

**LAKEFRONT MANAGEMENT AUTHORITY
COMMERCIAL REAL ESTATE COMMITTEE MINUTES
(SPECIAL TIME)**

THURSDAY, SEPTEMBER 19, 2024, AT 6:00 P.M.

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

PRESENT: Commissioner Howard Rodgers – Chair
Commissioner Carlos Williams
Commissioner Adonis Exposé
Commissioner Monika Gerhart (6:10 pm)
Commissioner Wilma Heaton

ABSENT: None

STAFF: Louis Capo – Executive Director
Vanessa McKee – Assistant to the Executive Director
Cindy Grace – LMA Finance
Kel brownfield – LMA Human Resources
Laith Alshamaileh – Director of Operations and Engineering
Michael Sciavicco – Harbor Master

ALSO

PRESENT: Gerry Metzger – LMA Counsel
Jeff Dye – LMA Counsel
Al Pappalardo – Real Estate Consultant
Commissioner Stan Brien – LMA Board
Zach Luebstorf – Luebstorf Marina Services, LLC – President
George Selden – Luebstorf Marina Services, LLC – VP
Spencer Brooks – Luebstorf Marina Services, LLC – Lead
Rigging Tech

Henry Kinney – Sintes Boat Works
Susan Weaver – Sintes Boat Works
Andrew Old Meadow
David Muller – Gibbs & Cox – Naval Architect
Lynn Long – Boat Owner

James Brown – PCS Const. – Member
Tony Bertucci, Bertucci property Development
Megan Blouin - Citizen
Rick Smith - Citizen
Mr. & Mrs. Cletus Junius – Junius Ship Shape – President
Raleigh Bourg – Boathouse Tenant

The monthly Commercial Real Estate Committee meeting of the Lakefront Management Authority was held at a Special Time on Thursday, September 19, 2024, at 6:00 PM at the Lakefront Terminal Building, 2nd Floor Conference Center, 6001 Stars and Stripes Blvd., New Orleans, LA 70126 after due notice of the meeting was sent to each board member, the news media, and posted.

- I. **Called to Order at 6:01 PM.**
- II. **Pledge of Allegiance led by Commissioner Exposé.**
- III. **Roll Call (4) members were present for a quorum.**
- IV. **Opening Comments – Chair Rodgers skipped his opening comments to discuss amending the agenda.**
- V. **Motion to Adopt Agenda**

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

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

Chair Rodgers asked for a motion to amend the agenda to add the presentations after the director’s report.

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

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

A motion to adopt the agenda as amended was offered by Commissioner Heaton and seconded by Commissioner Williams.

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

VI. Motion to Approve Minutes

1) Commercial Real Estate Minutes - JULY 25, 2024

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

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

VII. Director's Report:

Mr. Capo reported the following:

- Mr. Coaxum is looking to have a soft opening of his bar and grill in October. He will extend an invitation to the board members to tour the grounds. Mrs. McKee will notify the board once we receive the invitation.
- Lake Vista Community Center (LVCC)
 - o No damage from H. Francine.
 - o Ready to go out for an RFP for the remaining section of the roof repair.
 - o We will remove an old air conditioner unit from the roof at LVCC that no longer works during the roof work project.
 - o Columns in the back are rusting. They will be painted.

- We will also fix the skylights. They are old and need to be specially fabricated.
- We are preparing for early voting in October.

VIII. Presentations on 406 S. Roadway

1. **Zach Luebstorf – Luebstorf Marina Services, LLC – President** gave a history of his company what focus on what they do and some of their clients. He talked about his plans from slides and said they want to keep the boatyard and restore it to the condition when the former tenant was there. They will also continue working with Quantum Sales.

Commissioner Gerhart arrived at 6:10 pm.

Commissioner Gerhart asked for clarity, with regard to the slide regarding “Standards and Accreditations”, if Mr. Luebstorf was a member of all of the organizations in his slide.

