

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

October 10, 2017

6:30 p.m.

Lake Vista Community Center, 6500 Spanish Fort Blvd, New Orleans, Louisiana

The meeting was called to order at 6:30pm and requested a roll call by Ashlyn Graves.

Board of Directors Present:

David Halpern
Ashlyn Graves
Warner Tureaud
Connie Uddo
Alva See
Reginald Smith

Board of Directors Absent:

Thomas Forbes
Howard Rodgers

A quorum was present.

There was an amendment by Ashlyn Graves seconded by Ric Smith for a motion to move the West Roadway Drainage Improvements discussion ahead of the Action Items.

The agenda was approved and adopted on a motion by Ashlyn Graves, seconded by Ric Smith and the motion was unanimously carried.

On a motion by David Halpern, seconded by Ashlyn Graves, and unanimously carried, the minutes from the regular meeting of September 12, 2017 were approved.

Information and Discussion Items:

1. West Roadway Proposed Drainage Improvements ó Orleans Levee District. Mr. Tureaud said in the interest as a courtesy to our guests, MYHMC thanks the Orleans Levee District (OLD) and the Non-Flood Asset Authority Division for being here, and asked the personnel from Orleans Levee District to proceed with their presentation. Gerard Gillen from OLD's Flood Protection Authority stated that there is good news in that the PCCP major construction project is coming to a close and they still have a flood gate to install at the new pumping station. The other good news is that OLD has construction plans and specs ready to address the flooding problem on West Roadway. When lake level is excessively high, it is impossible to keep the water pumped down on West Roadway due to the fact that water is re-circulated and it has been a problem and we are now ready to address it now that this construction is over. The bad news is that during construction we are going to probably take two lanes and it will be one-way traffic on each lane. Our scheduled timeline is at the end of this month and we are going to advertise and should have bids awarded in December and contractors starting and hopefully the project should be completed within five or six months. It's ready to go and our plans and specs have been ready for quite a while. Brett Mouton who is an engineer with Burke-Kleinpeter will talk about some of the ongoing issues we are having and what is proposed to solve the drainage problem. Someone asked Mr. Gillen if he could make sure the Board has an anticipated schedule after you let the bid and accept it so that they could disseminate it. Mr. Tureaud said there are a lot of stakeholders in the area as far as emergency concerns as well for the people who live back in that area. Gerard said just be patient with us while we get through the construction. Mr. Tureaud complimented that their agency has been a joy to work with. Brett Mouton presented an overview of the project and said that the main issue is that there is no drainage at the main driveway area to the boathouses on West Roadway. There is some erosion through abandoned drain lines or sewer lines that allow the lake water to get into the system as well. So right now the Roadway is about +0.7 to +1 feet in the lowest areas, and we know when the lake gets high to 2.5 feet that water comes in and floods the street. The Levee District has addressed that temporarily by putting a shut off valve and a temporary pump to get the rain water out. We have designed to raise the Roadway at that location to 2.1 feet so that will put the road at a point that is higher than the higher Lake level. The pump will also remain in place. Mr. Tureaud inquired about electronic copies of the presentation to post on our department website. The scope of the project is to demo the existing street one side at a time and replace the drainage and catch basins in that area and put the outfall pipe in, replace the asphalt and build the Roadway up. We still have center divider and fix the sidewalks on the each side and the two driveways. Mr. Tureaud asked the Board if they have any questions before we turn it over to the audience. Mr. Smith asked if the pump station is complete as far as any heavy equipment before they start construction. They have been communicating with them as far as when is the best time that will not affect

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October 10, 2017

their process, so we came up with this schedule and we are waiting for them to bless it. Mr. See asked a question about the new Roadway and piling underneath it. Mr. Mouton said that piles would not be installed under the Roadway, and we will approach it by taking out the asphalt and existing base and proof roll a sub base then check for unsuitable soil such as clay deposits or highly organic areas and we find those and dig those out also and put back compacted sand to give you a firm sub base and build on top that. Mr. Tureaud asked if this new section of Roadway will be asphalt strong from the existing Roadway. It will be stronger and higher than that. We are using City of New Orleans and Sewage and Water standards as far as the details on constructing this so that it is rated for truck traffic.

