

**PORT OF IBERIA DISTRICT
BOARD OF COMMISSIONERS
SPECIAL MEETING - MONDAY, NOVEMBER 13, 2017
PORT ADMINISTRATIVE OFFICE – 12:00 P.M.
MINUTES**

The Special Meeting of the Port of Iberia District Board of Commissioners was called to order by Commissioner Roy A. Pontiff, Board Vice - President, at the Port of Iberia Administrative Office, on Monday, November 13, 2017 at 12:00 P.M.

In attendance were Commissioners Roy A. Pontiff, Board Vice - President, Simieon d. Theodile, Mark Dore', Danny J. David, Sr., and Larry G. Rader.

Commissioners Gene L. Jefferies, Board President, and Elbridge "Smitty" Smith III, Secretary-Treasurer were absent.

Also present were Craig F. Romero, Executive Director, Joanna D. Durke, Administrative Assistant, Tracy Domingue, Secretary-Bookkeeper, and Ray Allain, Port Attorney.

Thus, with a quorum being acknowledged, Commissioner Mark Dore' recited the opening prayer and the Pledge of Allegiance.

The purpose of the Special Meeting was to discuss the former Advanced Welding Service (AWS) Building located on Tract "H" (15.14 acres) at the Port Millennium Expansion Phase I property site. Crosby Construction Services, Inc. is now the new tenant of the referenced site.

I. MR. GERALD GESSER, GESSER GROUP, APC TO ADDRESS THE BOARD:

(a) Former AWS Building Tract "H" (15.14 acres).

{1} Update on Project.

Mr. Gerald Gesser, Gesser Group, APC presented to the Board a list of repairs dated November 10, 2017 for the former AWS Facility. According to Mr. Gesser, on November 1, 2017 Mr. Kevin Bordelon, Crosby Construction Services, Inc. requested that a list of repairs be compiled prior to Crosby occupying the building on Tract "H" (15.14 acres) located at the Port Millennium Expansion Phase I property site. This was as a result of a recent "walk-through" of the building.

The repairs and cost proposal totaled \$15,436.42; however, a contingency of \$5,500.00 was included in the event there is a need for ballast additions; however, if the

contingency is not used for the ballast additions, then if necessary, can be used for other documented repairs. Thus, this brings the total proposal to \$20,936.42. Mr. Gesser indicated that at the Board's October 17, 2017 regular monthly Board meeting, the Board approved a payment in the amount of \$2,410.00 to Kerne Construction, Inc for the labor and equipment rental cost for work completed at the old AWS building as per the proposal submission date of September 11, 2017. In addition, at said meeting, a payment in the amount of \$400.00 to Gesser Group, APC was approved for the re-keying of the AWS building and evaluation report; Therefore, the total amount to date approved is \$2,810.00.

Commissioner Roy Pontiff indicated that the repairs to the building are for one-time only. Once the repairs are complete, as negotiated in the Lease Agreement, the Tenant (Crosby) will be 100% responsible for any operation and maintenance repair costs that would occur moving forward.

Commissioner Pontiff asked Mr. Gesser if there were any competitive prices received. Mr. Gesser responded that the only quotes received were relative to the Twenty-One (21) Ton Crane.

Port Attorney Ray Allain suggested that he would like the proposed listing to be characterized as a "Repair" Budget and not a "Maintenance" Budget. He explained that what the Port is doing is repairing issues prior to the beginning of the lease and occupancy of the new tenant, rather than taking on any maintenance obligations. Discussion ensued.

Commissioner Mark Dore' suggested that in the future when a tenant vacates the premises, someone needs to go and inspect the Port's buildings, etcetera, and evaluate and determine if there are any repairs that need to be done before entering into a Lease Agreement with another tenant.

The Port Attorney inquired if a representative with Crosby has reviewed the repair list and corresponding cost estimates. To Mr. Gesser and the Executive Director's knowledge Crosby has not seen the November 10, 2017 listing. The Port Attorney requested that the listing be modified to reflect "Repairs" and that the Port have some sort of written correspondence relaying to Crosby that this is initial repairs that the Port has agreed to make prior to their occupancy, and hereinafter Crosby will be responsible for any and all repairs and maintenance. Discussion ensued.

