

**LAKEFRONT MANAGEMENT AUTHORITY
COMMERCIAL REAL ESTATE COMMITTEE MINUTES
THURSDAY, March 21, 2024 – 3:30 P.M**

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

PRESENT: Commissioner Howard Rodgers – Chair
Commissioner Adonis Expose
Commissioner Monika Gerhart

ABSENT: Commissioner Carlos Williams
Commissioner Wilma Heaton

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Gerry Metzger – LMA Counsel
Al Pappalardo – Real Estate Consultant
Adam Gulino – Director of Operations and Engineering
Mike Sciavicco – Harbor Master

ALSO

PRESENT: Phillip Clinton
Chazonia Lewis – Immaculate Touch Hair Studio
Ankur Hukmani – Jazz Aviation (Owner)
Anthony Bertucci – Bertucci Construction

The Commercial Real Estate Committee Minutes of the Lakefront Management Authority on Thursday, March 21, 2024, at 3:30 PM at 6001 Stars and Stripes Blvd., New Orleans, LA 70126.

- I. **Called to Order at 3:30 pm.**
- II. **Pledge of Allegiance led by Commissioner Exposé.**
- III. **Roll Called by Mr. Capo. (3) members were present for a quorum.**
- IV. **Opening Comments – Chair Rodgers**

V. Motion to Adopt Agenda

A motion was offered by Commissioner Exposé and seconded by Commissioner Gerhart.

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

VI. Director's Report

Mr. Capo reported the following:

- **Next Thursday, we will move to adopt the FY 2025 Budget at the bull board meeting. The committee has (2) of the most profitable properties that LMA has.**
 - **LVCC is expected to generate \$114,000 in revenues**
 - **New Basin Canal is expected to generate approximately \$1 million**

Mr. Capo discussed the Capital Projects Budget handout compiled with staff for improvements across all properties. The LMA's portion of these improvements is approximately \$2.5 million

The Airport has \$9.7 million in state and federal grants.

Mr. Capo also reported that Chair Richard suggested that the board pass a resolution in support of the Capital Projects to be submitted to our delegation.

The committee discussed and named our area legislators who are members of the Orleans Delegation.

Commissioner Gerhart asked when would the board receive the budgets that will be discussed and voted on in the next board meeting.

Mr. Capo said that the board should be received by Monday.

Chair Rodgers asked if the skylights had been replaced along the walkway at LVCC.

Adam Gulino said that the skylights had not been replaced.

VII. Public Comments – LIMITED TO (2) MINUTES

Mr. Bertucci said he was here to discuss the property at 404 S. Roadway. He said he was seeking advice on how to proceed after submitting his proposal.

Mr. Capo said when they spoke, he told Mr. Bertucci that section 4 of the affidavit was not completed and that the proposal was deemed non-responsive. That is what was announced to the board at last month's meeting.

Mr. Bertucci debated that his proposal was extremely comprehensive and felt it should not be swept aside because of what he felt was a clerical error.

Mr. Metzger also stated that the response to the RFP was non-responsive and did not recommend waiving the requirements or editing the legal document.

Mr. Pappalardo added that it was the conflict-of-interest statement which is significant on a public board. Also, the conflict-of-interest statement, as submitted, was notarized and not filled out.

Chair Rodgers asked if we should put the property back out for bid.

Mr. Pappalardo began to discuss his point of view on why this economy was not conducive for property development to achieve its highest and best maximum use.

Commissioner Gerhart felt that Mr. Pappalardo's response regarding the economy was separate from the issue before us. She asked for background on the RFP.

Mr. Capo and Mr. Pappalardo informed the committee that the RFP went out on October 31, 2023. They received one submittal in January 2024 which was non-responsive.

Commissioner Gerhart she asked, for clarity, if the proposal was non-responsive discussed her understanding of the bid selection process, and asked if there was a way to remedy the document that caused the proposal to be non-responsive.

Mr. Metzger said that it was after the deadline he advised again that he would not recommend waiving or remedying any part of the process.