Mr. See said the reason why he is asked about the piles is because they are building this on a levee, and the levee has organic material in it and overtime the existing road has failed. He would like to have the engineering team ask that question and look at it closely and analyze it. Mr. Tureaud said that this is the Levee District's project and MYHMC is very grateful that they are doing this as expediently as they are, and we can't make those types of demands. Kerry Cuccia had a question about the height of the road where the dip is right now. Is it going to be the same height as the highest point of the road up to South Roadway? The way it's designed is that we will elevate that and the road goes up, and it goes back down as high end. So we won't be lifting up South Roadway, so we will have a segment between the driveway to get to the boathouses and South Roadway. Mr. Cuccia said he is not talking about the boathouses on West Roadway, but on West Roadway itself that comes over the levee, comes down as the dip, comes back up, goes forward, and then intersects South Roadway. The road nearer South Roadway is a little bit higher than the dip, so the question is what height is the area by the dip going to be? Right now it's +1 foot and it is going to come up about a foot. Mr. Cuccia asked if it's going to make it equal to the rest of the Roadway or higher. It's slightly higher and between South Roadway and the dip comes up, so it's not like he is going to push the water all the way down to South Roadway. Mr. Cuccia said in reference to recycling water, you were pumping water in but it was coming in the drains along South Roadway and possibly North Roadway and then flowing back into the low area on West Roadway. He asked once you elevate the low spot, where is that water going to go? The water coming in from the lake has been mitigated and the lake can't come into the drainage system, and then we have to deal with the rain water. The problem with the rain water is if the lake level is higher than the water level in the street, the valve is not going to push open so that is when the pump would operate. Mr. Casey said there is also water coming over land where they are tearing those structures down on West Roadway. The water actually gotten high enough that water was coming into West Roadway from the back harbor across a slab in that area. Mr. Cuccia said that wherever the water is coming from it may not be able to get out of the area. The next lowest point is that area of West Roadway between North and South Roadway and that could possibly become strictly impassible. Mr. Tureaud asked Mary Cunningham if the Department of Public Works could take some elevations of the City streets in the area to see how OLD's plan will impact the drainage. Mr. Cuccia said that it is

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October 10, 2017

great to make that first portion of West Roadway passable but if the second portion becomes impassable, what have you done? You are not going to stop the water from coming into the area when the lake is excessively high. We should provide a circuit around West Roadway between South and North Roadways in the area of the parking lot since it does not flood. We are looking at having emergency access in and out of the area in a high water situation. Mr. Tureaud said we should get an elevation level done for that stretch of roadway and we can go from there. There is a lot of drainage work that needs to be done in that area.

There was a question about fixing other roads in the Master Plan. Mr. Tureaud said, "No. The Master Plan is an idea of what MYHMC would like to do in the future. The streets belong to the City, and this Board has no control over street repairs, flooding, lights, or anything like that since all of the streets are owned by the City.

Mr. Tureaud said Mary Cunningham if she could assist with City departments to get someone out there to take some street elevations, and then we can get someone to discuss drainage impacts on the streets.

There was a question about the berm on Breakwater Dr. by boathouse 27 or 28. There is water coming from the lake when the Lake gets to a level of 3.5 feet. If the berm was completed, it would stop water from coming in towards the marina. Mr. Tureaud mentioned that Capital Projects is still working to resolve the Breakwater Drive shoreline restoration claim with FEMA. Mr. Casey said that the City also has drain lines that run through that breakwater so when the tide comes up, the water is able to flow on to the North/South section of Breakwater Dr. The drain lines on Breakwater Drive in those parking areas run underneath the concrete. Mr. Tureaud said that MYHMC does not control this drainage since it is the City's FEMA Claim.

There was a question about West Roadway and the status of catch basins. Mr. Tureaud said that MYHMC has always worked with the stakeholders and recognize emergency concerns of having the emergency access on West Roadway. We partner with the City and OLD, and coordinate with different departments such as the Sewerage and Water Board.

There was a question about the revenue of the boathouses depending on the road being fixed. Mr. Tureaud said he is fortunate at our relationship with the Levee District. They did not have to come to do this as expediently and forth right as they did. This could have taken years and we have no authority to make them do anything. The Levee District is not making any revenue whether that road is passable or not.

