

**THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY, MARCH 22, 2011 – 5:30 P.M.**

The regular monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday, March 22, 2012 at 5:30 P.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 Lupo called the meeting to order at 5:36 p.m. and led in the Pledge of Allegiance.

The roll was called and a quorum was present.

PRESENT:

Chairman Robert E. Smith Lupo
Vice-Chairman Joe Hassinger
Secretary Greg Ernst
Commissioner Wilma Heaton
Commissioner Michael Stack
Commissioner Stanley Brien
Commissioner Carlton Dufrechou
Commissioner Darrel Saizan
Commissioner William Hoffman
Commissioner John Trask
Commissioner Pearl Cantrelle
Commissioner Patrick DeRouen

ABSENT:

Commissioner Romona Baudy

STAFF:

Louis Capo, Executive Director
Sharon Martiny, Non-Flood
Dawn Wagener, Non-Flood
Fred Pruitt, Airport Director
Chuck Dixon, Marina Director

ALSO PRESENT:

Gerard Metzger
Steve Nelson
Alton Davis
Al Pappalardo
Chris Fenner
Justin Simpson
Michael Liebert
Karl Hudson
Patrick B. Epling
Patricia D. Epling
Tim Avegno
Ray Landeche
Chris Clement
Nuncion Falcone
David Bacci
Kevin Green
Bruce S. Russell, Jr.
Keith Kornrumpf
Jonathan Brisbi

ADOPT AGENDA

Commissioner Hassinger offered a motion to adopt the Agenda, seconded by Commissioner Saizan and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Hassinger offered a motion to approve the minutes of the Board meeting held March 1, 2012, seconded by Commissioner Ernst and unanimously adopted.

OPENING COMMENTS

Chairman Lupo thanked the residents and representatives of the Orleans Marina Tenants Association for their attendance to address the rent increase included in the 2013 budget. Budgets are easily amended but this Authority has a time constraint to deliver the budget to the Legislature which requires an approved budget at this evening's meeting. The April 3, 2012 Marina Committee meeting will be a better forum to hear in detail what Marina tenants and staff have to say about the rent increase. The Orleans Marina tenants have agreed and will have comments during the comment portion of the budget agenda.

REPORT BY EXECUTIVE DIRECTOR

Mr. Capo has been working with representatives of the City heading up the 1812 NOLA Navy Week regarding the Authority's portion of concessions sold on Lakeshore Drive during the event. New Orleans Convention Company has proposed that 20% of the net sales of concessions would be given to the Authority. In preparation of Navy Week, Ms. Connie Uddo of Hike for Katrina has arranged for the SeeBees to repaint the shelters on Lakeshore Drive along with repairing the tables and benches and planting approximately 150 trees. Ms. Uddo requested that the Authority fund the watering and stakes for the trees for 1 year at a cost of \$7,500..

COMMITTEE REPORTS

Airport Committee

Commissioner Saizan had no report for the Airport Committee.

Marina Committee

Commissioner Brien had no report for the Marina Committee.

Commercial Real Estate

The March 8, 2012 Commercial Real Estate meeting was cancelled.

Recreation/Subdivision Obligation

Commissioner Hassinger informed that design of the new Shelter #4 is in progress. The shelter will be located between Franklin Avenue and the Seabrook Bridge. The Mardi Gras Fountain and utility crossings are being addressed and updates will be given in the near future.

Legal Committee

Commissioner Ernst informed of Tides, LLC request for a Letter of No Objection regarding reducing parking spaces from 29 to 10 for the restaurant. The Legal Committee recommended approval for this request. The *Napolitano* case involving the Bell South box was affirmed in the Court of Appeal. Mr. Metzger advised that he will report on this suit after its conclusion. A Writ Application could be filed with the Louisiana Supreme Court within 30 days and plaintiff has 14 days to request a re-hearing with the Fourth Circuit.

Finance Committee

Commissioner Hoffman will address the Finance Committee meeting when the resolution to pass the budget is called.

NEW BUSINESS

Motion No. 01-032212

This motion is for approval of a resolution recognizing the Non-Flood Protection Asset Management Authority's support for the efforts of the New Orleans Lakefront Airport documentary entitled *Return Flight* by Ms. Bess Carrick which was approved in the Airport Committee meeting on March 6, 2012.

