

**LAKEFRONT MANAGEMENT AUTHORITY
MARINA COMMITTEE MINUTES
TUESDAY, March 19, 2024 – 3:30 P.M**

**6001 Stars and Stripes Blvd.
New Orleans, LA 70126**

PRESENT: Commissioner Philip Clinton – Chair
Commissioner Stan Brien
Commissioner Brad Brandt

ABSENT: Commissioner Wilma Heaton

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Adam Gulino – Director of Operations and Engineering
Gerry Metzger – LMA Counsel
Mike Sciavicco – Harbor Master
Helaine Millner – Harbor Manager

ALSO

PRESENT: Commissioner Esmond Carr
L. Brook – SSH Tenant
Mark Schexnayder – Batture

The regular monthly Marina Committee Meeting of the Lakefront Management Authority was held on Tuesday, March 19, 2024, at 3:35 PM, 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. **The meeting was called to order at 3:35 pm by Chair Clinton.**
- II. **Pledge of Allegiance led by Chair Clinton.**
- III. **Roll Called by Mr. Capo. (3) members were present for a quorum.**
- IV. **Opening Comments – Commissioner Philip Clinton**

Chair Clinton stated that Mr. Capo, the marina staff, and he met with the consultants for over an hour going over the lay of the land, expectations, and outcomes. We are waiting for the completed analysis. Staff has begun the transition over to the DOCKWA software. We are making progress.

V. Motion to Adopt Agenda

A motion to adopt the agenda was offered by Commissioner Brien and seconded by Commissioner Brandt.

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

VI. Motion to Approve Minutes

1. Marina Minutes- February 20, 2024

A motion to approve the minutes was offered by Commissioner Brandt and seconded by Commissioner Brien.

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

VII. Public Comments – LIMITED TO (2) MINUTES: NONE

VIII. Director's Report

1. Update on Marina Business

Adam Gulino, Director of Operations and Engineering reported on the following:

- South Shore Harbor Finger Piers are currently 30 days from completion
- Orleans Marina
 - Sage has dropped off the dumpster at the Harbormaster building. It's a 60-day job completion time frame. FEMA project where we expect reimbursement.
 -

Chair Clinton asked for a briefing on the finger piers.

Mr. Gulino stated that the finger piers are made of a concrete pier with a wood substructure. The wave action after H. Ida dilapidated the wood substructures. DEI did the design and Anders Construction will replace it with a bulkier substructure.

The parking lot will be a paving project for the FPA. He did a walk-through of the parking lot to identify if there were any additional sinkholes.

Mr. Capo said that he was still working with FPA on this issue but has had no movement to date.

- Seabrook Boat Launch should have 60% submittals by the end of the month. This is a Capital Outlay project.
- CT Trainor did temporary repairs on Orleans Marina piers 5 and 6. The water is on now. They did their best to tie into the polybutylene line. The water is on. However, the initial estimate for full replacement was \$90,000. Mr. Gulino warned the committee of the issues that could present if we wait too long to complete the repairs.

Chair Clinton suggested that we hold off on spending more funds until the Edgewater reports return.

Mr. Capo discussed the South Shore Harbor and Orleans Marina budgets utilizing the existing rental rates.

- **Orleans Marina:**
 - Total revenue projected at \$1.4 million (from boathouse rentals and transfer fees)
 - Expenditures projected at \$1.2 million
 - Overall surplus projected at \$285,000

The committee discussed an increase in boathouse transfers since the lease extensions.

- **South Shore Harbor:**
 - Projected to lose approximately \$867,000
 - Revenue from tenant rental \$369,000 at 40% occupancy
 - Coaxum/Parcel-L projected revenue to bring in \$60,000
 - Expenditures projected at \$1,000,003

The committee discussed the \$275,000 water line item. LMA pays for the water with no pass through to the tenants.

Commissioner Brien asked what was the tenant occupancy for last year.

Mr. Capo said tenant occupancy was at 60% last year.

Mr. Capo discussed the Capital Projects spreadsheet.

- **Orleans Marina Capital Projects**

- Water line repairs projected at \$125,000(between now and June 30, 2025)
- Sight security projected \$75,000 (added post-completion at the new Harbormaster building, heavy-duty fencing at the Pennick dock)

Mr. Capo noted that we are adding a temporary washer and dryer at slip #1 of the CBS.

