

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

November 15, 2016

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 Ric Smith.

Board of Directors Present:

Reginald Smith
Warner Tureaud
Thomas Forbes
Ashlyn Graves
David Halpern
Douglass Lightfoot
Howard Rodgers

Board of Directors Absent:

Alva See
Connie Uddo

A quorum was present.

There were no amendments to the agenda.

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

On a motion by Thomas Forbes, seconded by Ashlyn Graves, and unanimously carried, the minutes from the regular meeting of October 11, 2016 were approved.

Action Items:

Mr. Casey reported that Mr. Steven Finegan has served as the review architect for MYHMC's Rules and Standards Committee since 2010. It is anticipated that the remaining available funds in his current contract will probably be used by early next year. Mr. Finegan is willing to renew his contract at the same hourly rate (\$150 an hour) which is the same rate he contracted for in 2010. He reviews the boathouse plans for the Rules and Standards Committee. The proposed resolution is to authorize MYHMC to enter into a new Professional Services Contract with Mr. Finegan for \$15,000 at the billing rate of \$150.00 per hour. Mr. Tureaud said that Mr. Finegan has been a valuable asset to MYHMC and to the Boathouse Owners' Association due to the fact that all of the boathouse plans that are submitted have to be reviewed for compliance with the City Ordinance as well as MYHMC's Design Criteria. Mr. Rodgers had a question if the contract amount was within MYHMC's Budget. Mr. Tureaud said that since MYHMC instituted a Rules and Standards Committee, there has always been a need to utilize the services of a licensed Architect and MYHMC has included those costs in its annual Operating Budget. Although from time to time Architects and Attorneys have served on the Board of Directors, they are precluded from providing professional services to MYHMC.

On a motion by Ric Smith, seconded by Howard Rodgers, and unanimously carried, the resolution "Authorizing the Execution of a Professional Services Contract with Steven J. Finegan Architect, LTD A Professional Corporation" was approved.

Information and Discussion Items:

1. The October Financial Report was presented by Mr. Smith. As of October 31st, MYHMC has total assets of \$3,563,000 of which \$3,555,000 are current assets and \$3,433,000 is cash in three accounts at Capital One Bank. On the liability side, MYHMC has total liabilities of \$1,022,000 of which \$517,000 is current liabilities which is primarily unearned revenue of prepaid leases of \$133,000 and the accrued interest of \$247,000 on the NOAA bonds. The long-term liability of \$505,000 is the balance on the NOAA Bonds that are presently in deferment. That leaves MYHMC with a total fund balance of \$2,540,000 of which \$1,422,000 is unrestricted. For the month of October, gross income was \$53,000 and expenses were \$58,000 such that ordinary income resulted in a loss of (\$5,000). There was an additional (\$3,000) in net other income (monthly interest accrual on the NOAA Bonds) such that net income for October was a loss of (\$8,000). For the year-to-date through the end of October, total operating income was \$628,000 with operating expenses of \$574,00 which amounts to net ordinary income of \$55,000.

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Net other income was an expense of (\$32,000) such that the total year-to-date net income was \$23,000.

2. Presentation of the Proposed Redevelopment of the Municipal Yacht Harbor by the City of New OrleansøCapital Projects Administration and Moffatt and Nichol.