Commissioner Trask's arrival is noted for the record.

Commissioner Saizan informed that Bess Carrick is in the process of preparing a documentary that will chronicle the rebirth and redevelopment of Lakefront Airport which will be aired on PBS. This documentary requires financial backing which this Authority is not in the position to offer. The Authority can give a resolution of support which Ms. Carrick can use to approach foundations and individuals who can assist her in acquiring the backing to complete the documentary. Commissioner Heaton noted that the documentary "Return Flight" will be licensed for free to PBS for 10 years of unlimited national broadcast.

Motion No. 01-032212 by Commissioner Saizan, seconded by Commissioner Heaton was unanimously adopted to wit:

MOTION: 01-032212
RESOLUTION: 01-032212
BY: COMMISSIONER SAIZAN
SECONDED BY: COMMISSIONER HEATON

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District; and

WHEREAS, the New Orleans Lakefront Airport, commissioned by Governor Huey P. Long in 1929 and completed in 1933, was constructed on a man-made peninsula jutting into Lake Pontchartrain, and inaugurated on February 10, 1934, as Shushan Airport, after Levee Board President Abraham Shushan; and

WHEREAS, Shushan Airport, later renamed the New Orleans Lakefront Airport, was the first combined land and seaplane air terminal in the world; and

WHEREAS, the Airport has played a historic role in U.S. and aviation history, which includes its use as an airfield by the United States Army Air Force during World War II, and

WHEREAS, one of the Airport's more notable visitors was Amelia Earhart, who flew in with her Lockheed Electra 10E on May 22, 1937, on the second overnight stop of her ill-fated flight around the world; and

WHEREAS, the Shushan terminal building was designed by the architectural firm of Weiss, Dreyfous and Seiferth, and compliments their other significant work, the Louisiana State Capitol; and

WHEREAS, Shushan terminal is the oldest Art Deco air terminal complex in continuous operation in the United States and is home to significant murals by WPA-era artist Xavier Gonzales; and

WHEREAS, at the start of the 1960s, thick concrete panels were added to the terminal building to turn it into a Cold War era bomb shelter, and in 1964 the building underwent a major renovation during which Gonzales' "Wonders of Flight" murals were covered or obstructed from public view as the atrium, a signature element of the building, was modified to create office space; and

WHEREAS, on August 29, 2005, Hurricane Katrina struck the State of Louisiana causing catastrophic flooding and damage to private property and public facilities in southeastern Louisiana, including the New Orleans Lakefront Airport; and

WHEREAS, the Hurricane's wave/surge, high winds and torrential rains resulted in devastating damages or destruction to the Airport's public and private facilities, depositing mud from the Lake on the runways and scattering debris over the entire 480 acres of the Airport; and

WHEREAS, many of the facilities located on the Airport have been restored or rebuilt since Hurricane Katrina and the Airport remains the oldest general aviation airport in the country ; and

WHEREAS, a commitment was made by the Non Flood Protection Assets Management Authority and the Orleans Levee District to restore the historic Art Deco terminal building to its original design; and

WHEREAS, the restoration of the terminal building has been completed under the oversight of RCL Architecture, LLC, and includes the restoration of the original Art Deco façade, atrium and much of the original lavish 1930's decoration, and Xavier Gonzales' "Wonders of Flight" murals that were previously covered or obstructed are now open for public view; and

WHEREAS, documentary filmmaker Bess Carrick has proposed the production of a documentary on the New Orleans Lakefront Airport entitled "Return Flight", which will showcase the creative talents of

the artisans and architects involved with returning the Airport terminal to its original Art Deco grandeur; and

WHEREAS, sponsorship opportunities for the film will create economic development for the Airport and surrounding area by the national media exposure via the web, print and TV broadcasts; and

WHEREAS, by using the documentary and its assets the film's sponsors will create promotional outreach to further their businesses, which will further overall business at the New Orleans Lakefront Airport.

WHEREAS, the documentary "Return Flight" will be licensed to PBS for ten years of unlimited national broadcasts.

