

**LAKEFRONT MANAGEMENT AUTHORITY
COMMERCIAL REAL ESTATE COMMITTEE AGENDA
THURSDAY, JULY 20, 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 Wilma Heaton (Arrived at 3:40 PM)

ABSENT: Commissioner Esmond Carr
Commissioner Monika Gerhart

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Adam Gulino – Director of Operations and Engineering
Kristen Klinard, LMA Finance

ALSO

PRESENT: Gerry Metzger – LMA Legal Counsel
Jeff Dye – LMA Legal Counsel
Al Pappalardo – Real Estate Consultant
Joe Nelson – Boat House Owner
Keosha Verrett - Owner, Kemistry Beauty/BloBlowDry Bar

The Commercial Real Estate Committee of the Lakefront Management Authority on Thursday, July 20, 2023, at 3:30 PM at 6001 Stars and Stripes Blvd., New Orleans, LA 70126.

- I. **Called to Order by Chair Rodgers at 3:33 PM**
- II. **Pledge of Allegiance by Chair Rodgers**
- III. **Roll Called. With (2) present there was NO Quorum.**
- IV. **Opening Comments** – Chair Rodgers

Chair Rodgers thanked all in attendance at the meeting.

V. Motion to Adopt Agenda

A motion was offered by Commissioner Expose and seconded by Commissioner Heaton. With no questions or comments, all were in favor. The motion passed.

VI. Motion to Approve Minutes

**1. Joint Recreation/Legal/Commercial Real Estate Committee
Public Forum on Ponchartrain Beach – Saturday, May 20,
2023**

A motion was offered by Commissioner Exposé and seconded by Commissioner Heaton. With no questions or comments, all were in favor. The motion passed.

VII. Public Comments - Limited to (2) Minutes

Joseph Nelson, boathouse #33 on South Roadway, discussed the various hardships of the new boathouse lease negotiations. He had questions about the receipt of notification and the timeframe of the inspection, the parameters, and the costs of the inspection.

Mr. Capo responded by stating that the LMA negotiation team met with the boathouse group to present information that they rejected. He said they received an allegation against LMA stating that there were +/- 40% abandoned or derelict boathouses. LMA pulled back on the talks with the boathouse group to investigate the allegations.

Mr. Capo added that LMA was working with an engineering firm to conduct the investigation to be paid for by LMA.

Chair Rodgers asked if this information was communicated with the boathouse tenants.

Mr. Capo responded that he sent an email to the boathouse tenants stating that the negotiations would be tabled pending the results of the investigation.

Chair Rodgers had questions and discussed the 44 active boathouse leases. He also asked how long the inspection would take.

Mr. Capo added that this was not a detailed inspection. It was an inspection to determine if the boathouses were derelict or abandoned.

Adam Gulino stated approximately 30 days to completion of the inspection.

Mr. Nelson appreciated the information he received at the meeting but continued to express concerns over their difficulty to

Chair Rodgers further discussed the time frame to receive and discuss the inspection report by the end of August

Mr. Metzger discussed the terms and value of the existing lease. He suggested that this committee receive a copy of the 'written' allegations and also the terms of the lease negotiations thus far.

Chair Rodgers addressed Mr. Nelson's concerns regarding the aged boathouses and the safety precautions for any future negotiations. He reiterated that the committee would wait for the findings of the inspection before proceeding.

Raleigh Bourg commented that the presented information was not intended to be an allegation it was intended to show the disrepair since Katrina. The intent was to try to explain that the terms of the lease would not allow the tenants to invest in their property.

Chair Rodgers added that he understood why the LMA tea was being cautious because of the litigious atmosphere we live in. Once certain allegations are made, they have a responsibility to investigate the allegations.

Mr. Capo read an excerpt from Mr. Bourg's allegation email stating "...our research concludes that +/- 40% of the boathouses that are either abandoned or in disrepair under the LMA leases are due to the disparity..." The LMA staff took that statement as staff are allowing boathouses to deteriorate. To protect the LMA, there will be an inspection of the property.

Chair Rodgers further discussed the inspection that the tenants had to perform and asked about the criteria for that inspection.

Adam Gulino described the ASCE cursory inspection criteria and that would have to be performed at the cost of the tenant which is part of the requirement for the lease extension.

Mr. Pappalardo added that the negotiations for the lease extension would resume prior to the committee and board voting on lease extensions. The consideration of the lease extension would be that they have a specific inspection to show that their specific boathouse is in good enough condition to extend their lease out 30 years beyond the 15 years they have. At that point, the boathouses would be 90 years old.

Mr. Bourg said that the tenants were having trouble finding someone who could perform the work locally.

Mr. Pappalardo said that staff would assist with finding a firm to do the work. He added that right now before a boathouse could be transferred the pilings must be inspected.

Mr. Metzger and Mr. Gulino added that there are multiple firms to the work.

Chair Rodgers discussed if these terms are in the original lease for a boathouse and resolution before or at the time of a lease.

