

West Calcasieu Port Board Meeting Minutes

May 5, 2015

I. Call to order

Vice President Wilmer Dugas called to order the regular meeting of the West Calcasieu Port at approximately 3:01 p.m. on May 5, 2015, at the offices West Calcasieu Port, 311 Gross Road, Sulphur, Louisiana.

II. Invocation

Mayor Chris Duncan led the invocation.

III. Pledge of Allegiance

Pledge led by Francis Andrepont and recited by all board members and guests.

IV. Roll call

Secretary Tim Dougherty conducted a roll call. The following persons were present:

- ✓ Dick Kennison (via phone)
- ✓ Wilmer Dugas
- ✓ Tim Dougherty
- ✓ Dave Aguillard

Scott Foreman was absent from the meeting.

(Others also present at the meeting were: Lynn Hohensee, Chuck Stutes, Darla Perry, Glen James, Francis Andrepont, Mayor Chris Duncan, Jeannie Weise from Senator David Vitter's office and Sheila Burton.)

V. Approval of minutes of the April 7, 2015 regular monthly meeting

Vice President Wilmer Dugas entertained a motion to approve the minutes of the April 7, 2015 regular monthly meeting. A motion was made by Dave Aguillard to approve the minutes of the April 7, 2015 regular monthly meeting, 2nd by Tim Dougherty. No opposition. Motion carried.

VI. Amendments, additions and deletions to the proposed agenda

There were no amendments, additions or deletions to the proposed agenda.

VII. Discuss and take action to approve Meyer & Associates to engage services for wetlands delineation of the area from West Barge Basin end to west property line from waterfront to levee depth

Tim Dougherty made a motion to approve Meyer & Associates to engage services for wetlands delineation of the area from West Barge Basin end to west property line from waterfront to levee depth, 2nd by Dave Aguillard. No opposition. Motion carried.

VIII. Discuss and take action on pilings bulkhead repairs south end of waterfront building

Darla Perry stated she had an email from Mike Devall saying that all but two of the pilings on the ends where tugs tie up are gone. Darla said there is a repair fund that has funds available for repairs. Darla suggested authorizing Lynn Hohensee to negotiate repairs. Chuck Stutes recommended placing one new piling in a strategic location for a temporary fix. Chuck said to talk with Mike Devall to try to keep it as minimal as possible. Lynn Hohensee said he had spoken with Mike about placing one in the middle, and Mike felt that would be okay. There was further discussion about the placing of the piling. Chuck recommended getting a quote from Orion based on pipe they have available in their yard so none has to be purchased. Lynn said he would follow up on that. Tim Dougherty made a motion to give Port Director Lynn Hohensee authority to negotiate repairs on pilings bulkhead on the south end of the waterfront building, 2nd by Dave Aguillard. No opposition. Motion carried.

IX. Discuss and take action on appraisal report on potential capital expenditure

Darla Perry said she found an appraiser, Jack Bass, who gave her a draft version of the appraisal report stating the Harold Rhodes property is appraised at a pinpoint value of \$1,250,000 with the range value being \$1,250,000 - \$1,350,000. Darla said the appraisal is without buildings. Darla stated the Board can discuss the value of the buildings or make an offer without the buildings. Darla said she has spoken with the Rhodes group and told them the Port could not pay any more than appraised value. Darla told the Board that the appraisal report gives good comparables along with lease value comparables that gives good leasing prices per foot, waterfront and land footage per square foot, and comparables to other properties in the area. There was further discussion about the Rhodes property and the appraisal. Darla said the appraiser's fee was \$2500, which she felt was a fair price. There was discussion about using a Realtor and a Realtor fee. Vice President Wilmer Dugas recommended offering \$1,250,000 with the buildings, if possible. President Dick Kennison said he feels the Port should ask Dr. Rhodes to go through the process of getting it rezoned to industrial before making an offer to buy the property. Darla said she did discuss the zoning with the Rhodes group, and they told her they are starting the application today because they felt it was something they should

have already done. Darla said the Rhodes group asked for the Port's support on the zoning. There was further discussion about the zoning. Attorney Glen James recommended entering into a buy-sell agreement under the condition that it be rezoned to heavy industrial. There was further discussion about buying the Rhodes property. Tim Dougherty made a motion, under Glen James' recommendation, to offer to purchase the Harold Rhodes property for \$1,250,000 contingent upon it being rezoned to heavy industrial. Motion was 2nd by Dick Kennison. Chuck Stutes asked Darla if there should also be a contingency added to the motion that says "upon approval by the State of \$750,000." Darla said the money doesn't need to be used for that purpose, but it would be a good use of the money. Darla Perry suggested to the Board to add the contingency of "approval by the Louisiana Facility Planning and Control." There was further discussion about the motion on the table.

Tim Dougherty made a motion to offer to purchase the Harold Rhodes property for \$1,250,000 contingent upon it being rezoned to heavy industrial and also contingent upon approval by the Louisiana Facility Planning and Control. Motion was 2nd by Dave Aguillard. No opposition. Motion carried. Lynn Hohensee said he will set up a meeting between himself, Darla Perry, Glen James and the Rhodes group to make the offer.