Commissioner Gerhart argued that she was not asking to waive but to remedy.

Mr. Capo added that if there were more than one submittal we would still have deemed this one non-responsive and gone to the next proposal it's the same process as a public works bid.

Mr. Pappalardo expressed that the current economy was bad for every area of the real estate industry. Louisiana has a particular issue with insurance. He mentioned the federal government's suggestion to possibly lower interest rates in the next few months, and that state legislators proposed legislation to possibly help ease the state's insurance crisis which may help development in the future. Representative Hilferty proposed a bill that could affect the type of development on the entire West End. He said he was employed by the LMA to ensure that they get the best money for their land and water bottoms. He mentioned that he was not in favor of putting this property out for RFP.

Mr. Bertucci responded to Mr. Pappalardo's statement regarding the real estate market in New Orleans, insurance, and insurance in relation to construction and this development site and the rent and revenue for the LMA. He was a licensed general contractor in New Orleans and Metairie. Currently building several homes valued at \$1 million to \$1.5 million.

He disagreed with Mr. Pappalardo and felt that shelving this project would delay an already lengthy 2-year process. He proposed 10 stacked-out boathouses. He has had (3) offers to purchase before he

has secured the lease valued at \$650,000. He talked about the cost savings on insurance for these new boathouses and also that they would be maintenance-free for approximately 10 years. The notice for the bid was put out for over 100 days and felt it was very unfair to strip his proposal for a clerical mistake after he had spent his time and money to come up with such an ingenious development for the site.

Chair Rodgers asked if legal counsel had a response.

Mr. Metzger replied that his job in this was to see if the response was compliant with every requirement and it was not.

The committee continued to debate waive versus remedy and putting the property back out for RFP. The chairman decided that the staff would have the property appraised do a comparison with other similar properties and bring it back to this committee.

Commissioner Gerhart asked how much would the appraisal and consultant fees cost and then how long would it take to put the RFP out again.

Mr. Pappalardo said it would cost \$500 to \$1000. Consultant fees would be minimal. He felt that the RFP could be put out early summer.

Mr. Capo asked if we could set a base rate in the RFQ.

Mr. Pappalardo replied yes.

Mr. Capo confirmed that we would get an updated appraisal and then report back to the committee with the updated information for a determination to go back to issue another RFP.

Chair Rodgers wanted it noted to the applicant that if the proposal is not filled out properly then it would be incomplete.

Mr. Capo explained again that this is the same process as a public works RFP. If something is incomplete, it is thrown out.

Raleigh Bourg commented that residents have lived with that vacant property for some time, and he is in support of the development.

- 1. New Business Motion to approve the assignment of the Lease of Orleans Marina Boathouse Sites No. W-5 and 6 and sale of the improvements located on the leased premises by Julia Marie Goszczyński Hugel, conditioned on payment of the Five (5%) Percent transfer fee and assumption of all obligations of the lessee under the terms and conditions of the Lease by EIV, LLC and personal guarantee of George J. Ackel, III.**

A motion was offered by Commissioner Exposé and seconded by Commissioner Gerhart.

Mr. Metzger reported that this is a standard transfer of a boathouse lease. It is selling for \$300,000 cash. Mr. Capo will be going to the closing pick up a check for \$15,000 of the transfer fee. He said that Mr. Ackel just entered into 2 leases to develop and closed by saying that staff was in support of this transaction.

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

Raleigh Bourg announced that the boathouse community would be cleaning up their neighborhood ahead of the storm season and invited everyone to come out to support if they could.

Chair Rodgers announced the next meeting and called for adjournment.

VIII. Announcement of next Commercial Real Estate Meeting

- 1. Thursday, April 18, 2024, at 3:30 P.M.**

IX. Adjourn at 4:19 pm

A motion was offered by Commissioner Gerhart and seconded by Commissioner Exposé.

With no questions or comments, Chair Rodgers called for a vote. All were in favor. The meeting adjourned at 4:19 pm.