Mr. Luebstorf replied that they were not members of all of the organizations, however they do adhere to their standards.

Commissioner Heaton asked how they became aware of the 406 S. Roadway property.

Mr. Luebstorf said that they work in the area in both Orleans Marina and the Municipal Yacht Harbor working on customers’ boats.

2. **Tony Bertucci - Owner and Founder of Bertucci Property Development.** Mr. Bertucci handed out packets to the board and discussed his plans to build a condominium boathouse structure at 406 S. Roadway using slides. He felt that this was the last sacred waterfront and boathouse community in New Orleans.

He showed several of his development projects on the market or under contract. He also talked about the dangers of marine based

buildings in that area. He felt the area was better suited for residential living and has great potential to being up values in the area.

Commissioner Heaton asked if Mr. Bertucci could give an estimate of the price point per unit.

Mr. Bertucci said that the units would be sold in phases. He estimated that the unit's pre-sale price would be approximately \$550k in and go up to \$650k as the 10 units are completed.

Mr. Bertucci also commented on the height requirement concerns and that the area is zoned for light industrial with a 75-foot restriction. He confirmed the legal terms of the roof's pitch with his architect of record. He said height requirements will not be an issue as he will be able to make the necessary height adjustments.

IX. Public Comments – LIMITED TO (2) MINUTES

Chari Rodgers asked that Mr. Capo read his letter items onto the record.

Mr. Capo read Mr. Jack Hulse's Letter onto the record.

Dear Mr. Capo:

I am a boat owner, who previously was harbored at South Shore Harbor. My boat is now at Municipal Yacht Harbor, one of almost a thousand boats in that harbor and the back/" Levee Board Harbor".

I am writing to give my thoughts on the two proposals being considered for development of the prior Meyer Shipyard space in the back harbor. Unfortunately, I cannot make the meeting tomorrow night due to a conflict, so I hope you and the Board will consider these comments and thoughts in your deliberation.

I understand that the two proposals are: (1) construction of 10 "townhomes" on the site, with docks extending out into the harbor, 3 living levels, garage parking; and (2) redevelopment of the Meyer site into a modern

shipyard, with a 35-ton travel lift, refurbishing of the existing structures and piers, to accommodate hauling and repair of vessels.

For the reasons set forth below, I suggest that the townhomes should **not** be approved.

- The proposed 10 units, suggested at 3 stories, appear to exceed the 35' height limit for this area
- The units are "chock-a-block", seem to be jammed together to fit more units into the space
- Putting 10 more residential units into this area will increase the vehicular traffic and parking issues in this park area
- Putting 10 residential units into this area will tax the already burdened infrastructure of the area, which even now has recurring sewer and power outages
- Putting 10 residential units outside of the flood wall creates insurance issues, access issues (and escape) in case of storm
- The streets in this park area are flooded now during storms and/or high water, and additional residential occupancy is not advised
- There is no need for additional residences, in that there are boathouses now up for sale
- The Municipal Yacht Harbor Board, and the City of New Orleans have advised for these reasons against further residential development in this area outside of the flood wall

On the contrary, there is a pressing need for additional boat yard facilities in this area.

- There are some 1000 boats in the combined Municipal Yacht Harbor, Back Harbor, and the condo facilities surrounding the area
- There are now only two boatyards available, Schubert's and Sintes. Sintes is a great yard, long standing, and we hope it will continue forever. However, Larry Sintes passed away some time ago and Steve Sintes recently died. Our hope is that this great yard will continue to operate forever. But even with the two

yards in full operation, there was not enough capacity to handle all the boating needs.

- Neither yard has a travel lift, a big asset in lifting boats quickly and safely
- A refurbishing of the service docks and shipyard would make the facility much more usable, and the presence of three shipyards in this heavily boat populated area would be a Godsend
- Permitting this facility to be repurposed back into a modern shipyard fits the needs of the boating community and is more in line with the entire nature and flavor of the Back Harbor, which both historically and now is a **Harbor**, not a residential community.