X. Discuss and take action on approval of CDARS account Iberia

Darla Perry stated that instead of getting one-tenth of one percent, the Port could get three-tenths percent on the income on idle funds. Darla said she would like to have authority to set up the account. Darla told the Board that this was Government approved and recommended by the auditors. Dick Kennison made a motion to give Darla Perry authority to set up the CDARS account at Iberia, 2nd b Tim Dougherty. No opposition. Motion carried.

XI. Committee Reports

No Committee Reports at this time.

XII. Port Director Report

{NOTE: The following report is a copy of the original sent out by Lynn Hohensee.

Port Director Lynn Hohensee introduced Jeannie Weise from Senator David Vitter's office and welcomed her to the meeting. Ms. Weise thanked Lynn for the invitation and explained what her role would be in the Lake Charles office.

Lynn stated that Mike Boise of River Barge Works left a document for the Board outlining issues River Barge Works had at the port and their probable decision to leave the port and move near Ellender Bridge. Lynn informed the Board that the lease with River Barge Works had expired and they are on a 30-day notice. Lynn said the Port is paid up with River Barge Works. Mr. Andrepont asked about the water levels around the port. There was discussion about the tides and water levels around the port.

Marketing/Business Development –

- The West Cal Port has entered into preliminary discussions with Devall Towing re: the use of the port's Gulf Intracoastal Waterway shoreline property west of the west barge basin for additional barge fleetling operations.
- The port has been contacted by Black Lake Fleetling that the company intends to initiate barge fleetling services on the GIWW across from the port – on the Ivan Johnson property. Black Lake Fleetling officials indicated they will attend the West Cal Port June port board meeting to offer more information.
- On May 2, the port received word from CITGO that apparent delays in the US Army Corps of Engineers permit processing capability prevents the shipment of CITGO spoils to the West Calcasieu Port spoils reception area. But, CITGO officials expressed a willingness to continue dialogue with the West Cal Port re: future opportunities for similar operations.
- Port tenant committee has dialogue with USES continue re: relocation to the Devall Diesel Building and the possible co-leasing of the building with a new port tenant.
- Magnolia LNG has contacted the port and is interested in leasing land for a possible staging area. Dialogue continues.
- Work continues on a revised reprint of the West Calcasieu Port brochure. New aerial and land photos will be inserted. Cost of the reprinting will be covered by the SWLA EDA.
- Work continues on a script for a video for the port's website.

Port Operations –

- An appraisal has been completed of a piece of property near the port that is up for sale.
- Devall Towing continues to be involved with bringing business from Tetra to the port. One barge has been loaded with more than 80 truckloads of heavy saltwater. Additional barges will be loaded over the next 5-6 months. Earlier concerns over product spills on port soil near the loading area will be addressed by Tetra in the future.
- River Barge Works has indicated that due to low-water issues in the port's west barge basin, it has decided to relocate to another location on the Gulf Intracoastal Waterway under the Ellender Bridge. A final date of departure has not been provided.
- Agreement between Tauber Oil Company and Devall Towing was reached to allow fueling customers to "park" barges in the port's west barge basin for a maximum of three hours during the refueling of the pushboat.
- CEMEX Concrete of La. continues with site preparation in advance of full operation. CEMEX Concrete have informed the port that based on upcoming market opportunities, it may be interested in leasing additional land at the port.
- Nash Fence Company has been retained by the port to oversee operational integrity and maintenance of the port's main entrance security gate. Nash also has been able to bring the port gate back into operational status.
- Permitting/engineering continues for the replacement of bulkhead along the Devall Diesel Building area. Port engineer estimates that the port will be ready to go out for bids in June/July.

Professional Organizations & Networking –

- In April, the WCP director (and/or board members) represented the port at:
 - a. Attended public hurricane preparedness sponsored by NOAA and featured Congressman Boustany. The session provided the port director an opportunity to discuss GIWW maintenance with the Congressman.
 - b. Propeller Club meeting
 - c. Chamber/SWLA Gov't Affairs/Infrastructure Committee meeting
 - d. BV board meeting
 - e. Workforce Investment Board quarterly board meeting
 - f. Chamber/SWLA membership drive.
 - g. Lake Charles Ad/Press Club meeting

News Media & Community Relations–

- The port board president and port director met with a SW Daily News reporter. As a result the newspaper published a very positive feature article with sidebar article on the West Cal Port. Tremendous positive response was received from the newspaper's readership and state/local business/government leadership.
- Ongoing media relations continue through the Lake Charles Ad/Press Club and other networking opportunities.

XIII. Announcements/Reports (Legal, Financial, Engineer)

FINANCIAL: Darla Perry reminded the Board that she sent the March financial report to them via email. Darla stated the reason for the negative \$19,535.95 cash flow is due to paying the annual payment on the revenue bond, which was \$95,751.

ENGINEER: There was no engineering report at this time.

LEGAL: There was no legal report at this time.

XIV. Executive Session

There was no executive session at this time.

XV. Public Comments

Police Juror Francis Andrepont informed the Board of the trust fund that they have available and explained some of the guidelines for qualification of the funds. Mr. Andrepont encouraged the Port Board to put in an application to qualify for the funds. The Board thanked Mr. Andrepont for the information and his service to the Port.

XVI. Adjournment

Vice President Wilmer Dugas adjourned the meeting at approximately 3:30 p.m.



President



Secretary