There was a question from Ken Kuebel about the Board considering getting control of the streets, so that it can ensure its income from the boathouses by providing access to the boathouses that you collect revenue from. Mr. Tureaud said that the acquisition of the City's streets has never been discussed since he has been on the Board. Mr. See said that the Board has tried to get the boathouses back on line as

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October 10, 2017

quickly as possible at minimum expense to the boathouse owners, and it would be an issue that the Boathouse Owners Association can discuss. We don't want to burden the boathouse owners with any additional expense as would be required for the maintenance of the streets. Mr. Tureaud said we are trying to solve drainage issues one step at a time. In the interest of being proactive, we are going to get with the City and ask them to take some street elevations and get with our drainage people with City and ask about a professional opinion on how these improvements might affect the area.

Mr. Smith had a comment about utilizing the parking lot for emergency purposes. There may be a short term solution while we talk about gaining rental revenue and possible tax revenues. Mr. Tureaud said MYHMC will ultimately regain control of the parking lot, so we would have the ability to do that.

Mr. Mouton mentioned that the budget is between \$800,000 and \$1,000,000 to do this repair road repairs on West Roadway.

Action Items:

1. Mr. Casey said the 2018 budget is similar to the 2016 and 2017 budgets from the standpoint of anticipated revenues and expenses. Based on the timing of the renovation of the Harbor, projected revenue from boat slips have not been increased due to the fact that it is currently unknown when the project will be completed. Additional annual rental income of \$30,000 (starting in January) from the Community Sailing Center has been included. Total projected revenue is estimated to be \$43,000 higher than in 2017. On the expense side, there are timing issues on several items relative to the FEMA claims, such as MYHMC's co-share for the Hurricane Isaac claim which is about \$325,000 and the timing of the repayment of the NOAA bonds. A major additional expense in the 2018 budget is a FEMA insurance deductible of \$120,000 for the FEMA Claims in the West End Area. This estimated cost was provided by Capital Projects, and the City is looking to MYHMC to pay this out of its reserves. As a result of the estimated cost of this item along with increased interest costs on the NOAA Bonds and projected increases in insurance costs, expenses for 2018 are projected to be approximately \$210,000 more than projected expenses in 2017.

There was a question about the payment of the \$120,000 FEMA deductible. Mr. Tureaud said that the settlement of the FEMA Claim is an award from FEMA. The payment is required in order for FEMA to reimburse the City for the Harbor reconstruction costs.

Mr. Smith said that MYHMC's actual projected revenues for 2018 are \$862,000 with projected expenses of \$2.7 million, so that under a worse case, \$1,850,000 would come out of the \$3 million in reserves.

Mr. Rodgers had a question about the timeline for the reconstruction of the harbor and West End Park repairs. Is that necessary to have harbor repairs in the budget? Mr. Casey said that the operation on the West side will continue in 2018, and there is a need to have some money budgeted for repairs in order to continue to operate. In 2017 there were several East wind tidal surges that resulted in required repairs such as finger piers.

On a motion by David Halpern, seconded by Ric Smith, and unanimously carried, the resolution approving the 2018 MYHMC Operating Budget was approved.

Information and Discussion Items:

2. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. The extended 2030 leases for boathouses #21 and #130 are currently in process through the City's ECMS. Ms. Graves will report on boathouse sales activity during the month of September. There were two boathouse sales in September, and MYHMC recognized a transfer fee in the amount of \$8,040 for boathouse # 94 and a transfer fee in the amount of \$14,400 boathouse # 90 for a
3. The FEMA Update was presented by Mr. Tureaud. Bids for the redevelopment of the Harbor were opened by the City's Bureau of Purchasing on Tuesday, October 3rd and four bids were submitted. The two (2) lowest bidder base bids were submitted by BLD Services, LLC (\$21.15 million) and TKTMJ, Inc (\$21.3 million). Post bid document submissions from the 2 low bidders were due on Friday (10/6). A letter of intent to award the bid has been issued to the low bidder by the Bureau of Purchasing.
4. The September Financial Report was presented by Mr. Smith. MYHMC has total assets at the end of September of \$3,536,000 of which \$3,528,000 is current and the bulk of that is \$3,386,000 in the form of cash at JPMorgan Chase Bank. On the liability side, MYHMC has a total of \$1,003,000 of which \$505,000 are long-term which are NOAA Revenue Bonds that are in deferment. These Bonds may not be resolved until the reconstruction of the Harbor has been completed and it is operational. Current liabilities total \$498,000 with the major items being accrued interest of \$288,000 on the NOAA Bonds and \$61,000 of unearned revenue on leases. On the equity side MYHMC has a total fund balance of \$2,533,000 of which \$1,444,000 is unrestricted net assets. For the month of September, total income was \$71,000 with operating expenses of \$56,000 yielding net operating