I would appreciate you and the Board giving consideration to these comments. While I am sure that the residential plan is being touted due to economic reasons, this is a harbor, not a condo.

Sincerely,

Jack Hulse

Commissioner Gerhart asked if the commenter was writing on behalf of his law firm or his own behalf as a resident. He sent this from the law firm's email.

Mr. Capo said he was responding on his own behalf.

Mr. Dye also confirmed that he was responding on his personal capacity as the letter stated..."I am a boat owner...".

David Muller commented that he supports the marine proposal.

Lynn Long on behalf of Thomas Long, Letter read onto the record as follows:

Commissioners, thank you for giving your stakeholders the opportunity to comment on the relative merits of the two competing proposals for the property at 406 South Roadway.

My name is Thomas Long. I am a resident of Lake Vista, a boat owner and was a tenant of Orleans Marina for some 40 years. I am also a member of Friends of West End, a volunteer nonprofit dedicated to improving West End for all residents, businesses and stakeholders in this historic area.

The overwhelming sentiment of stakeholders here is in favor of the proposal to put a working boatyard back into commerce to serve the nearly 1,000 recreational vessels in two marinas, one of which is yours.

To begin with, let me respectfully remind you of your adopted mission as stated on your website:

- To prudently manage its assets for the benefit of all stakeholders, to optimize revenues with the ultimate goal of having fully developed and maintained facilities, and to provide surplus revenues to the Orleans Levee District when available.

Note that revenues rank second to the benefit of all stakeholders, but the ultimate goal is to have fully developed facilities.

We desperately need a third boatyard. There are nearly 1,000 boats in the two harbors. The LSMarine proposal includes a Travel Lift, which would be the only one in West End. The nearest Travel Lift is at Seabrook on the Industrial Canal.

In fact, replacing the former boatyard will provide additional service to your marina tenants, which will help you market your slips. I should point out that my own slip, which I left more than two years ago, has never been rented since. And the one next to mine is also still vacant.

West End Park does not need more residential development. Currently there are four boathouses for sale on South Roadway alone. This is not a seller's market, especially for properties on the unprotected side of the levee, where it is nearly impossible to get insurance.

The LMA takes on substantially more risk if you award a lease for residential development. The first risk is whether the developers can get financing,

which is likely going to be problematic for a multi-million development on the unprotected side of the levee.

Further, the LMA takes on a greater market risk if the development does not sell. If the developers cannot lease these units, the LMA could be forced to take back the property and become a developer on a project that would be tied up for who knows how long and generate zero revenue to LMA.

In fact, a quick analysis of the revenues generated by the two proposals shows that in the first five years, the boatyard would generate nearly \$100,000 more revenue than the residential development at no risk to LMA.

Year	Luebstorf	Bertucci
1	\$58,000.00	\$12,000.00
2	\$58,000.00	\$18,000.00
3	\$58,000.00	\$20,400.00
4	\$58,000.00	\$72,965.00
5	\$58,000.00	\$72,965.00
TOTAL	\$290,000.00	\$196,330.00

Squeezing ten more residential units in that area will adversely impact the local infrastructure that is already inadequate for the residents and business that line West End Park. The streets around West End Park routinely flood in any sort of heavy rainfall. Adding 20 more vehicles to such a small area will contribute to traffic congestion and safety issues for people who use West End Park for personal passive enjoyment.

The state legislature in its last session passed a bill sponsored by Rep. Stephanie Hilferty (Act#83) that authorizes and regulates development of West End under control of the Municipal Yacht Harbor Management Corporation. That bill expressly prohibits residential development in that area of West End Park, just yards away from 406 South Roadway. Clearly, the City of New Orleans does not want to gamble on residential development, so I can't see why LMA would.

Please vote to recommend the boatyard proposal to the full Board of the LMA at its next meeting.

Rick Smith, former Yacht Harbor Board Member and retired banker, talked about the rezoning of the area was recognized as a commercial area. He felt that the residential developer had no experience in marine development. He is in favor of the boat yard.