BE IT HEREBY RESOLVED, That the Non-Flood Protection Assets Management Authority fully supports Ms. Carrick and her efforts to produce the documentary about the restoration of the New Orleans Lakefront Airport entitled "Return Flight".

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, STACK, BRIENM, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS: NONE

ABSTAIN:

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

Motion No. 02-032212

This motion is for approval to allow the Epling-Pelias lease to expire on April 30, 2012, take possession of the boat slips located on the leasehold and secure the premises after lease expiration. The Executive Director is authorized to secure the leased premises, inspect the slips, bring docks and boat slips up to Orleans Marina standards, obtain names of boat slip tenants, contact the tenants regarding leases after April 30, 2012 and enter into leases with tenants for rates established by the Executive Director and Marina Manager with terms and conditions consistent with those in the standard Orleans Marina boat slip leases.

Commissioner Brien noted that there is not an option in the lease for renewal or extension. It is in the best interest of the Board to let the lease come to its natural conclusion. Mr. Pappalardo informed that this is a long term land lease granted in 1981. The staff and various engineers inspected the facility and provided a preliminary report regarding the condition of the premises at the Marina Committee meeting. All slips, over time, will be brought up to the standard of the Orleans Marina slips. Some slips do not have electricity or water and some structural work is needed on the property.

Patrick Epling informed that the property does need work but Mr. Epling was hesitant to perform major structural repairs due to a loss of \$110,000 that Mr. Epling is trying to recapture. The lead engineer indicated \$200,000 worth of improvements were needed. Chairman Lupo noted that comments made regarding the condition of the piers relate to the standard maintenance clause in the lease which was not being upheld by the tenant. The Authority can bring the leasehold under control of the Levee District and reap the returns that Orleans Marina is bringing to the Authority and to bring the slips up to code.

Patricia Epling requested an extension of the lease to allow him to recover out of pocket expenses spent on repairs to keep the property maintained. Chairman Lupo noted that the engineering report found the tenant in default of having kept the slips in repair. Commissioner DeRouen noted that there is no documentation indicating the amount of money spent on repairs that has not been recouped. Mr. Epling stated the amount spent on repairs has not been produced but was discussed with Mr. Capo

Commissioner DeRouen questioned the Board's policy regarding leasing and sub-leasing property. Chairman Lupo noted that the state looks on this issue as profiteering. Mr. Pappalardo explained the Levee District has a policy of not allowing sub-leasing on its assets and referred to Article 7, Sec. 14 of the Louisiana Constitution which prohibits the donation of anything of value. This lease in 1981 was raw land and water which was developed by the tenant who then enjoyed the fruits of his development over the lease term. The lease term is over and it has been a firm policy to prohibit sub-leasing on Levee Board property.

Mr. Metzger added that in 1981 the tenant was given the right after construction to sublet and make a profit off of this property. The rent received by the Authority on this property was in the neighborhood of \$20,000 per year. Mr. Capo noted that Orleans Marina rent rates for 45 slips would bring in approximately \$95,000 to the Authority as opposed to the \$20,000 received from the tenant. Mr. Metzger added that with repairs made after Katrina, the out of pocket expenses were recouped if not also insured. On February 1, 2012 Mr. Metzger notified the tenant of the Authority's position to allow the lease to expire and requested information necessary to make an orderly transfer. No response was received from Mr. Daly, who was representing the tenants, until after February 26, 2012 at which time the tenants got involved. This is the third time this issue has been before a committee or the Board.

Mr. Eppling noted that approximately \$45,000 per year in revenue is generated from the 45 slips after taxes and insurance. A small management fee is collected. Reserves are extremely high. A profit has not been cleared in approximately five years.

