

COMMERCIAL REAL ESTATE COMMITTEE AGENDA
Non-Flood Protection Asset Management Authority
Thursday June 20, 2019 – 2:30 P.M.

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

I. Call to Order 2:35 pm

II. Pledge of Allegiance

III. Roll Call

Eugene, Roy, Robert

Eames (arrived at 2:43 pm) and Heaton (arrived at 2:47 pm)

Also present: Brien, Capo, Metzger, Pappalardo

IV. Opening Comments – Chair Green

Pleasure to Chair this CRE committee, today went to Flood Protection Authority board meeting, lot of activity going on for flood protection, so much economic growth of city involving NFPAMA assets

V. Motion to adopt Agenda

Watters, Arrigo, all in favor

VI. Motion to approve minutes

1) February 14, 2019: Arrigo, Watters

2) March 21, 2019: Arrigo, Watters

3) April 22, 2019: Arrigo, Watters

VII. Public Comments – will wait for new business agenda item

VIII. Director's Report: Mr. Capo had one update on 7412 Lakeshore Drive, sent in additional documentation, forwarded costs submitted over to RCL consultant, will have compilation of new information received, lease expires July 31, 2019

Chair Green asked what the result will be if we don't renew their lease

Mr. Metzger – stated that the lease will default month to month, no legal consequence, if we don't have anything negotiated by July, notice given to them that lease is expired and NFPAMA will take action if deemed appropriate

Chair Green asked staff and counsel to notify lessee.

Mr. Capo notified CRE committee that staff renewed Mr. Pappalardo's contract for his first option renewal, CRE committee thanked Mr. Pappalardo for his services

Chair Green asked for update on North Peninsula, requested N. Peninsula as agenda item for next month's agenda

*Waiting for Permit to dredge channel by SSH Marina

IX. Old Business

1) None

X. New Business

1) Discussion regarding assignment and amendment of the Benson dock lease on the New Basin Canal

Reason for item on agenda, to have discussion regarding Benson dock lease

Asked legal and real estate counsel to address 'what is on the table' right now, concerned regarding correspondence from Lessee on what they are asking in terms of lease

Mr. Metzger explained amendment and assignment of lease, joint request to both amend and assign lease (counsel for both Benson and Brisbi's are at the CRE committee meeting)

This specific request is by the Benson lessee, but proposal is by Brisbi (to build residential dock and build condominium) received months ago

Mr. Pappalardo – referenced April 2nd proposal from Brisbi's,

Eames- believed we are not accepting less than what we were receiving before, not in favor of supporting proposal

Green- concerned with legality *legal issues* of accepting proposal, we are not legally allowed to move forward with reassignment of lease and amendment (assigning to new tenant?), wants to hear from committee members before hearing from the public, wants to be fair to both parties involved to discuss on the record

Watters: One course of action is to suggest to tenant for them to pay sum of money to pay penalties of cancellation of lease, terminating one party's obligation, slightly complex to do joint

Matthew Sharpe, attorney from Benson, making same request of to be able to discuss with staff the Brisbi's proposal with them. Current tenant and wants to move forward with their April proposal, or negotiate what they are willing to offer and what tenant is asking for, asking for amendment of lease for development and assign it.

Matthew Miller, attorney representing Brisbi Development, goal is to negotiate with the Bensons and LMA regarding Benson dock lease, proposal has been revised since last met, current proposal does not violate anything and does not decrease in rent or value, goal is to be able to negotiate for a way to amend and assign the lease without any legal issues arising.

Heaton – recommend Brisbi to present the final proposal to benefit the board and the public, to see if its compliant within State law

Brisbi's met with community to present real estate development to the public just to see if they can gauge interest from the public

***Green: Authorizing and Asking staff, real estate consultant and legal counsel to meet with representatives from Benson and if they choose to invite reps from Brisbi, and get an update to the CRE committee (present something in the form of writing with final proposal before official meeting), then respond back to CRE Committee, asked consultants to incorporate bond or insurance or some sort of financial guarantees with the reassignment of lease

Papplardo asked if it's the will of the committee that any assignment be contingent upon development, before the lease is assigned and current lessee would be released of financial obligation (typical but substantive changes before assignment of lease) *lessor will still be responsible for lease payments until development is completed, for instance do we have a half developed building out there on NBC

^In any development, giving up a known for an unknown, no matter how wonderful it is, fact is at what point do we hand off the lease

^Gerry – proceed with assignment but would not release the lessee until project is completed, assurance of completion of project

- 1) Mr. Jonathan Brisbi, under the impression of negotiation,
- 2) Nick Asphrodites, Blue Crab, appreciated the time taken from the CRE committee. Wants to make sure it's the right thing for the neighborhood and the lakefront itself. Mentioned parking, pedestrian, and traffic issue. Concerned with all customers to be safe out on Lakefront. Concerned that other businesses will suffer in parking because everyone wants to be on Lakefront. Asking board to take time in considering other proposals that may be better for the area. (so much competing interests of Lakefront)
- 3) Joseph Riccobono, owner of Sala, comment as a business owner, personally support Brisbi development plans, sees a wonderful future out on Lakefront, feels like condos are a good move forward
- 4) Sonny Drouilart, boathouse tenant at Municipal, in support of Brisbi's development saw renderings, wants to show support of it

Chair Green stated this committee is available to meet if necessary, look forward to getting copy of proposal, asked staff to send and circulate any and all information. Asked counsel to respond immediately upon receiving proposal

XI. Announcement of next Commercial Real Estate Committee Meeting

- 1) Thursday, July 18, 2019 – 2:30 P.M.

XII. Adjourn

Watters, Arrigo 3:27 PM