Mr. Metzger confirmed that this is all spelled out in the resolution that before a transfer, there must be an inspection of the pilings, and they must repair them. If do not repair them they will have to put up a bond. These leases go back to 2000 and were put together by Mr. Pappalardo and him.

He also said that there was litigation for 7 years where the tenants disputed whether the property owner had the right to raise the rent.

We were told by The AG that it would be a violation of the Louisiana Constitution to give public property away if we did not get consideration commensurate with the value of the improvements of a ground lease extension.

This time we aren't asking for an increase in the rent or a payment, we simply need an inspection of the pilings to move forward.

Commissioner Heaton suggested that the same firm do all the inspections that are required to be conducted by the tenants.

Mr. Metzger stated that there is a listing of recommended firms provided in former Commissioner Fierke's resolution.

Mr. Capo asked if Mr. Bourg represented all 44 boathouse owners.

Mr. Bourg said that he speaks for about 3 owners. He has no legal authority, but they are a working group with a common goal to work with the LMA to negotiate a lease that everyone could live with. He went on to discuss the differences between the North Roadway lease versus the South Roadway lease.

Chair Rodgers, reiterated again that it would be best to see the results if the investigation before proceeding with the second inspection or any further negotiations.

VIII. Director's Report

Mr. Capo informed the committee that we are leasing two more spaces at LVCC.

We are also working with Verizon to install a cell tower at the Lake Vista Community Center (LVCC). They have completed an environmental survey and presented a draft lease that we intend to submit as a counteroffer.

Commissioner Heaton asked to include LVCC's President.

Mr. Capo informed the committee that the neighborhoods were all on board.

Chair Rodgers suggested that we hold another community meeting regarding the proposed lease with Verizon before the lease is signed.

IX. New Business

1. Motion to recommend approval of a lease of Suite 6521 in the Lake Vista Community Center with Muscular Therapy, LLC, for a primary term of one year, with four (4) one-year options to renew, with a rental rate of \$18.00 per square foot during the primary term, for an annual rent of \$30,297.60, payable in monthly installments of \$2,524.80, with rent during the option terms equal to the rent charged for suites in the LVCC at the commencement of the option terms, under the standard terms and conditions for leases in the Lake Vista Community Center, and to terminate the current lease with Muscular Therapy, LLC for Suite 6509 in the Lake Vista Community Center.

Mr. Pappalardo said that this was a success story. The LVCC tenants in #6509 business was growing and they needed to expand. They're moving into suite # 6521 will keep both spaces for the month of August.

A motion was offered by Commissioner Heaton and seconded by Commissioner Expose.

With no further questions, Chair Rodgers called for a vote. All were in favor. The motion passed.

2. Motion to recommend approval of a lease of Suite 6504 in the Lake Vista Community Center with Kemistry Beauty Lab, LLC for a primary term of one year, with two (2) one-year options to renew, with a rental rate of \$18.00 per square foot during the primary term, for an annual rent of \$16,110 plus an additional \$75 monthly Water Usage charge payable in monthly installments of \$1417.50, with rent during the option terms equal to the rent charged for suites in the LVCC at the commencement of the option terms, under the standard terms and conditions for leases in the Lake Vista Community Center.

A motion was offered by Commissioner Heaton and seconded by Commissioner Expose.

Mr. Pappalardo stated that the tenant is present to speak to the committee.

Ms. Keosha Verette introduced herself to the committee and let them know that she's a local entrepreneur who owns a beauty salon and a blow dry salon on Magazine Street looking to expand to a larger space.

Gerry Metzger asked the tenant if she was the sole owner.

Ms. Verette stated that she was the sole owner of her salons.

Mr. Pappalardo said that for one month all spaces are filled at LVCC.

Hearing no further questions, Chair Rodgers called for a vote. All were in favor. The motion passed.

3. Recommendation to support the nomination of the Lake Vista Community Center for the Louisiana Landmark Society's N9 List.

Chair Rodgers asked what restrictions from the LA Landmark Society would be placed on the Lake Vista Community Center if we pass this.

Commissioner Heaton informed the committee that the LVCC building is historically significant in the New Orleans region and there are infrastructure funds available that needs someone who would be sensitive to the building's art deco design of the building.

The listing by the Louisiana Landmark Society would help open the door for credibility and funding for the building's infrastructural needs.

Chair Rodgers asked what are the stipulations if the grant is awarded. For instance, the earlier discussion today about placing a cell tower at LVCC.

Commissioner Heaton appreciated Chair Rodgers's observation, but this was the first step before we could do anything, and assured him that this was not an application. She asked that the committee support her recommendation today and said that she would personally request it to be removed for consideration if the committee does not like her information.

Chair Rodgers offered the motion, and it was seconded by **Commissioner Exposé**. With no further questions or comments. All were in favor. The motion passed.

Chair Rodgers announced the next meeting and called for adjournment.

X. **Announcement of the next Commercial Real Estate Committee Meeting**

1) Thursday, August 17, 2023, at 3:30 PM

XI. **Adjourn at 4:24 PM.**

A motion was offered by **Commissioner Heaton** and seconded by **Commissioner Exposé**.