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October 10, 2017

income of \$15,000. Net other expense was (\$3,000) which is the monthly accrual on the bonds which resulted in net income of \$12,000 for the month. For the year-to-date through the end of September, total revenues were \$563,000 and total expenses were \$539,000 which resulted in net ordinary income of \$24,000. Net other income totaled (\$30,000) such that the total net loss was (\$7,000) for the year-to-date.

5. The Economic Redevelopment Committee Report. Mr. Rodgers had nothing to report at this time.

Mr. Tureaud said that the Orleans Levee Board (OLD) is planning to proceed with the West Roadway street repairs when the Army Corps of Engineers is finished using the parking lot as a construction staging area. Mr. Tureaud asked Mr. Rodgers if we can look forward to hearing something in the near future of what possible plans might be for commercial uses of the parking lot area. Mr. Rodgers said he does not know exactly where it stands between the Regional Planning Commission (RPC), the City, and Jefferson Parish but he will look into the status. Mr. Casey said that MYHMC is currently waiting to hear from the RPC with respect to meetings they will be having with the City (which will include Councilmember Guidry and MYHMC) and Jefferson Parish as a result of the RPC's West End Feasibility Study. Mr. Tureaud said that MYHMC would like to see some ideas come forth, and would like to be more proactive in getting the various issues (such as taxes) between the City and Jefferson resolved so that the process can proceed.

6. Executive Director's Report was presented by Mr. Casey. There were two topics: 1.) The Status Conference that was scheduled with the Judge for Thursday, June 22nd was postponed due to Tropical Storm Cindy, and it is in the process of being rescheduled; and 2.) MYHMC staff is continuing to work with JP Morgan Chase Bank to accept credit card and ACH payments.

Other Comments and Issues from the Public:

There was a question about people using their boathouses through the Air B&B website. Mr. Tureaud said he believes that the boathouse lease addresses long-term rentals, but Air B&B may be something different and the lease will need to be reviewed. He further stated that Air B&B is legal provided that the City's regulations are followed.

There was a question about the status of the houseboat. Mr. Tureaud said that the houseboat is still moored adjacent to boathouse #3. Mr. Casey said that MYHMC is currently working with the City's Attorney Office relative to the boathouse lease and the Boathouse and Harbor Rules and Regulations. Mr. Cuccia said that it might take the City Attorney's Office a long time to get this issue resolved. He suggested that the Board should consider hiring outside counsel. Mr. Tureaud said that this may not be just a civil matter, and MYHMC has to go through the City Attorney's Office. Between now and the

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of October 10, 2017

next Board Meeting, will continue to work with the City Attorney's Office. Mr. Tureaud asked that this issue be an agenda item for the next meeting. He said whoever MYHMC gets to assist (whether it's the City Attorney or outside counsel), there is no "tow truck" service to remove the houseboat since the Corporation does not have ownership of the vessel. There are a number of legal questions that need to be answered.

There were two additional questions from Mr. See about figuring out a way to move abandoned boats to free up the harbor. The first question was "Can the houseboat be declared an abandoned boat?" Mr. Tureaud answered "No, because he believes the situation does not fit the criteria of the State Statute." The second question was "If it is moored improperly, does it violate MYHMC's standards?" Mr. Tureaud answered, "Yes."

Adjournment:

On a motion by Ashlyn Graves and seconded by Ric Smith, the meeting was adjourned at approximately 7:50pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, November 14, 2017 at 6:30 p.m. at the Lake Vista Community Center.