- **South Shore Harbor Capital Projects**

- Proposed \$100,000 for engineering a new laundry facility and restroom at the new harbormaster building
- Proposed \$75,000 for Wi-Fi
- Proposed \$50,000 for the removal of derelict boats (approximately 15 boats)

Mr. Sciavicco informed the committee that Attorney Dye has identified procedures for taking possession of the abandoned boats. The Marina staff is actively working on taking possession of the boats. Once we have possession, we can have them hauled off.

Chair Clinton asked if the boats were of any value.

Mr. Sciavicco said that a part of the possession process is to have the boats appraised. They had all been appraised and were found to be of no value.

Mr. Capo said that the Marina financial information discussed today will also go before the Finance Committee on Thursday for recommendation to approve to the full board at next Thursday's board meeting. The budget for FY 2024 -2025 must be approved and submitted to the State Office in Baton Rouge by April 1, 2024.

- The contract was recently signed and we will be transitioning to DOCKWA software at the Marinas.

IX. New Business

1. Motion to recommend approval of amendments recommended by the Staff of the Lakefront Management Authority and Marina Consultant for the annual Slip Leases in the Orleans Marina and South Shore Harbor Marina effective July 1, 2024.

A motion was offered by Commissioner Brien and seconded by Commissioner Brandt.

Chair Clinton informed the committee that preliminary discussions have begun with the Edgewater consultants on identifying and improving substandard conditions at both marinas.

The consultants will provide recommendations to address the substantial financial losses. One suggestion is to look at the rental rates which have not been increased since 2011.

Chair Clinton felt that the business of this committee is to authorize management to begin a rental rate increase not to exceed 10%. Edgewater has promised to have the report to us by April 2nd to align with the 90-day notice deadline before the leases expire on July 1.

Mr. Metzger informed the committee that their function would be to make a 'motion to recommend' to the board which has the authority to authorize the terms of your recommendation. This committee does not have the authority to authorize on its own.

Chair Clinton added that after discussions with the attorneys and staff; they concluded that we are not in the position to rewrite the entire lease by the April 2nd deadline for tenant notification.

He discussed several suggested lease changes as follows:

- Flexible Rental increase by 10%
- changing the lease notification deadline from 90 days to 45 days giving tenants 15 days to review with the 30 day notice to cancel

Mr. Metzger stated that that the 30 day notice to cancel is currently in the lease

- Adding a 'no appliances' clause due to LMA providing a washer and dryer
- Add language of Lease renewals at LMA Management's sole discretion

Commissioner Carr felt that this language allows LMA to target individuals

Chair Clinton disagreed with Commissioner Carr and gave an example that any ordinary one-year lease could be terminated or not renewed.

Commissioner Carr insisted that the language change to allow sole discretion to management to remove or not renew a lease would be based on personal preference. He referenced an email circulated to board members and asked the committee to investigate the occurrence before adding this verbiage to the lease.

Chair Clinton said he had no knowledge of Commissioner Carr's email reference.

Commissioner Carr alleged that Mr. Capo targeted Mr. Gillen in the previously mentioned email.

Mr. Capo said Mr. Gillen has caused additional expenses for the LMA by disregarding marina lease rules by working on his boat at the slips and throwing construction materials in the dumpster. He then emailed a commissioner to complain about the overflowing dumpster.

Mr. Capo added that he could have found him in default at that point. That is not targeting.

Commissioner Carr said that he came to this committee meeting to specifically recommend that such actions as this should remain a board-level decision rather than defer to staff. He added that he would bring this discussion up again if this language change topic remains.

Chair Clinton continued with the list of suggested changes as follows:

- Adopt a liveaboard fee of \$150 per month
- Additional administrative changes to include parking software

Chair Clinton asked Mr. Metzger to assist with a formal list to present to the board.

Mr. Metzger added that there are provisions that could be approved under general terms and conditions.

Commissioner Carr asked for the draft lease with the proposed changes.

Chair Clinton said they had not made any physical changes to the lease yet.

Commissioner Carr asked how would the resolution be worded.

Mr. Metzger said that Attorney Dye would be drafting the resolution and the individual changes could be listed.

There was additional discussion and debate regarding how the lease changes would be presented to the full board

Commissioner Carr continued to speak on the upcoming proposed lease changes adding that he agreed with the rental increase. However, he felt the other proposed lease changes still needed work.

Chair Clinton announced the next Marina committee meeting and called for adjournment.

- X. **Announcement of next Marina Committee Meeting**
 - 1. **Tuesday, April 16, 2024 – 3:30 P.M.**

- XI. **Adjourn at 4:28 PM**

A motion was offered by **Commissioner Brien** and seconded by **Commissioner Brandt**.