

**MINUTES OF THE
LAKEFRONT MANAGEMENT AUTHORITY
SPECIAL MARINA COMMITTEE MEETING MINUTES
THURSDAY, FEBRUARY 28, 2023 at 4:30 PM**

PRESENT:

Commissioner Esmond Carr
Commissioner Stanley Brien
Commissioner Michelle White

ABSENT:

Chair Dawn Hebert
Vice-Chair Renee Lapeyroterie
Commissioner Sandra Thomas

STAFF:

Louis Capo – Executive Director
Vanessa McKee – Executive Assistant/Board Secretary
Adam Gulino– Director of Engineering and Operations
Bruce Cain – Harbor Master

ALSO

PRESENT:

Al Pappalardo – PCI
Helaine Millner – LMA Marina Employee
Thomas Long – TLCC
John Moritz
Anil Raj – SSH CBS
Ron Vinisin – SSH CBS
Karl Hudson – Orleans Marina Tenant
Holly Radke – SSH CBS Tenant
Ray Blancher – SSH CBS Tenant
Rick Renfroe – SSH CBS Tenant

The Special Marina Committee Meeting of the Lakefront Management Authority was held on Thursday, February 28, 2023, at the Lakefront Airport Terminal Building, 2nd Floor Conference Center, 6001 Stars and Stripes Blvd., New Orleans, Louisiana 70126, after due legal notice of the meeting was sent to each Board member and the news media and posted.

I. Call to Order

In the absence of Chair Hebert and Vice-Chair Lapeyrolerie, Commissioner Carr called the meeting to order at 4:32.

II. Pledge of Allegiance

Acting Chair Carr led in the Pledge of Allegiance.

III. Roll Call

Executive Director Louis Capo called the roll, (3) members were present and a quorum was established.

IV. Opening Comments –

Acting Chair Carr *had no opening comments and called a motion to adopt the agenda.*

V. Motion to Adopt Agenda

A motion was offered by **Commissioner Brien**; seconded by **Commissioner White**.

Acting Chair Carr called for questions and comments. Hearing none, called for a vote. **All were in favor. The motion passed unanimously.**

VI. Public Comments

Holly Radtke, SSH CBS tenant, asked to reserve her comments for a later agenda item.

Carl Hudson, Orleans Marina tenant, commented that the contractor who cleans the bathrooms and the parking lot at Orleans Marina. He reported that the parking lot is not being cleaned.

Mr. Capo stated that he wasn't aware that the same company that cleans the bathroom also cleans the parking lot. His understanding was that EDS was picking up trash. He said he would have to verify who is responsible for cleaning the parking lot.

Rick Renfro, SSH CBS tenant, reserved his time for a later item on the agenda.

Ray Blancher, SSH CBS tenant, reserved his time for a later item on the agenda.

VII. New Business

- 1. Motion to recommend approval of rent relief for the Covered Boat Slips Leases in South Shore Harbor Marina due to the Louisiana State Fire Marshal's Cease and Desist Order.**

A motion was offered by Commissioner Brien; seconded by Commissioner White.

Acting Chair Carr called for questions and comments.

Mr. Capo briefed the committee on the details of the State Fire Marshal's Cease and Desist order to date.

- June 2022, was the first visit by The State Fire Marshal who issued a Cease and Desist Order which allowed the tenants to continue to use, live and sleep on their boats. However, living and sleeping was not allowed in the apartment.
- September 2022, the second visit by the State Fire Marshal who issued another Cease and Desist Order which shut down the building. It did not allow anyone to enter the building unless there was a scheduled fire watch to grant tenants limited access into the building and onto their boats.

We are looking to provide rent relief for the covered boat slips only. There are (4) categories for tenants at SSH Marina.

- (1) Long-term pre-paid tenant that has the condo
- (6) Long-term pre-paid tenants
- (4-5) Liveaboards with annual leases
- Annual Lease Tenants (Non-Liveaboard)

Mr. Capo referenced the Be it Resolved section of the resolution Sections A-F to detail the terms of the rent abatement for each category of tenants:

THEREFORE, BE IT HEREBY RESOLVED, that the Lakefront Management Authority hereby approves rent relief for the Covered Boat Slip Tenants as follows:

- A. To extend the term of Covered Boat Slip # 12 long-term, pre-paid lease which includes a built-out condo unit from the point of the SFM Cease and Desist order in June 2022 until the Cease and Desist order is lifted and the tenant can fully use the condo unit;
- B. To extend the term of six (6) long-term, pre-paid Covered Boat Slip leases; for a period of six (6) months;
- C. To provide a rent abatement for nineteen (19) annual tenants of the Covered Boat Slip Tenants for the period September 1, 2022 – November 30, 2022, due to the Cease and Desist Order by the SFM thus not allowing access to the Covered Boat Slip Building;
- D. The nineteen (19) annual tenants of the Covered Boat Slip will pay \$643.33 for the period of December 1, 2022 – December 31, 2022;
- E. To reduce the quarterly rent for the four (4) liveaboard tenants, unless subject to a long-term, prepaid lease, from the contracted \$1,930.00 to the lesser of ½ of the quarterly contracted rate that equates to \$965.00 or the rate of the open slip rate for each quarter until the full use and occupancy of the Covered Boat Slip Building is restored; and
- F. To reduce the quarterly rent for the nineteen (19) tenants, unless subject to a long-term, prepaid lease, from the contracted \$1,930.00 to 75% of the contracted rate or \$1,447.50 for each quarter until the

Mrs. Radtke asked for clarification on why would the CBS be charged the CBS rate when they all moved their boats to the uncovered slips on September 16th.

