

**LAKEFRONT MANAGEMENT AUTHORITY
COMMERCIAL REAL ESTATE COMMITTEE MINUTES
Thursday, March 16, 2023 – 3:30 P.M.**

Lakefront Airport Terminal Building, 2nd Floor Conference Center
6001 Stars and Stripes Blvd., New Orleans, LA 70126

PRESENT: Commissioner Howard Rodgers III – Chair
Commissioner Adonis Expose
Commissioner Monika Gerhard
Commissioner Wilma Heaton
Chair Anthony Richard

ABSENT: Commissioner Esmond Carr

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Adam Gulino – Director of Operations and Engineering
Kristen Clinard, LMA Finance
Margie Brown, LMA Finance
Cindy Grace, LMA Finance
Eli Ivory, LMA IT Support

ALSO

PRESENT: Gerry Metzger – LMA Counsel
Jeff Dye – LMA Counsel
Al Pappalardo – Real Estate Consultant
Mark Vaughn- Real Estate Agent, Latter & Blum
Joe Nelson
Joseph Bruno- Owner, BH-N5
Karen Coaxum- Coaxum Enterprises
Henry Coaxum- Coaxum Enterprises
Edward Drury
Ray Landeche
R. Bourg- Owner
Vincent Sylvain- Coaxum Enterprises
Betty Sun

The Commercial Real Estate Committee of the Lakefront Management Authority on
Thursday, March 16, 2023, at 3:30 PM at 6001 Stars and Stripes Blvd., New Orleans,
LA 70126.

I. Call to Order

The meeting was called to order at 3:31 PM.

II. Pledge of Allegiance

Commissioner Heaton led in the Pledge of Allegiance.

III. Roll Call

Mr. Capo called the roll. (3) members were present. A quorum was established.

IV. Opening Comments – Chair Rodgers/Commissioners

Chair Rodgers had no opening comments and called for a motion to adopt the agenda.

Commissioner Monika Gerhart arrived at 3:34 PM.

V. Motion to Adopt Agenda

A motion was offered by Commissioner Heaton; seconded by Commissioner Exposé.

Commissioner Heaton motioned to amend the reading of agenda item #3 to state “Motion to recommend approval”.

The motion was seconded by Commissioner Exposé.

Chair Rodgers called for public comments. Hearing none, called for a vote. All were in favor. The motion passed.

VI. Director’s Report

Mr. Capo reported that the director's report includes the action items on the agenda.

VII. Public Comments

Joe Nelson requested to save comments for item #2.

VIII. New Business

- 1. Motion to recommend approval of a lease with Metro Studio, L.L.C. for Suites 6501 and 6511 in the Lake Vista Community Center, for a term of three years, commencing on March 1, 2023, for an annual rent of \$45,612.00, payable in monthly installments of \$3801.00, and under the standard terms and conditions for leases of suites in the Lake Vista Community Center.**

A motion was offered by Commissioner Heaton; seconded by Commissioner Exposé

Mr. Papalardo explained the terms of the lease stating that the tenant requested a 3-year lock-in rate at \$18 per square foot.

Commissioner Heaton added that the tenant has been at the property for a long period of time, and had taken the blighted property and made several improvements over time.

Chair Rodgers called for a vote. All were in favor. The motion passed.

- 2. Discussion of proposed lease amendments to extend the terms of the Orleans Marina Boat House Leases**

Mr. Capo has received numerous calls on the leases. He explained the current terms of the lease and proposed a mechanism that we could support for a lease extension.

Mr. Papalardo explained that the age of the boathouses was the primary concern. There are 45 active boathouse leases and the newest class located at N-11 thru N-39 would be 66 years old. To grant a 30-year lease extension would put the age at 96 years old. For the safety of the public, the boathouses, and the Marina we suggest crafting this lease amendment.

Mr. Adam Gulino agreed with Mr. Papalardo and recommended that a structural inspection would be performed to access what needs to be done to preserve the structures.

Chair Rodgers asked questions about when the inspections would be performed and what would be the outcome if a tenant does not get an inspection.

Mr. Gulino informed the committee that it would be incumbent upon the tenant to have inspections if they want the lease extension. Inspections would be performed in accordance with the standards of the ASC Manual of Marine Standards.

Mr. Papalardo responded that as a condition of the lease extension, a structural piling and foundation inspection must be performed as promulgated by the Director of Engineering who will issue a list of inspection regulations. If the inspections do not pass, the lessee must perform any improvements before the lease extension would be granted.

He also stated that the insurance, property tax, and legal provisions will be reviewed for language changes prior to granting the lease extension or transfer of the lease.

Mr. Dye added that the right to conduct an inspection is in the current lease. However, there is no triggering event. The 2016 resolution is seven years old and needs to be updated.

Commissioner Heaton and Mr. Papalardo discussed how far apart we are in negotiations with the tenants and what was recommended for the value of the 30-year extension.

Raleigh Bourg expressed that he and the other boathouse tenants would like to sit at the table with the negotiating team to discuss their lease options. He implored the committee to work with the tenants and the Roadway Association to negotiate a better lease.

Mr. Nelson agreed with Mr. Bourg. He wants a working group. He expressed his frustrations over transfer fees. He stated that many tenants have had pilings wrapped and encapsulated. He also said he is having issues with insurance carriers.

Chair Rodgers suggested the tenants gather their concerns to submit to Mr. Capo for a discussion meeting to come to a resolution. He also asked that an insurance representative be invited to talk about those concerns as well. Commercial Real Estate can revisit this subject once staff and the tenants have had a chance to meet.

Betty Sun agreed with Mr. Bourg and Mr. Nelson and expressed her concerns over the grass not being cut on S. Roadway.

Mr. Vaughn agreed with earlier stated issues and agreed to a working group to negotiate the lease.

3. Motion to approval the proposed improvements to Parcel-L

A motion was made by Commissioner Heaton; seconded by Commissioner Exposé.

Mr. Dye stated that Coaxum Enterprises submitted the vision for Exhibit 8 in the Parcel - L lease which was distributed by Mr. Capo last Thursday. The Coaxum's are present. Staff recommends the approval.

Chair Rodgers called for a vote. All were in favor. The motion passed.

Chair Rodgers also suggested that the fully executed lease be circulated to the full board.

4. Discussion on the LMA Fiscal Year 2024 Budget

Mr. Capo discussed the Fiscal Year 2024 budget for Commercial Real estate properties.

- New Basin Canal

- All water bottoms and ground leases
- Proposed to collect \$1,368,687
- Forecasting \$169,714 in expenses
- \$1,198,973 expected in revenue

- **Lake Vista Community Center**
 - o Tenant rental collections of \$332,469
 - o \$227,664 in expenditures
 - o Revenues over expenditures \$106,455
 - o \$140,000 will be budgeted for LVCC improvements for next year.

Chair Rodgers announced the next committee meeting and called for adjournment.

- IX. **Announcement of the next Commercial Real Estate Meeting**
 - 1) **Thursday, April 20, 2023 – 3:30 P.M.**

- X. **Adjourn at 4:48 PM**

A motion to adjourn was offered by Commissioner Heaton; seconded by Commissioner Exposé.