

New Orleans Municipal Yacht Harbor Management Corporation

MINUTES OF THE BOARD OF DIRECTORS MEETING

April 11, 2017

6:30 p.m.

Lake Vista Community Center, 6500 Spanish Fort Blvd, New Orleans, Louisiana

The meeting was called to order at 6:40 p.m. and requested a roll call by Ric Smith.

Board of Directors Present:

Alva See
Reginald Smith
Warner Tureaud
Douglass Lightfoot
Thomas Forbes

Board of Directors Absent:

Ashlyn Graves
David Halpern
Connie Uddo
Howard Rodgers

A quorum was present.

There were no amendments to the agenda.

The agenda was approved and adopted on a motion by Ric Smith, seconded by Alva See and the motion was unanimously carried.

On a motion by Ric Smith, seconded by Thomas Forbes, and unanimously carried, the minutes from the regular meeting of March 21, 2017 were approved.

Action Items:

1. Mr. Casey said that he and Mr. Smith met with Mr. Chris Tankersley from Burglass and Tankersley on Friday, April 7th who represent MYHMC as outside counsel with respect to Boathouse #127 which has been tied up in a bankruptcy proceeding. The City Attorney's Office had recommended that MYHMC obtain assistance from outside counsel on this issue. Boathouse #127 is owned by Mr. Richard Goldenberg and the bankruptcy order was dismissed by the judge in early December 2016 which allowed Bank of America to proceed with a foreclosure suit. A Sheriff's sale is scheduled for Thursday, April 20th and MYHMC received very short notice of the sale. Since the bankruptcy was dismissed, the total amount of the back rent owed to MYHMC of \$35,900 is allowed to be included in the foreclosure proceeding. Mr. Tankersley is prepared to file an intervention with the Court relative to the Sheriff's Sale. This action will preserve MYHMC's interest in the matter by informing the Court that the City's ground lease that expires in 2030 was recorded prior to Mr. Goldenberg's purchase of the property and the recordation of his mortgage on the property. The proposed Resolution authorizes Burglass and Tankersley to act on MYHMC's behalf with respect to any and all matters associated with the Sheriff's Sale of Boathouse #127. They are prepared to file the intervention tomorrow because they want the law firm in Baton Rouge that is representing Bank of America to be served in a timely fashion. Mr. See asked if a minimum bid has been set by the Sheriff. Mr. Casey said that the Bank has a claim of \$297,000 not including the back rent that is owed to MYHMC. The 2030 lease is still in place and it has not been cancelled, and whoever ends up owning Boathouse #127 will need MYHMC to assign the existing lease. Mr. See asked if MYHMC can collect the past due rent of \$36,000 plus legal fees. Mr. Casey said that it may not be as easy as it seems to collect legal fees but that issue is being explored. MYHMC may have to pursue Mr. Goldenberg for those fees. Mr. See asked if the Board can authorize the lawyers to buy BH #127 back at a number that covers the total amount that is owed to MYHMC so that someone doesn't bid it in at an amount that is less than is owed to the Corporation. Mr. Smith said the Sheriff sets a minimum bid on all of these sales. Whoever buys BH #127 will still have to get MYHMC to assign the lease which primes the existing mortgage. The Sheriff's Sale will not wipe out MYHMC's lease although it will eliminate the mortgage and any other liens. The Board wants to make this information as public as possible that BH #127 is going up for Sheriff's Sale, so that potential buyers will bid it up to a fair price. Mr. Tureaud said that MYHMC is taking the attorney's advice in order to collect the \$35,900 in back rent. Even if MYHMC is not successful in the collection of the attorney fees, Mr. Smith stated that Boathouse #127 will get back into commerce and MYHMC will collect a lease assignment fee, and a \$5,000 lease extension fee.

On a motion by Ric Smith, seconded by Alva See, and unanimously carried, the Resolution "Authorizing Burglass & Tankersley, LLC to Represent MYHMC with Respect to the Sheriff's Sale of Boathouse #127" was approved.

Information and Discussion Items:

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of April 11, 2017

1. Boathouse Leases and Supplemental Lease Agreements were discussed by Mr. Casey. The extended leases for boathouses 78 and 115 have been approved by the Law Department. It is anticipated that they will be executed by the Mayor in the near future. There were no boathouse sales in March, and MYHMC did not receive any boathouse transfer fees.
2. The FEMA Update was presented by Mr. Casey. As per Miguel Viteri with the Capital Projects Administration (CPA), the design documents for the Harbor construction plans are 95% complete. Currently the project is in the review period where final action items are in the process of being resolved. FEMA's environmental review is also still in process.
3. The March Financial Report was presented by Mr. Smith. As of March 31st, MYHMC has total assets of \$3,518,000 with current assets of \$3,508,000 and the bulk of which is in the form of cash of \$3,229,000 in various Capital One Bank accounts. On the liability side, MYHMC has total liabilities of \$997,000 of which \$491,000 is current liabilities, and the bulk of that is accrued interest on the NOAA bonds of \$266,000. The long term liability of \$505,000 is the balance on the NOAA Bonds. That leaves MYHMC with a fund balance of \$2,521,000 of which \$1,444,000 is unrestricted net assets. For the month of March, total income was \$52,600 and operating expenses were \$60,000 such that ordinary income was (\$7,000). Net other expense for the interest accrual on the bonds was (\$3,400), such that MYHMC's net income was (\$11,000) for the month of March.

Mr. Tureaud had a question about boathouse transfer income and whether it was off-setting the losses. Mr. Smith said there were no boathouse transfer fees in March, but that \$4,500 had been budgeted. Mr. Casey said during the last calendar year, approximately \$100,000 was generated in boathouse transfer fees that helped in off-setting the Corporation's losses.

For the year-to-date, gross revenue was \$165,000 with operating expenses of \$174,000 and net operating income was (\$9,000). Net other expense was (\$10,000) such that it results in a net loss of (\$19,000).

4. The Economic Redevelopment Committee Report was presented by Mr. Casey. A meeting was held on March 24th at the Regional Planning Commission's (RPC) office where their consultant (Dana Brown) presented several conceptual designs for the redevelopment of the restaurant parking lot. A meeting was held on Monday, April 10th with Council Member Susan Guidry and City staff members to discuss design and site comments that will be presented to the RPC for consideration in their consultant's final report.

New Orleans Municipal Yacht Harbor Management Corporation
Regular Board Meeting of April 11, 2017

5. The Executive Director's Report was presented by Mr. Casey. There were two topics: 1.) MYHMC is currently assisting Capital Projects and Moffatt and Nichol by gathering information concerning dates of events that will occur in the West End Area from August 2017 through September 2018; and 2.) The Financial Audit for 2016 is in the process of being completed and it will be presented to the Board at the May meeting.

Other Comments and Issues from the Public:

Mr. Tureaud mentioned to Mr. Lightfoot about the Tier 2.1 Personal Disclosure Form which is due on May 15th, and asked him if he had access to the information. He can go online to fill out the information. Mr. Casey will resend an email to the Board tomorrow with a link to the information.

Adjournment:

On a motion by Ric Smith and seconded by Alva See, the meeting was adjourned at approximately 7:10pm.

Date and Time of next meeting:

The next meeting is scheduled for Tuesday, May 9, 2017 at 6:30 p.m. at the Lake Vista Community Center.