The Port Attorney read a section of the Lease Agreement (7h) which states that the Tenant shall be responsible for the maintenance and repair of all improvements located on the leased premises except Port shall be responsible for the repair of any defects in the design or construction of foundation, roof, building exterior and/or structural

components, which were constructed by Port, unless such repairs were necessitated by the negligence and/or misuse of said improvements by Tenant. Lengthy discussion ensued.

Commissioner Mark Dore' asked the Executive Director if Crosby was bringing in any office space. The Executive Director indicated that the Tenant will be bringing some portable buildings from South Texas. They will drive some pilings and set it up off the ground a foot higher than what is required by the Building Permit Office. Crosby has indicated that they will be responsible for the cost associated with this and will not be assessed an additional lease rate as a result. Commissioner Dore' asked how the lease rate was structured. The Port Attorney indicated that the primary term of the lease is for Five (5) years beginning on October 1, 2017 and ending on September 30, 2022 for cash rental as follows: \$100,852.00 for the period October 1, 2017 and ending September 30, 2018, which amount will be paid quarterly on or before the 1st month of each month (October, January, April, July); and \$163,352.00 for the period beginning October 1, 2018 and ending September 30, 2019, which amount will be paid quarterly on or before the 1st of each month (October, January, April, July); and \$163,352.00 for the period beginning October 1, 2019 and ending September 30, 2022, which amount will be paid Semi-Annually on or before the 1st of each month (October and April). It is noted that the lease may be renewed for Five (5) additional periods of Five (5) years each beginning on October 1, 2022 and ending September 30, 2047; at the Port's standard rental charges which currently is \$188,565.00 and does not include Property/Flood Insurance premiums.

Discussion ensued regarding the Three (3) Proposals/Contracts to be signed regarding repairs in Mr. Gesser's November 10, 2017 listing presented (Ace/Gaffey, Dixie Electric, Inc. and H.I.S Fire & Safety). Commissioner Pontiff asked for clarification from the Port Attorney regarding the \$9,210.21 proposal dated November 2, 2017 from Dixie Electric and if any other proposals needed to be obtained since it was this dollar amount. The Port Attorney stated "No, the Bid Law does not require that".

It was the consensus of the Board that Mr. Gerald Gesser, Gesser Group, APC November 10, 2017 Repair Listing of the former AWS Facility be revised to add a place for Crosby Construction Services, Inc. to sign off on acknowledging their approval of the Repairs to be made.

A motion was made by Commissioner Larry G. Rader, seconded by Commissioner Simieon d. Theodile, to approve and authorize the Executive Director to execute the required proposals/contracts to facilitate the repairs in the budget amount not to exceed \$21,000.00 for the former Advanced Welding Services (AWS) Facility, as per the Gesser Group, APC detailed repair work summary and associated costs dated November 10, 2017; and motion further acknowledges that this is as a result of a joint walk-through between the POI and

Crosby of the former AWS Facility, and that both parties agree that these are initial repairs that the POI will make and hereafter the new tenant (Crosby Construction Services, Inc.) will be responsible for all maintenance and repairs of the facility as stated in Section 7 of the Lease Agreement.

This motion having been submitted to a vote, the vote thereon was as follows:

Yeas: Roy A. Pontiff, Simieon d. Theodile, Mark Dore', Danny J. David, Sr., and Larry G. Rader.

Nays: None.

Absent at Voting: Gene L. Jefferies, and Elbridge "Smitty" Smith III.

And the motion was therefore passed on this the 13th day of November, 2017.

II. ADJOURNMENT.

On a motion made by Commissioner Danny J. David, Sr., seconded by Commissioner Mark Dore', the meeting was adjourned at 12:30 p.m.



SECRETARY-TREASURER



VICE-PRESIDENT