,000 to 5,000 people in attendance. All of the critical areas that the Authority may be concerned with will be covered such as security, parking and garbage collection. The Authority will consult with its insurance agent and provide a list of minimum insurance requirements needed for the event.

A site plan shows the fencing layout/extent of the area, ticketing and security area, stage area, support truck parking, audience area, separation from the parking area, food/beverage and booth locations. A second site plan will be prepared showing rough-ins for utilities, dumpsters, routing and trash receptacle locations after initial dialogue with the Committee to ensure the plans submitted are in agreement with and in the best interest of the Authority. Outside food or drink will not be permitted. An adequate number of food vendors on site will provide a cultural experience as part of the festival. Full body scanners will be used if necessary. Fess, Inc. will provide security along with ex police personnel, New Orleans Police and Orleans Levee District police. South Shore Harbor Marina tenants will be invited to meetings to provide feedback and ask any questions they may have.

The event begins early afternoon on Friday, September 25, 2015 with a cut-off time of 10:00 p.m. Saturday is an all day event with a cut-off at 10:00 p.m. and Sunday is a daytime family oriented event. The Authority will receive \$1.25 per every ticket that is sold.

The amphitheater will be facing directly over the lake to prevent residential complaints. Approximately 3,000-5,000 guests are expected, with parking available across from the covered boat slips. It will be impossible to prevent debris from entering the Lake will, but any visible litter will be cleaned up. A wind fence or windscreens will be used as a means to prevent debris from entering into the Lake. There will be police cruisers in the neighborhoods and police power on site to keep general peace.

Studio Network Lakefront, LLC also proposed a long-term redevelopment project that will benefit the Authority economically. The redevelopment project includes an amphitheater, which provides a real cost advantage and booking advantage, a water park, open air facility, restaurants, shops and a zip line. The long-term redevelopment could potentially start by January 2016.

Kevin Marshall, Marina tenant, commented that the music event and proposed redevelopment of the South Shore Harbor Terminal Building area would make South Shore Harbor a destination Marina. Boaters would come to New Orleans to listen to the music free and participate in New Orleans style entertainment. Al Marrero, Marina tenant, agreed that the South Shore Harbor and Lakefront area needs something to attract people. Lakefront Airport, with many international flights landing, is a prime location for this venture. As President of UNO Alumni Association, the University would endorse a development of this nature. The South Shore Harbor Marina Association is also in favor of this development.

Chairman Green offered a motion authorizing staff to confect a Location Agreement for the three day music festival in September 2015 for the TIPS Foundation festival, seconded by Commissioner Settoon.

2. Update on the status of Boathouses W-11, 12 & 13 (Fairview Realty), which the Board permitted to be demolished by tenant, with the understanding that the boathouses would be rebuilt by 12/1/14. To date, the boathouses have not been rebuilt. (Commercial Real Estate)

No representative from Fairview Realty was present at the meeting. Plans have been drawn for the boathouse, and negotiations are currently underway with a perspective buyer. The plans will be submitted if the boathouse is not sold, but no time frame was given.

Approximately 18 months ago Fairview Realty requested permission to demolish the boathouses with the agreement that the boathouses would be rebuilt by December 1, 2014. The boathouses have not yet been rebuilt and Fairview Realty is in default. The Authority can terminate the lease, accelerate the lease or sue and force Fairview Realty to rebuild. Fairview is currently paying rent and insurance is in place. If Fairview decides not to exercise their option in two years, the Authority will lose the reversion of three boathouses that were part of the agreement to allow Fairview to demolish. Another issue is that Fairview is trying to sell a leasehold with questionable value. What are considered "improvements" have been demolished. With this boathouse there are no

improvements. It will become questionable as to how much monetary benefit Fairview should receive for the boathouse being sold.