Motion No. 02-032212 by Commissioner Brien, seconded by Commissioner DeRouen, abstained by Commissioner Trask, and voted against by Commissioner Heaton was adopted to wit:

MOTION: 02-032212
RESOLUTION: 02-032212
BY: COMMISSIONER BRIEN
SECONDED BY: COMMISSIONER DEROUEN

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

WHEREAS, the Management Authority is the successor of the former Board of Commissioners of the Orleans Levee District;

WHEREAS, the non-flood protection assets managed and controlled by the Management Authority include the Orleans Marina and property on the New Basin Canal;

WHEREAS, in March of 1981 the former Board of Commissioners of the Orleans Levee District entered into a written Lease Agreement with Deborah Ann Krantz, wife of/and Gus M. Pelias, Jr., and Patricia Ann Daly, wife of/and Irvington J. Eppling (the "Lessees") for certain property located on the west side of the New Basin Canal (the "Leased Premises") commencing on March 1, 1981 and expiring on April 30, 2012 (the "Lease");

WHEREAS, the Lessees constructed docks and boat slips on the Leased Premises and were authorized under the Lease to lease the boat slips for rentals to tenants, all as provided for under the terms of the Lease;

WHEREAS, the Lease provided that upon the expiration of the Lease that any and all improvements thereon shall become the property of Lessor and the Lessees would not be entitled to any compensation whatsoever for said improvements;

WHEREAS, the Management Authority has concluded that it is in the best interest of the Management Authority and Orleans Levee District to allow the Lease to expire under its terms effective April 30, 2012 and to accept the reversion of the improvements located on the Leased Premises;

WHEREAS, the Marina Committee of the Management Authority at its regularly scheduled meeting in March 6, 2012 considered a proposed resolution by the Executive Director of the Management Authority to authorize the Executive Director to take any action necessary to secure possession of the Leased Premises immediately after expiration of the Lease on April 30, 2012 and to take other action necessary to enter into leases for the boat slips located on the leased premises;

WHEREAS, after considering the request of the Executive Director, the Marina Committee recommended adoption of a resolution by the Management Authority authorizing the Executive Director to take such action; and,

WHEREAS, the Management Authority after considering the recommendation of the Marina Committee resolved that it is in the best interest of the Management Authority and Orleans Levee District to allow the Lease to expire under its terms effective April 30, 2012, and to accept the reversion of the improvements located on the Leased Premises, and to approve the resolution recommended by the Marina Committee.

BE IT HEREBY RESOLVED, that it is in the best interest of the Management Authority and Orleans Levee District to allow the Lease to expire under its terms effective April 30, 2012 and to accept the reversion of the improvements located on the Leased Premises;

BE IT FURTHER RESOLVED, that the Executive Director of the Management Authority be and is hereby authorized to take any action necessary to secure possession of the Leased Premises upon expiration of the Lease, including but not limited to eviction proceedings if required; to make inspections

and take any necessary remedial action to bring the docks and boat slips on the Leased Premises up to the standards of the Orleans Marina, conditioned upon authorized funding; to obtain the names of the boat slip tenants on the Leased Premises; to contact said boat slip tenants regarding leases of the boat slips after April 30, 2012; to enter into boat slip leases with the tenants on the Leased Premises for rental rates to be established by the Executive Director and Marina Manager, with other terms and conditions consistent with the terms and conditions in the standard Orleans Marina boat slip leases, and after the boat slips have been brought up to the standards in the Orleans Marina, to lease the boat slips for rental rates consistent with the rental rates in the Orleans Marina; and, to take any other action necessary to incorporate and operate the boat slips on the Leased Premises as part of the Orleans Marina; and,

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

AYES: LUPU, HASSINGER, ERNST, HOFFMAN, STACK, BRIENM, DUFRECHOU, SAIZAN, CANTRELLE, DEROUEN

NAYS: HEATON

ABSTAIN: TRASK

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

Motion No. 03-032212

This motion is for approval of a request by Tides, LLC for a Letter of No Objection regarding parking spaces for the restaurant to be located at the former Hong Kong site. Commissioner Ernst noted that Tides is requesting to reduce the required 29 parking spaces to 19 parking spaces. Parking across the street on Lakeshore Drive is owned by the Levee District and available for these facilities. The City will move forward with this request upon receipt of a Letter of No Objection from this Authority. The restaurant will be a 4,200 square foot traditional West End New Orleans restaurant serving Italian and seafood seating approximately 106 people with an additional private room. Mr. Brisbi is presently working with the bank to get the appraisal finished. Permitting should be approved within the next two months.