She also asked why not start the abatement from October thru December which seems easier on paper.

Mr. Capo stated that he would have to make an adjustment to charge the lesser outside rate from the September 16th date.

Mr. Capo stated that it could be done, but he was not aware that tenants would agree to that.

Mr. Capo added that LMA must be cautious not to give a thing of value away. Also, the liveboards are a unique situation.

Acting Chair Carr stated for clarification, from September 16th, until the cease is completely lifted, the tenants will pay the lesser rent which sounds fair.

Mr. Ray Blancher asked about the credit for their September payment.

Acting Chair Carr stated that there has been no adjustment for the liveboard's September rent payment.

Mr. Capo explained that it was taken for the quarterly covered slip rent at that time.

Acting Chair Carr stated that we're discussing modifying the resolution to apply a credit to the liveboards who moved to the outside which is item **E**.

Mrs. Radtke commented on her responsibilities as a landlord in her state. She stated if something happens to her property, be it an act of God, or negligence, she would be responsible for housing her tenants and all of their expenses until they could return to the property they signed a lease for.

Acting Chair Carr asked if the tenant would be responsible to continue to pay their rent.

Mrs. Radtke replied that in her home state, tenants do not continue to pay rent when their home is rendered uninhabitable through no fault of their own.

Commissioner White stated that is not by law in Louisiana.

Mr. Capo stated that would be the reason for the rent abatement that we are giving

Acting Chair Carr asked, for clarity, if Mrs. Radtke was asking for rent abatement in addition to what is being discussed here.

Mrs. Radtke continued to express her indignation by alluding to the fact that the LMA cannot give a thing of value away for free citing that the tenants had to move through no fault of their own. She added that they have spent thousands of dollars in moving and storage expenses, and utilities have increased because we had to move to uncovered slips.

Commissioner White explained that the prohibition that Mr. Capo speaks of restricts public donations. We must demonstrate, it is not an issue of fairness, under the law that we did not provide a thing of value without receiving value for it. That could be documented by proposing equitable concerns as opposed to dollars. That consideration would also have to stand up to scrutiny.

Acting Chair Carr and Commissioner White discussed her opinion on additional rent relief to offset the cost incurred by the tenants related to moving and storage expenses.

Commissioner White stated that it could assist, on a case-by-case basis, in building a supportable case that would depend on several factors, including when they moved to the open slips and what access they had.

She stated that we would consult with the staff attorneys.

The concern at the end of the day would be a supportable case so that the entity would not be accused of giving something of value away by the LLA or another member of the public.

Acting Chair Carr offered that this is a conversation that should be had with our legal staff and the Legal Committee.

Anil Raj, SSH CBS tenant commented that he has been deprived of the enjoyment of this boat with his family. He asked that the LMA please keep in perspective that the tenants did not cause the issues that brought on the Fire Marshal's cease and desist.

Commissioner White stated that was fair and also the exact information that would be addressed in a case-by-case analysis. Whether it's loss of access or loss of enjoyment, a value could be agreed upon by this board to say that's fair compensation for the asset that is owned by the entity.

Mrs. Radtke asked if additional relief could be discussed in the next Legal Committee meeting and Board meeting explaining that many people have spent a great deal of money in this process and is still triggered by the phrase 'something of value for free'.

Mr. Capo explained that the 'item of value is the slip. Excluding the liveboards, the tenants who still have access to their boats also have access to that lease property.

Mrs. Radtke advocated that some tenants may only visit their boats once a month but are others who live closer by and would spend weekends on the boat with their families. Now they can't access their boats because of the cease and desist which doesn't allow for overnight stays.

Acting Chair Carr acknowledged Mrs. Radtke's comments and stated that we should agree to what the rent abatement looks like by having each tenant work with staff and legal. He added that the Marina committee would not be the proper body to negotiate or agree to accept additional relief terms of this nature.

Mr. Capo stated that he wanted to make this a fair and equitable offer to the tenants as possible but expressed extreme concern over compensation for expenses incurred from clearing a discrepancy noted in the Fire Marshal's report.

Mr. Blancher stated the tenants were given permission to build those structures by people in this group.

Mr. Capo did not agree with Mr. Blancher's statement.

Acting Chair Carr stated that each case would be a different cost base, but should at least be reviewed by staff.

Mrs. Radtke talked about the true reason for the cease and desist which is the sprinkler system.

Acting Chair Carr asked to table this discussion until item number 2 in greater detail.

Mr. Blancher asked again for clarity if the tenants were getting (1) month of credit.

- What rent would be paid on slip #8?
- Would continue to pay through GOPARK to pay?
- Is GOPARK aware of this?