Dwight LeBlanc, Quantum Sales President, commented that his business is doing very well. Boaters rely on their business and Quantum Sales to service their boats.

He was in favor of the ship yard which could bring more business for his company as well.

Raleigh Bourg, Boathouse tenant, commented that both proposals were good. He was in favor of the condos but closed with “any development is better than no development.

Megan Blouin commented that she was in favor of the boatyard.

Attorney Henry Kenny, representing Sintes Boat Works, commented that he represented Sintes Boat Works, who is on record as the longest serving tenant for the Levee Board and LMA. His client is proud of the service they provide to the community and city. He said his client had no interest in supporting or opposing the development as they are sure the LMA will do what is in the best interest of all involved.

Mr. Kenney addressed the previous misinformation of the inability of the yards in the neighborhoods to provide services to the community. He talked about staffing difficulty during Covid which has been resolved. He also talked about the influx of work in the spring of each year

Jordan Braumer, Schubert’s Marine, commented that they are fully staffed, there is no issue with backlog. They currently have a (5) day turn around for boats over 50 feet.

Chair Rodgers asked for recommendations from the LMA Consultants.

Jeff Dye, informed the committee that Director Capo, Mr. Metzger, Mr. Pappalardo, and Mr. Dye met with each of the proposers (2) times and have a thorough understanding of both proposals. They recommend Mr. Bertucci's proposal for the development of 406 S. Roadway.

Commissioner Heaton appreciated the hard work of staff and the consultants on this project and thought both proposals were amazing. She said she was challenged by her pro-business mentality but didn't see the need for more industrial for this particular area in the city. She was in support of the townhomes and felt that they would be better suited for the quality of life in the area.

She was also in favor of working to find an appropriate space for Quantum Sales, who is an excellent tenant.

Commissioner Gerhart discussed the length of the 99-year lease term.

Mr. Dye clarified that the consulting team considered the current market. However, Mr. Bertucci's proposal is not for 99 years. Our standard lease agreement has mechanisms within it to adjust rental rates every 5 years based on the consumer price index and the appraisal.

Mr. Metzger and Mr. Pappalardo added that the lease term is for 50 years with (2) renewal options for 25 years and then 24 years with an appraisal every 10 years and CPI adjustments every 5 years.

Mr. Capo added that the boathouses that are now on the market have complied with and come to us to receive the extension to 2069. The leases have become valuable and are able to be transferred.

X. New Business

- 1. Motion to recommend selection of a developer for the lease and development of the property located at municipal address 406 South Roadway Street adjacent to the Orleans Marina in the City of New Orleans and to authorize the Executive Director, Real Estate Consultant and Legal Counsel of the Management Authority to negotiate the terms and conditions of the lease with the selected developer, which shall be subject to approval by the Lakefront Management Authority.**

A motion to discuss was offered by Commissioner Exposé and seconded by Commissioner Williams.

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

Chair Rodgers stated that on the recommendation from the LMA Consultants, Mr. Bertucci's Proposal is selected to go forward to the board to develop 406 S. Roadway and asked for a motion to recommend approval.

A motion to recommend approval was offered by Commissioner Gerhart and seconded by Commissioner Heaton.

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

Chair Rodgers announced that Mr. Bertucci would go before the board next Thursday for approval.

Chair Rodgers commended Mrs. Vanessa McKee for her activism regarding calls from Lake Oaks residents involving homeless people inhabiting the trees along the subdivision wall at Music Street and Leon C. Simon Blvd. The maintenance staff also went over to assess and trim the trees back and remove debris from the area. He thanked all that played a part in resolving this safety issue.

Chair Rodgers announced the next Commercial Real estate

Committee meeting and called for adjournment.

XI. Announcement of the next Commercial Real Estate Meeting

1) Thursday, October 17, 2024 – 3:30 P.M.

XII. Adjourn at 6:59 pm.

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

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