Mr. Tureaud recapped the history of the Cityø Municipal Yacht Harbor FEMA Claim and what it has taken in order to resolve the Claim. The Harbor was destroyed as a result of Hurricane Katrina in 2005 such that MYHMC was displaced and had to be reorganized. MYHMC entered into a new long-term lease with the City in 2006 for all of the Cityø assets in the West End Area. This new lease required that MYHMC be responsible for the management of the Cityø assets (Municipal Yacht Harbor, Boathouse ground leases, Boat Launch and Fishing Pier, Parks and green spaces, etc.) without any funding provided by the City from its Annual Operating Budget. MYHMC has had to find a way to manage the assets and to sustain itself over a long period of time with self-generated limited revenue as a result of the substantial damage to the Harbor. The City certainly had its hands full with various issues during the aftermath of Katrina. The Mayor, after a request from Councilmember Guidry, invited MYHMC to participate with the City in the negotiations with FEMA with respect to the various Claims in the West End Area. Prior to that point in time, the City was negotiating the settlement for the Harbor with FEMA along with numerous other Claims for public facilities throughout the City. The Mayor along with the Capital Projects Administration developed a plan for the City to attempt to receive a realistically valued settlement to either restore or rebuild the Harbor. The City received an initial award of \$2 million from FEMA which was not enough to perform even minor repairs. More negotiations with FEMA resulted in a second offer of \$4.5 million. The Board of Directors of MYHMC voted to assist the City by paying to employ a team of experts to prove that the damage sustained at the Harbor was in fact a result of Hurricane Katrina. Reports prepared by professionals were not initially accepted by FEMA, but they finally valued the Claim at \$10 million and offered this amount as a settlement to the City. There were many people who asked the City and the MYHMC Board why not accept the \$10 million award and try to rebuild the Harbor. MYHMC conducted studies, took field trips, went to several Gulf Coast areas where marinas had been decimated, and was informed the average replacement cost of a similar size marina ranged from \$30 to \$40 million. The City and MYHMC could not do substantial repairs with \$10 million. The cost of the infrastructure was well over \$10 million, so the City and the Board decided to continue to pursue the Claim, and was later joined by the Governorø Office of Homeland Security (GOHSEP) who was willing to assist by paying for an independent study with respect to the valuation of the damages. With respect to FEMA Claims, the State is the primary claimant and the City is secondary, and MYHMC is subservient to the City since they are the actual claimants. As per the lease with the City, MYHMC manages the Cityø assets and the City is primarily responsible for the management of the funds that it receives from FEMA. So when the State got involved they hired a firm to perform an independent study that ultimately concurred with the previously funded studies by the City and MYHMC, which resulted in FEMA coming back to the negotiating table and offering the current settlement to the City. Initially, FEMA was not in agreement to fund a new Harbor and considered it to be a repair project.

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Mr. Tureaud introduced Mr. Vince Smith who is the Director of the Capital Projects Administration (CPA) for the City of New Orleans. Mr. Smith stated that although it has taken a long time, and the City has concluded its negotiation with FEMA for a settlement of approximately \$24 million for the soft and hard costs to rebuild the Harbor which is substantially more than FEMA's \$10 million offer. He introduced the Moffatt and Nichol (M&N) design team headed up by Mr. Chris Williams who is the lead engineer for Moffatt and Nichol. Mr. Williams stated that M&N is currently at the schematic design phase which is the concept level prior to the start of the preliminary design. He anticipates that the plans will be completed and approved by the middle of next year. The Municipal Yacht Harbor (MYH) currently has approximately 140 useable slips as a result of the damage caused by Hurricane Katrina. The new improvements to the Harbor are being designed as a concrete floating dock system and the project scope will be highlighted by 7 points. The existing concrete docks will be removed and will be replaced by a floating dock system, new East and West Harbor entrances will be constructed which will include a new restroom facility on the East side, the Eastern timber bulkhead will be replaced, and the pump out dock will be rehabilitated. The first scope of work is to remove the existing docks. There are 140 tenants that reside within the West side of the Harbor, so we have to look at what side to demolish and reconstruct first. Since the East side has fewer usable slips, it is more functional to demolish it and to rebuild it first such that tenants will be able to be relocated to the East side when the West side is rebuilt. The new East entry is planned to be to the South of the Southern Yacht Club, and the new West Harbor entry is planned to be located to the East of the Administration Building adjacent to the existing live oak tree entry such that it will align with the sidewalk to the fountain that is in the park. The project scope of the Harbor Master Plan shows the complete build out of 235 slips on the West and 257 slips on the East for a total of 492 slips. A lot of work has gone into the process, and the Marina Market Feasibility Study performed by Moffatt and Nichol is posted on MYHMC's website.