Motion No. 03-032212 by Commissioner Ernst, seconded by Commissioner Saizan was unanimously adopted to wit:

MOTION: 03-032212
RESOLUTION: 03-032212
BY: COMMISSIONER ERNST
SECONDED BY: COMMISSIONER SAIZAN

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

WHEREAS, Parcels 7E, 8E and 9E, bearing Municipal Addresses 7400-12 Lakeshore Drive, New Orleans, Louisiana 70124 (the “property” or “leased premises”), and consisting of 19,035 square feet, situated on the east side of the New Basin Canal in the City of New Orleans, are non-flood protection assets of the Orleans Levee District under the management and control of the Management Authority;

WHEREAS, by written Lease Agreement dated on January 23, 2012, the Management Authority leased said property to Tides, L.L.C. for the purpose of constructing and operating a standard restaurant, as defined in the Comprehensive Zoning Ordinance of the City of New Orleans;

WHEREAS, in view of the design for the restaurant, Tides, L.L.C. intends to request a parking variance from the City of New Orleans to eliminate ten parking spaces from the parking area on the leased premises required under the applicable zoning ordinance of the City of New Orleans;

WHEREAS, in order to obtain approval for this parking variance from the City of New Orleans, a letter of no objection is required from the Management Authority, as the governing authority of the Orleans Levee District, which is the owner of said property;

WHEREAS, the Legal Committee of the Management Authority at its regularly schedule meeting held on March 8, 2012 considered the request of Tides, L.L.C. for issuance of a no objection letter by the Management Authority for the parking variance, and after considering the request recommended adoption of a resolution by the Management Authority authorizing the Executive Director to sign a no objection letter for the parking variance;

WHEREAS, the Management Authority after considering the recommendation of the Legal Committee resolved that it is in the best interest of the Management Authority and Orleans Levee District to approve the request of Tides, L.L.C. for issuance of a no objection letter by the Management Authority for the parking variance, and to authorize the Executive Director to sign the no objection letter for the parking variance on behalf of the Management Authority;

BE IT HEREBY RESOLVED, that the Management Authority approves the request of Tides, L.L.C. for issuance of a no objection letter by the Management Authority for the parking variance on the leased premises, and authorizes the Executive Director to sign the no objection letter to the City of New Orleans for the parking variance on behalf of the Management Authority;

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director is hereby authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, STACK, BRIENM, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS: NONE

ABSTAIN:

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

Motion No. 04-032212

This motion is for approval to increase Stuart Consulting Group's IDIQ professional engineering services contract by \$25,000 making the total IDIQ contract not to exceed \$95,000 with all other terms following the terms of the original contract.

The Authority utilizes the services of Stuart Consulting for professional services such as generator design, dock repair and mold testing to function on a day to day basis. Chairman Lupo added the Authority had engineers when it was linked with the Flood side but is no longer in a position to bring engineers on staff.

Motion No. 04-032212 by Commissioner Hoffman, seconded by Commissioner Saizan was unanimously adopted to wit:

MOTION: 04-032212
RESOLUTION: 04-032212
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIONER SAIZAN

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

WHEREAS, the Non-Flood Protection Asset Management Authority and Stuart Consulting Group, Inc. entered into an Agreement on the 15th day of June, 2010 to provide Project and Direct Administration services for Hurricane Katrina Damage Repairs for Non-Flood Protection Asset Management Authority owned projects, and

WHEREAS, initial authorization included project management services on six specific Non-Flood Protection Asset Management Authority owned, projects, and

WHEREAS, the aforementioned contract includes provision for expansion as authorized in writing by the Non-Flood Protection Asset Management Authority, and

WHEREAS, Supplemental Agreement 2 added ID/IQ engineering services of non-FEMA related projects, and

WHEREAS, Stuart Consulting Group, Inc., is a qualified engineering consulting firm, and has the necessary expertise and licensure to perform said services, and

WHEREAS, Stuart Consulting Group, Inc. has presented billable rates in conformance to DOTD allowable billable rates for design services.

WHEREAS, this matter was discussed and recommended for approval at the March 8, 2012 Finance Committee meeting of the Authority; and

BE IT RESOLVED, that the Authority authorizes the Authority Chairman or Executive Director to execute a supplemental agreement to increase the ID/IQ professional engineering services contract by \$25,000 making the total ID/IQ contract not to exceed \$95,000; with all other terms of said Supplemental Agreement shall follow the terms of the original contract.

