

**MINUTES OF
LAKEFRONT MANAGEMENT AUTHORITY
REGULAR MEETING OF THE COMMERCIAL REAL ESTATE COMMITTEE
HELD ON THURSDAY, NOVEMBER 18, 2021**

PRESENT: Chair Sean Bruno
Commissioner Wilma Heaton
Commissioner Monika Gerhart
Commissioner Eugene Green (*entered at 5:22 PM)
Commissioner Bob Romero

STAFF: Louis Capo – Executive Director
Madison Bonaventure – Asst. to the Executive Director/Board Secretary
Bruce Cain– Harbor Master
David Martin– Director of Engineering & Operations

ALSO
PRESENT: Gerard Metzger- Legal Counsel to the LMA
Al Pappalardo– Real Estate Consultant to the LMA
Tom Long – Orleans Marina Tenant

The Regular Meeting of the Commercial Real Estate Committee of the Lakefront Management Authority met on Thursday, November 18, 2021 at the New Orleans Lakefront Airport Terminal Conference Center located at 6001 Stars and Stripes Boulevard, New Orleans, Louisiana, 70126. The Committee met after notice was posted and sent to the public and media.

Chair Bruno called the meeting to order at 4:45 P.M. and led in the pledge of allegiance.

Opening Comments: None

Adoption of Agenda:

A motion was offered by Commissioner Romero, seconded by Commissioner Heaton, and was unanimously approved, to adopt the agenda.

Approval of the Minutes:

A motion was offered by Commissioner Heaton, seconded by Commissioner Romero, and was unanimously approved to approve the minutes of August 26, 2021.

Public Comment: NONE

New Business:

1) **Motion to recommend the rescission of Resolution No.06-082621 that approved a lease of Suite 6504 in the Lake Vista Community Center with Muscular Therapy, LLC.**

A motion was offered by Commissioner Heaton, was seconded by Commissioner Romero, and was unanimously adopted to recommend the rescission of Resolution No.06-082621 that approved a lease of Suite 6504 in the Lake Vista Community Center with Muscular Therapy, LLC.

Director Capo explained that after the Board's approval of a lease with Mr. Dudley Raven Bailey on August 26, 2021, Mr. Bailey has been unresponsive. He said he gave the tenant-to-be several weeks to come in to sign the lease and provide proper documents due to impacts of Hurricane Ida (landfall August 29, 2021), but he never set up an appointment or responded to his communications regarding an appointment to sign the lease. He said it was staff's goal to have him sign the lease by October 1, 2021.

He explained that his last communication from Mr. Bailey was from sometime back in late September to answer some questions about the lease terms. Director Capo responded to his inquiry and advised that Mr. Bailey come in by October 1, 2021 to sign the lease. Thereafter, he did not receive a response from him, nor did he appear to sign the lease.

He explained that he made it clear in an email to Mr. Bailey that if he did not sign the lease that he would be placing the item to rescind the resolution authorizing the lease on the Commercial Real Estate Committee agenda for recommendation and subsequently the Board Meeting agenda for rescission at the November meetings. Gerry Metzger, Legal Counsel to the LMA, advised that the lease was confected timely despite the significant impacts of Hurricane Ida. Commissioner Heaton thought it was reasonable to allow the tenant-to-be some time to gather their affairs seeing as how some individuals lost access to their homes or were without resources for several days.

Commissioner Heaton asked Director Capo to confirm that they had not responded to his communication regarding placing the item on the agenda(s). Director Capo said they had not. Commissioner Heaton asked if anyone was present from their group at the meeting. Director Capo responded that no one was. Commissioner Romero asked if they were able to be reached by phone. Director Capo said they were unable to.

Commissioner Heaton recalled them coming to the Board for the space. Director Capo said that they had approached the Authority about the location for the operation of a massage studio.

Commissioner Romero confirmed that no money was exchanged, and no paperwork was signed between the parties. Director Capo confirmed that was the case. Chair Bruno thought it wise to rescind the resolution.

2) Discussion regarding and RFP/Q for the 6701 Stars and Stripes Boulevard site.

Director Capo said that he, David Martin (Director of Engineering and Operations), and Al Pappalardo (Real Estate Consultant to the LMA) had begun drafting an RFQ/P document. A draft outline had been distributed.

Mr. Martin said a facility description would be provided as well as insurance requirements and creditworthiness. Commissioner Heaton and Chair Bruno thought that it would be beneficial to have a more specific financial capacity requirement.

Mr. Martin said that vision and experience would be important so that a turn-key development could be built to benefit the tenancy of the South Shore Harbor Marina and the community.

Mr. Martin said that there were about 450 slips, and utility extensions or infrastructure would not be needed because the site is well-served.

Mr. Martin said that the area of focus would include Parcel L which was mostly comprised of the Old Bally's Terminal site and some parking.

Mr. Martin said that while the terminal building was structurally sound, they did not think it wise to retain the building because of its limited ability for adaptive reuse. The building was designed to be a gaming facility, so views of the lake were limited. He said that also the finished floor elevation was built below base flood elevation which, due to its V-Zone status, was not compliant with certain National Flood Plain Insurance Program (NFIP) requirements. He and the LMA's consultants suggested that the building be demolished. Commissioner Heaton offered that if it were possible for a developer to create an adaptive reuse for the structure, then the RFP/Q should not require them to demolish the building.

Commissioner Romero asked about the plan for the buildings developed by the previous tenant, including the large, covered boat slip and provision shop. Commissioner Heaton explained that staff and consultants were suggesting a phased approach to development. She said that the Board would ultimately decide and what the market could bare would ultimately form the plan for the site.

Director Capo reaffirmed that Parcel L would not include the provision shop or the large, covered boat shed. Commissioner Heaton offered that the large, covered boat shed could be leased to a boat rental company or the like.

Commissioner Heaton said that consultants had advised staff that advertising during the holidays was not productive.

Director Capo explained that staff would be seeking a motion from the Board in December to issue the request so staff could advertise in the new year. It was staff's goal to have responses received and a developer/proposer selected by April 2022 by the Board.

Chair Bruno was supportive of the timeline.

Al Pappalardo, Real Estate Consultant to the LMA, felt the building was at the end of its economic life. He said that the purpose of the structure was not conducive to readaptation. He said that flood insurance could not be purchased at a reasonable rate if at all. Based on the comments from the Commissioners, they will strongly recommend – but not require– that the building be demolished.

Commissioner Green entered the meeting.

Mr. Pappalardo explained Parcel L was desirable because of its views and multiple use allowed under the zoning including shops, bars, restaurants, and living quarters. He believed a healthy development would support 100 percent occupancy at the marina and would possibly support the development of the northern peninsula. He said that synergy was key to sustainable improvements being added to the site.

Commissioner Heaton said that the proposals would be solicited in an open, public process. Mr. Pappalardo confirmed that was the case.

Chair Bruno asked about what would be presented at the Board level later that evening. Commissioner Heaton said they would be giving a report to the Board to inform them of the path forward.

Announcement of next Commercial Real Estate Committee Meeting:

- 1) Thursday, December 9, 2021 – 3:30 P.M.

Adjourn:

A motion was offered by Commissioner Romero, seconded by Commissioner Green, and was unanimously adopted to adjourn the meeting. The meeting was adjourned at 5:15 PM.