For the study, M&N took into account feedback from various groups in the West End Area such as New Orleans Yacht Club, Southern Yacht Club, slip tenants, boathouse owners, the New Orleans Power Squadron, boat brokers and boat repair firms, along with Friends of West End and the Community Sailing Center. These groups were interviewed and their feedback was taken into consideration. This evening's presentation will be available on MYHMC's website as well. The Master Plan shows drawings of the proposed complete build out of the harbor. The main North/South piers are 12 feet wide and the East/West piers will be 8 feet wide. The finger piers vary in size depending upon the size of the slips. There are 70 foot slips, 60's, 50's, and 40's all the way to down to 30's and below. We basically have similar size slips on both the East and West sides of the Harbor. Every two slips will share one electrical pedestal and every slip will have its own dock box. On the slide, you can see that there are tall piles that anchor the floating dock system along with fire protection and life safety items. The next slide is based on where the project stands today such that the areas in red show the slips that are projected to be constructed initially. There are 185 slips on the West side which is roughly 79% of the west slips that are projected in the Master Plan that will ultimately be constructed, and there are 188 slips on the East side which is roughly 73% of the total East slips. We are currently holding a substantial contingency, and as we advance to design phase we will

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have a better feel for the status of the contingency. Right now we are keeping it as is, and after January we will have a better feel for what will be able to be constructed initially.

The next feature is the West Harbor entrance and this slide gives you an idea of its proposed location on North Roadway aligned with the fountain in the Park. Our plan is to have a distinctive entrance along with an area where people can drop off supplies, and have access to the West side of the Harbor. There will be a 30 by 10 foot platform that allows you to go through an arch entry with bike racks and an enclosed dumpster off to the side. For security, each entry will have its own security gate to provide limited access. The security gate on the West side will be tucked behind the column so that when you look through the arch you can see out into the marina. We modeled this off of the Armstrong Park entry. We are going before the City Planning Commission's Design Advisory Committee tomorrow and we have a couple of options to discuss. This slide shows the architectural elements that we are going to incorporate into the project. The metal will be powder coated with a silver metallic finish. The logo will be aluminum and powder coated. The East Harbor entry shows the location along with the existing conditions and the proposed construction. The new bulkhead is going to be installed and extended slightly into the Harbor for a 6 foot sidewalk and railing to be constructed that will allow pedestrian access from SYC and the parking lot. There is a rendering of the new restroom facility that will have secured access for the slip tenants and the structure will be ADA compliant with an elevator. Maintenance dredging of the plan is to dredge the harbor such that the entrance channel is going to be dredged down to a minus 10 elevation and the area to the left (West) will be dredged to a minus 9 elevation. The material is proposed to be placed and spread in Breakwater Park. Our calculations show that the elevation of the area will increase by one and a half feet. The increase in the elevation of the land in the Park will provide additional protection to the boathouse owners. The last point with respect to the material to be dredged is that it has been tested twice. It was tested right after Katrina and in 2009, and in both cases it was determined to be beneficial dredge material such that it is acceptable to be disposed of as we are proposing. The pump out dock will remain a fixed dock and this will serve as a pump out for the vessels.

Scheduling & Budget of we anticipate that preliminary engineering will be completed in January and final engineered plans and specs will be delivered to Capital Projects by the end of April. Once the City goes through the bidding process, our plan is to start construction in August of 2017 and we are currently projecting a 12 month construction time period. The number \$24 million was previously mentioned and the project is broken out as follows: \$2 million for engineering design, various testing, Geotech, and all that goes into designing the project and \$22 million for construction.

Mr. Williams introduced Kevin Hannigan with Moffatt and Nichol, who has performed the technical engineering modeling and he will discuss the environmental conditions, along with Jessica McIntyre who is the lead designer on the project. Kevin explained the modeling to show the environmental design conditions for the redesign of the Harbor. The concept of a floating dock system is that it will be more resilient to extreme surges. Our design considers the impact of extreme surges, waves, and wind in the harbor. Because the dock floats and it is attached to guide piles, it will rise and fall with surges, so the docks