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to execute any and all necessary documents to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, STACK, BRIENM, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS: NONE

ABSTAIN:

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

Motion No. 05-032212

This motion is for approval of a contract for the demolition of the Point Building located in the South Shore Harbor Marina. A contract for demolition services will be awarded to the lowest responsible respondent. Chairman Lupo noted that the Point Building was damaged substantially by Hurricane Katrina. At this point it is best to demolish the building which will make the Marina a safer area. After the building is demolished lighting would be brought all around to the nose of the point and crushed concrete would be placed in the area along with benches so people can sit by the lake.

Motion No. 05-032212 by Commissioner Brien, seconded by Commissioner Saizan was unanimously adopted to wit:

MOTION: 05-032212
RESOLUTION: 05-032212
BY: COMMISSIONER BRIEN
SECONDED BY: COMMISSIONER SAIZAN

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (the "Management Authority") was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is the governing authority of the non-flood assets of the Orleans Levee District ("District"), and a political subdivision of the State of Louisiana;

WHEREAS, the South Shore Harbor is one of the non-flood assets of the District under the management and control of the Management Authority;

WHEREAS, the Point Building is a facility at South Shore Harbor that sustained heavy damages during hurricane Katrina and the months following;

WHEREAS, this matter was discussed and recommended for approval at the March 6, 2012 Marina Committee meeting of the Authority; and

WHEREAS, quotes were solicited from several contractors for demolition services and are due on March 26, 2012;

WHEREAS, the next Management Authority meeting during which authorization to execute a contract may be granted is not scheduled until April 19, 2012; and,

WHEREAS, the adoption of a resolution to award the contract to the lowest responsible respondent on this Project upon receipt of quotes on March 26, 2012 is critical to project progress and viability going forward.

BE IT RESOLVED, that it is in the best interest of the Management Authority and Orleans Levee District to demolish the Point Building facility at South Shore Harbor, and

BE IT FURTHER RESOLVED, that a contract for demolition services be awarded to the lowest responsible respondent on this Project, and

BE IT HEREBY FURTHER RESOLVED, that the Management Authority authorizes the Marina Committee to approve a contract with the lowest responsible respondent and authorizes the Authority Chairman or Executive Director to execute any and all documents necessary to carry out the above.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, STACK, BRIENM, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS: NONE

ABSTAIN:

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

Motion No. 06-032212

This motion is for approval for the Fiscal Year 2013 operating budget.

Revenues

Recurring	\$5,871,346
Non recurring transfers in	\$1,280,000
Total Revenues	\$6,871,626

Expenditures

Operations	\$6,481,626
Major Maintenance	\$ 390,000
Total Expenditures	\$6,871,626

The Authority must submit an approved budget by April 1, 2012 to the Joint Legislative Committee on the Budget and other various oversight authorities. The Finance Committee reviewed and recommended approval of the Fiscal Year 2013 budget at its meeting held on March 8, 2012.

Commissioner Hoffman noted that the Board continues to support an expensive property with no associated revenue and limited funds generated by other assets the Authority owns. What is presented tonight is a budget to be adopted and submitted to the State to be in compliance with Louisiana law. There is a significant issue with insurance on Airport properties and properties we have as far as the true expense that will be incurred this year. Adopting this budget tonight does not indicate that it is complete for another year. The Administration will continue working on a three year budget for long term planning on issues which will help in discussions with legislators and solving the problem that is primarily associated with Lakeshore Drive. The budget shows a \$700,000 revenue from the Flood Authority to cover the cost of maintaining Lakeshore Drive which cost is closer to \$1.5 million assuming there are no significant repairs to the five mile stretch of roadway. The Board's challenge after adopting the budget is to bring it to our legislators to help us achieve additional funding to solve the problem on Lakeshore Drive. Commissioner Saizan noted that there are legislators, a senator and four representatives who know that this Authority is trying to bring the Airport, Marinas and other establishments back along the Lakefront to give the Authority revenue.