NEW BUSINESS

1. Discussion regarding request from Mr. Taylor Casey, representative from Municipal Yacht Harbor board to utilize the second floor meeting room LVCC for its monthly Board meeting. (Commercial Real Estate)

Municipal Yacht Harbor Management Corporation (MUH) is a municipal benefit corporation whose members are confirmed by City Council and who is under the umbrella of the City. First Baptist Church has allowed MYH to hold monthly Board meetings at the facility on Canal Blvd. MYH has a FEMA claim on its administration building, which was under construction. The contractor declared bankruptcy and the City Attorney's office is working to get the issues resolved. MYH has been advised that First Baptist could not guarantee a meeting place for MYH Board meetings. Municipal Yacht Harbor is requesting to use the second floor of the Lake Vista Community Center on the second Tuesday of every month from 6:30 – 7:30 p.m. There will be occasional Rules and Standards Committee meetings at 6:00 p.m. The new MYH building will be completed by January of 2016.

Chairman Green moved to authorize the COO to draft and execute an agreement to allow the Municipal Yacht Harbor Board to have access to the Lake Vista Community Center for at least one evening each month and as needed, seconded by Chairman Settoon.

2. Discussion regarding marina rental rates in the Lake Pontchartrain area and on the Gulf Coast. (Marina)

Orleans Marina charge \$495 for a 30-foot boat and South Shore Harbor Marina charges \$326. Prices vary depending on whether it is a covered slips, whether live a-boards are allowed, electricity usage and wi-fi service. Most marinas around Lake Pontchartrain assess a monthly fee. Orleans Marina adjusted the rental rate by 10% three years ago. The 10% increase went to a separate fund for maintenance. South Shore Harbor Marina last had a rent increase two years ago.

Carl Hudson, President - Orleans Marina Tenants Association, informed the Board that two boats at Orleans Marina have rotten dock lines. The Orleans Marina tenants would like those leases cancelled. The dock lines on the two boats could break and damage other boats in the Marina. Orleans Marina leases expire June 31, 2015, and the two boats in question could potentially lose their lease. The slip tenants will be required to secure those boats or appear before the Board. Letters have been issued to the slip tenants advising them to replace the dock lines.

3. Discussion regarding request to Stuart Consulting Group, Inc. to provide engineering services for repair costs to Pennick Dock damages from Hurricane Isaac and to request additional funding from FEMA.

Repairs are needed on the Pennick Dock. An engineering firm must first inspect the dock to determine if the pilings are secured. Staff recommends Stuart Consulting provide engineering services under the IDIQ (Indefinite Delivery / Indefinite Quantity) contract as the damage is related to Hurricane Isaac. Repairs are reimbursable if FEMA related. Each task provided by Stuart has a

Task Order amended to the IDIQ contract. The Task Order includes the scope and the dollar amount. The Committee could not vote on this issue due to lack of quorum.

4. Discussion regarding request to Stuart Consulting Group, Inc. to provide engineering services under an IDIQ contract to develop repair costs of North Wall sheet piling at Orleans Marina. (Marina)

A failure was discovered in the north wall sheet piling. An engineering firm is required to determine the cost of repair. There has been discussion that the Condominium Association may be responsible for the failure. An estimate is needed to determine the cost of repairs.

5. Discussion regarding request to Stuart Consulting Group, Inc. to provide engineering services under an IDIQ contract to develop plans to convert North Wall slips to 40 foot slips and East Wall slips to 50 foot slips

An estimate is also needed for converting derelict slips to 40 and 50-foot slips perpendicular to the wall. The fairway is large enough to accommodate vessels entering the channel. Larger slips are desperately needed in the Orleans Marina. Leases on these slips expire July 1, 2015. Tenants will have the option to remain at the marina and pay a 50-foot rate for a 30-foot boat or relocate to South Shore Harbor Marina.

ANNOUNCE NEXT MEETING

Chairman Settoon announced that the next Marina Committee meeting is scheduled for Tuesday, January 6, 2015 at 10:30 a.m.

ADJOURNMENT

Commissioner Brien offered a motion to Adjourn, seconded by Commissioner Higgins and unanimously adopted. The meeting adjourned at 11:24 a.m.