Mr. Capo responded to Mr. Blancher's questions

- He would receive (3) months of credit from September 1st through November 30th, for a total of \$1930.
- You would pay the rate for that slip minus the credit.
- Mr. Capo confirmed that payment would be made through GOPARK.
- GOPARK is not aware yet. The resolution must be approved by the full board today at the 5:30 pm meeting. After which we would inform GOPARK of the names and boat slip numbers of the rent abatement changes.

Rick Renfroe CBS #5, expressed his ongoing struggles since the cease and desist order. He nor his wife have been able to see or use his boat in over (4) months. He would have to travel 1100 miles to get to his boat just to have to stay in a hotel. His wife continues to incur unnecessary hotel expenses because she cannot sleep on the boat after work. My family and the rest of the tenants are broken.

Acting Chair Carr asked if the Legal Committee could discuss compensation other than rent abatement.

Commissioner White stated that Legal Committee can and suggested that this should also be a conversation for the Finance Committee as well in terms of what's available to offer.

Acting Chair Carr stated that while this committee is not the proper body to address this issue, there are other committees to navigate the legalities of the tenants' concerns.

Mr. Capo suggested that we work to apply the same relief across the board. It will be very difficult to address and analyze 20 different cases.

Mr. Renfroe refuted Mr. Capo's suggestion citing that some tenants incurred more expenses than others therefore he believed it should go to the harder end of the spectrum otherwise it would not be fair.

Commissioner White suggested creating categories of relief based on the categories of damages to avoid individual case assessments. She also suggested that the staff attorneys analyze the parameters of what would be available.

Mr. Capo agreed to have legal staff opine on the parameters, bring the results to Legal and Finance committees, and then to the board. M

Mr. Capo proposed that staff meet with the tenants to reach a consensus that we could bring to the Legal and finance committees in March. Hopefully, we will have something prepared for the Board for adoption. LMA's position is to be fair to the tenants.

Mrs. Radtke referenced a previous meeting with Chair Richard and staff, where she recalled that it was Mr. Richard's idea that the tenants would have input in the new lease before anything was voted on. Essentially, the details will remain the same with a few inclusions.

Mr. Capo stated that he was authorized to distribute the draft lease to the tenants once it was available. Mr. Capo agreed that there are some unique inclusions to add for the covered boat slips.

Acting Chair Carr asked if there would be a modification to item E to include a credit for the liveboards.

Mr. Capo asked if we would move forward with the resolution once the modification was added.

He also stated that there will be no rent increase for the tenants until 2024.

We have also proposed that the rent for the first quarter of the year would be 75% for the tenants who remain at the covered boat slips. The rental

rate amount would be \$1447.50 beginning in January until the sprinkler system is installed and the cease and desist order is lifted.

Mr. Capo stated that we had the pre-construction meeting and are waiting for the timetable from the contractor and will update the tenants with this information as there will be times when the boats will need to be shifted. **Commissioner White** and staff worked on the wording and concluded that the first step would be to modify the resolution to include verbiage about the varying time that some tenants moved.

Acting Chair Carr asked for a motion to modify the resolution to include an additional provision in section E that states 'dating back to the first day of the month in which the relocation occurred'

The motion was offered by Commissioner Ccarr; seconded by Commissioner White

Acting Chair Carr called for questions and comments. Hearing none, called for a vote. **All were in favor. The motion passed unanimously.**

E. To reduce the quarterly rent for the four (4) liveaboard tenants, unless subject to a long-term, prepaid lease, from the contracted \$1,930.00 to the lesser of ½ of the quarterly contracted rate that equates to \$965.00 or the rate of the open slip rate **dating back to the first day of the month in which the relocation occurred** for each quarter until the full use and occupancy of the Covered Boat Slip Building is restored; and

Acting Chair Carr offered a motion to adopt the resolution as amended. The motion was seconded by Commissioner Brien.

Acting Chair Carr called for questions and comments. Hearing none; called for a vote. **All were in favor. The motion passed unanimously**

Mr. Capo asked Mrs. McKee to amend the draft and make copies for distribution to the board members at the 5:30 board meeting.

2. Discussion of the proposed, updated annual lease for the South Shore Harbor Open and Covered Boat Slips.

Mr. Capo stated that the leases will be on the Marina Committee agenda in March. However, the leases will be distributed as early as next week.

Mr. Blancher asked if this would be a final lease or would the tenants have a chance to comment on it.

Acting Chair Carr responded that it will be a draft lease that will be on the Marina Committee's agenda for discussion. There will be a week between the marina committee and the board meeting to address any changes.

Commissioner White asked Mr. Capo to confirm the dates of the Legal and Finance committees.

Mr. Capo stated Thursday, March 16th. The Legal Committee is 2:30 and Finance Committee is 4:30 PM.

Acting Chair Carr announced the next Marina Committee meeting and called for adjournment.

Announcement of the next Marina Committee Meeting

- **Tuesday, March 14, 2023, at 3:30 PM**

VIII. Adjourn

A motion to adjourn was ordered by Commissioner Carr; seconded by Commissioner White at 5:20 PM.