Chairman Lupo commented that when the Board was assembled, the Authority was estimated to have approximately 1½ years of funding left to operate. That time has now passed and this Authority has considerable time left to go. Mr. Capo noted that the Bally's settlement account balance to date is approximately \$2.5 million between the Marina Center account and the Terminal account. By the end of the fiscal year it is estimated another \$300,000 will be drawn from that account. There are other projects under consideration not listed on either budget that will draw down that number. Budget to actuals are discussed at every Finance Committee meeting along with the check register that reflects all checks issued each month for transparency.

Mr. Capo advised with the approval of the 2013 budget, the three year budget projection will be underway with the driving force being insurance. This Authority cannot participate with the Office of Risk Management because we are a political subdivision with property owned by the Levee District. Those two criteria do not fall under of Office of Risk Management so the Authority will have to go to a private carrier. The Airport buildings are newer and more expensive which is driving the stated value. FEMA will now require the Authority to carry the full amount of coverage that FEMA has put into the buildings.

Mr. Capo informed that staff is in the process of working on obtaining a certification from FEMA granting forbearance on insurance which involves GOHSEP and the Insurance Commissioner's office. The insurance commissioner will issue a certification if the Authority can demonstrate that the required insurance coverage would be an undue financial burden on the entity.

Mr. Capo noted the Fiscal Year 2013 budget has \$300,000 dedicated for major maintenance for the properties. The last dedicated major maintenance was pre Katrina.

Commissioner Dufrechou complimented Commissioner Hoffman on doing a great job and being a good leader who set the standard. This organization is still operating with a \$1 million deficit each year which has shrunk tremendously under Commissioner Hoffman.

Motion No. 06-032212 by Commissioner Hoffman, seconded by Commissioner Saizan was unanimously adopted to wit:

MOTION: 06-032212
RESOLUTION: 06-032212
BY: COMMISSIONER HOFFMAN
SECOND BY: COMMISSIONER SAIZAN

March 22, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) was established by Act 1014 of 2010 by the Louisiana Legislature effective August 15, 2010 and is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District;

WHEREAS, the Non-Flood Protection Asset Management Authority has reviewed the financial projections for Fiscal Year Ending June 30, 2013 at a Special Budget board meeting held on January 24, 2012 and at each subsequent committee meeting where the respective budgets were reviewed for the Authority, including estimated revenues and expenditures; and

WHEREAS, funding in the following amounts as detailed by the line item budgets for Fiscal Year Ending June 30, 2013;

<u>FISCAL YEAR 2013 GENERAL OPERATING BUDGET</u>	
Revenues	
Recurring	\$5,871,346.00
Non-Recurring/Transfers	\$1,000,280.00
TOTAL REVENUES	<u>\$6,871,626.00</u>
Expenditures	
Operations	\$6,481,626.00
Major Maintenance	\$ 390,000.00
TOTAL EXPENDITURES	<u>\$6,871,626.00</u>

WHEREAS, the Non-Flood Protection Asset Management Authority is mandated to submit an approved budget by April 1, 2012, to the Joint Legislative Committee on the Budget and other various oversight authorities; and

WHEREAS, the Finance Committee at its meeting held on March 8, 2012, reviewed and recommended approval of the Non-Flood Protection Asset Management Authority Budget for the Fiscal Year Ending June 30, 2013.

BE IT HEREBY RESOLVED, that the Non-Flood Protection Asset Management Authority approves the Fiscal Year Ending June 30, 2013 General Operating Budget for the Authority.

AYES: LUPO, HASSINGER, ERNST, HOFFMAN, HEATON, STACK, BRIENM, DUFRECHOU, TRASK, SAIZAN, CANTRELLE, DEROUEN

NAYS: NONE

ABSTAIN:

ABSENT: BAUDY

RESOLUTION ADOPTED: YES

PUBLIC COMMENTS

Michael Liebert – Orleans Marina Tenant

Mr. Liebert thanked Chairman Lupo for allowing the Tenants Association to address concerns regarding the 10% rent increase for Orleans Marina at the Marina Committee meeting April 3, 2012. Mr. Liebert also thanked Mr. Louis Capo for his communication with the Tenants Association regarding this issue and his attendance at the Tenants Association meeting.