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are not submerged during high water events. The boats will stay at the same level as the dock and they continue to be moored to the dock during extreme surge events. This slide shows a schematic of how we obtain to the design height of the guide piles. We took the FEMA flood elevation, which is at plus 17 feet and we incorporated a conservative sea level estimate projected over the next 50 years. We have included additional free board and clearance which results in a projected top of pile elevation of 22 feet above sea level. For context, the best sources we could find was the maximum water surface elevation of the Lake during Hurricane Katrina was 11.5 feet at MYH, so we are sufficiently above that height. The docks even with the extreme surge will float up and stay attached to the guide piles so that the docks will stay in place. Some of the data sources use past surveys such as tide and wind gauge information. We have 11 years of water level records right there at the NOAA reporting station and the wind gauge at the Lake Front airport goes back 20 years. It is representative of the winds that blow over the lake that generate waves. There is robust analysis and high water marks from FEMA. The sea level rise incorporates a global rate of sea level rise which incorporates acceleration of that rate and incorporates a local land subsidence value that we took from some of the levee work along the west shore of Lake Pontchartrain. We get several curves from different acceleration scenarios. We used the intermediate projection curve that results in 2 feet of sea level rise after 50 years, but we also looked at the high level scenario which is 3.4 feet and analyzed the cost implications of that sea level rise. Operationally, we developed in house the regional modeling with a grid in Lake Pontchartrain and detail around MYH and the different colors show the bottom elevations of the lake. There were extreme surges as part of the Army Corps of Engineers study, and they ran a sweep of hurricanes which accounted for future conditions of higher sea levels and they used statistical methods to determine the 100 year return period surge and wave conditions at points all around metro New Orleans. We have a point directly offshore where we have 1% annual chance of surge level and wave heights that feed into our analysis. We used sources from bottom elevations to get a grid, and we measured wind and water levels. The model uses the wind to generate waves, and we get a tide series of waves offshore of the MYH. We can run statistical analysis to determine various return period levels from one to ten year periods. The right panel shows an example output for particular wind conditions of 40 knots. Out in the middle of the lake, we get 4.5 feet above the tide level for extreme wind. We needed to use another model to transfer the waves into the harbor. We took our operational wave conditions and fed them into this model. We also took the extreme wave condition by the Army Corps of Engineers for the history study. He showed example results with water surface in real time that propagates into the harbor. Reflection off the Lake Pontchartrain sea wall is very important and you get angled waves coming in that reflect off and go straight into the harbor entrance. You get choppy conditions as the reflective waves interact with the waves coming in, and that is how we get waves in the harbor. When there is an extreme surge, the breakwater is going to be submerged, and the boathouses could be in various states where break way walls can be gone. Water depths are going to be pretty small over the break water, so most of the larger waves are going to be knocked down. Right now, we have all the wave energy penetrating through the entrance, and we are still evaluating several scenarios. The color scale shows how the wave heights above the Lake elevation within the harbor vary. We see 3.8 feet near the entrance ranging to 2.5 feet by the pump out dock. To conclude, the major advantage of the floating dock is that it is that

is not inundated during extreme surge events. The pile height accommodates an extreme surge plus an added degree of allowance for future conditions and utilized the available tools we have to model waves.

Kevin turned it back to Chris, and he said this is one of the last renderings we made showing how the harbor looks at dusk with the pedestals lit up.

Mr. Tureaud introduced Councilwoman Susan Guidry and he stated that she was instrumental in getting MYHMC involved with the City's FEMA Claim process, and this was handled on a State and City level. MYHMC is one of the few Public Benefit Corporations that were allowed to participate and lend their level of expertise. Ms. Guidry said that this Board had the expertise when she walked into office in 2010 and she saw that so much work was being done involving this Board. She thanked Vince Smith and his team as well as everyone for their patience while the Claim was being resolved.

Other Comments and Issues from the Public:

There was a question for Chris concerning pilings being able to take a tidal surge of over 22 feet. The answer was that the FEMA elevation for this area is about 17 feet, so it's based on this 17 foot level. The sea walls are 4 feet. That elevation is surge plus waves, plus actual wave run up when the wave breaks. So if the floats over the levee, the entire City will be flooded.

Another question was about putting bathrooms on the east side. There is a separate claim for the Administration Building for the restrooms that will be completed on the first floor under NOYC. CPA is in the process of doing an inventory of what was done and what is left to be done for the construction of the building

There was a question about how much space is between the West side and East side. There is 140 feet projected between the West side and the East side ó current width is approximately 150ø

There was a question about a separate claim for Breakwater Drive for damages. CPA and DPW are currently working on this issue.

Kerry Cuccia had some concerns about the proposal to dispose the dredged material by spreading it over the land in Breakwater Park.

Rick Sinclair ó Pile driving and impact on boathouses and the ability to co-insure boathouses and boathouse owners. Request for larger fairways (North/South) and (East/West)

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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, December 13, 2016 at 6:30 p.m. at the Lake Vista Community Center.