Mr. Liebert then read a prepared statement for the record as follows:

Today you honorable ladies and gentlemen of the Orleans Levee Board Non Flood Protection Asset Management Authority are about to pass a budget that includes a 10% rent increase for the Orleans Marina. That increase will begin on July 1, 2012. The Orleans Marina Tenants Association opposes that increase. Since Hurricane Katrina, rates in the Orleans Marina have risen by 25%. This 10% increase makes an average increase of 5% per year since Hurricane Katrina for a total of 35% which is nearly double the increase of the Consumer Price Index. This 10% rent increase comes despite the fact that New Orleans is

still recovering from Hurricane Katrina and our nation is trying to recover from one of the worst economic recessions since the great depression and we have rising gas prices. Additionally, the tenants of the Orleans Marina have just endured almost 2 years of added cleaning and maintenance expense from living in a war zone of sand, dirt and concrete dust during the levee wall construction. The big picture indicates that the overall budget of the Levee Board Non-Flood Asset Management Authority is running a deficit and the Orleans Marina and South Shore Harbor appear to be the only assets on yearly leases that are exposed to unpredictable rent increases. In the year 2000, the Orleans Levee Board increased rents by 10% for maintenance but failed to dedicate that increase for future years' maintenance. Management now intends to utilize the funds from the current 10% increase for major maintenance but management has so far refused to initiate or endorse the dedication of future years' proceeds for the 10% increase for future major maintenance. A dedicated maintenance account would guarantee the performance of future major maintenance, prevent the major disrepair that currently exists and lessen the likelihood of management coming back to the tenants for future increases for maintenance. Part of management's justification of the current 10% increase was to compare rates from four profit marinas around Lake Pontchartrain but municipal marinas are non-profit entities that have historically had affordable rates and provide an amenity in the community just like a public boat launch, a community center, a park or a museum. If rental rates in the Orleans Marina continue going up at nearly twice the rate of inflation, it will soon become a place that only the wealthy can afford which we believe is against public conscience. While management has significantly increased rates since Hurricane Katrina they have also significantly reduced services. The Orleans Marina no longer provides personnel and emergency rope to help secure vessels before a tropical storm which was a significant factor in the survival of the Orleans Marina during Hurricane Katrina. The Orleans Marina management all but refuses to enforce a mooring standard which is critical for the safety of the Marina during tropical storms. There are no more full or part time maintenance personnel stationed at the Orleans Marina. Levee Board police have been eliminated and replaced with part time security guards who are not nearly as efficient nor as familiar with the boats and the tenants. The security guards are often fired and rotated. Trash receptacles on the piers have been eliminated. Free mail boxes in the Harbor Master's office have been eliminated and the Harbor Master's office no longer receives large packages which is an inconvenience to transients and live aboards. The full sized wooden dock boxes which were a trademark of the Orleans Marina are being eliminated while tenants are being forced to use much smaller and we believe very inconvenient fiberglass dock boxes. The Orleans Marina Tenants Association has pleaded with management on several occasions to allow tenants to replace and assume the cost of full size wooden dock boxes but management refuses. Management refuses to allow tenants to purchase a second fiberglass dock box to try and make up for the volume that they are losing on the wooden dock boxes. The custom made stairs that were allowed in Orleans Marina for more than 40 years which particularly provided access to motor vessels are no longer an option. Tenants are required to use bulky fiberglass stairs that are sold by management. What I have just described are only some of the matters that will be outlined in a formal report by the Tenants Association to present to the Marina Committee meeting on April 3, 2012. We appreciate your willingness this afternoon to listen to our grievances. Thank you very much.

Mr. Bruce Roussell, Karl Hudson, Nuncion Falcone and Chris Clement turned in speaker cards but declined to speak as Mr. Liebert covered all concerns raised by the Tenants Association.

Chairman Lupo requested that the April Board meeting be moved from Thursday, April 19, 2012 to Tuesday, April 17, 2012 at 5:30 p.m.

NEXT BOARD MEETING

Mr. Capo announced the next full Board meeting was scheduled for Thursday, April 19, 2012 at 5:30 p.m.

ADJOURNMENT

Commissioner Dufrechou offered a motion to adjourn, seconded by Commissioner Heaton and unanimously adopted.

The meeting adjourned at 6:55 p.m.