

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, DECEMBER 17, 2020**

**A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF
NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE
WITH PROCLAMATION 174 JBE 2020, CONVENED REMOTELY VIA ZOOM
VIDEOCONFERENCE ON THURSDAY, DECEMBER 17, 2020 AT 1:38 PM.**

MEMBERS

Darryl D. Berger, Chairman

PRESENT:

William H. Langenstein, III, Vice Chairman

Charles H. Ponstein, Secretary-Treasurer

Tara C. Hernandez, Member

Jack C. Jensen, Jr., Member

Joseph F. Toomy, Member

Walter J. Leger, Jr., Member

STAFF:

B. Christian, President and Chief Executive Officer

M. Ganon, Vice President, Public Affairs

B. Landry, Vice President, Commercial

R. Wendel, Chief Financial Officer

A. Evett, Vice President, Chief Engineer

J. Escudier, Executive Counsel

M. Scelson, General Counsel

C. Coats, Director, Real Estate

S. Gauthier, Director, Cruise

A. Pellegrin, Director, Sustainable Development

R. Aragon Dolese, Director, Marketing and Communications

M. Verderame, Director, Records

J. Guidry, Director, Maintenance

E. Pansano, Director, Internal Audit

T. Carter, Director, Procurement

G. Palermo, Deputy General Counsel

B. McManus, Staff Attorney

M. Gresham, Director, External Affairs

J. Mansour, Director, Commercial & Cruise

L. Louviere, Commercial

D. Cordell, Chief Information Officer

J. Sholar, Director, Human Resources

A. Coates, Commercial

R. Bylsma, Manager, Construction

J. Ragusa, Public Affairs

C. Alfonso, Manager, Community Engagement

A. Taylor, Procurement

C. Falgoust, Procurement

J. Woodward, Sustainable Development

M. Sulser, Manager, Engineering

M. Cloos, Sustainable Development
A. Madere, Manager, Records
P. Jackson, Legal Assistant
M. Singley, Board Secretariat
E. Gondek, Terminal Operations
Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department

GUESTS:

J. Oldham, NOPB
C. Kocur, NOPB
T. Bryant, NOPB
A. Colley
A. Coker
B. Haines
Bruce
B. Adams
C. Haines
D. Benoit
D. Collins
D. Kearney
D. Heaphy, St. Bernard Port, Harbor, & Terminal District
F. McCormack
H. Chien
J. Schecter
Justin
K. Palmisano
K. Calkins
K. Galloway
K. Price
L. Traweek, *New Orleans City Business*
L. Jackson
M. McCormack
M. Nicoladis
N. Junius
R. Garofalo
Sal
T. Johnson
T. Hunter
W. Bergeron, St. Bernard Port, Harbor, & Terminal District

I. Roll Call & Determination of Quorum

Following a roll call of Board members, Chairman Berger confirmed a quorum and called the meeting to order at 1:38 p.m.

II. Approval of Meeting Minutes for November 2020

Chairman Berger called for a motion to approve the public meeting minutes for November 2020, as previously circulated.

Commissioner Toomy moved to accept the minutes and Commissioner Hernandez seconded the motion. **MOTION CARRIED UNANIMOUSLY**

III. Public Comment

Chairman Berger called for any agenda-related or general public comment, but there were none. Ms. Verderame confirmed that no public comments were submitted in advance or via the Zoom Chat feature.

IV. Action Items:

A. Acceptance of the Consolidated Financial Statements for November 2020.

Mr. Wendel presented the consolidated financial statements for November 2020, a copy of which is made a part of these minutes. Mr. Landry provided an overview of the Board's cargo volumes, noting that November was very similar to the previous month. Currently, weak overseas markets have negatively affected import and export volumes, but positive trends were observed in the export market during the first weeks of December, which could indicate a positive rebound in late December or early January. Breakbulk volume has increased by 25% since October, but overall still remains significantly below budgeted projections.

Mr. Wendel presented the November and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and operating revenue for the Board, as well as on a consolidated basis with the New Orleans Public Belt Railroad Commission for the Port of New Orleans ("NOPB"). He noted that NOPB's railcar switching and car storage volumes continue on an upward trend. The Board's revenues are generally slowly improving, although they remain significantly under budget. Mr. Wendel reiterated that controlling expenses during the pandemic, especially labor costs, has been essential to help mitigate the negative financial impacts of lost revenue. In connection with the ongoing impacts of the pandemic, Mr. Wendel noted that a revised fiscal year 2021 consolidated budget will be presented for adoption by the Board in January.

Commissioner Toomy asked Mr. Landry for predictions on tariff impacts on cargo volumes for the first quarter of calendar year 2021. Mr. Landry explained that the United States' import quotas are reset at the start of the year enabling countries of origin to maximize their exports. The steel industry is also showing promising signs of increased activity, which should result in an increase of cargo coming in to the port.

Commissioner Ponstein inquired about aluminum movements observed in the port facilities of St. Bernard Parish. Mr. Landry responded that during times of recession those commodities tend to be moved to storage in order to protect pricing.

Commissioner Langenstein moved to accept the consolidated financial statements and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY**

- B. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into: (1) a Second Amendment to Cooperative Endeavor Agreement with St. Bernard Port, Harbor & Terminal District Outlining the Framework and Terms for the Acquisition of Certain Property in Violet, Louisiana, and Other Obligations; (2) an Assignment of Judgments and Rights with Violet Dock Port, L.L.C.; (3) a *Dation en Paiement* Agreement with St. Bernard Port, Harbor & Terminal District for the Transfer of Approximately 81 Acres Along the Mississippi River in Violet, Louisiana; (4) a Satisfaction of Judgment with St. Bernard Port, Harbor & Terminal District and Violet Dock Port, L.L.C.; (5) a Purchase and Sale Agreement with St. Bernard Port, Harbor & Terminal District for the Purchase of and/or Assumption of Leases Relating to Approximately 8 Acres in Violet, Louisiana; and (6) a Lease for a Term of Five Years for Berths 1 & 2 at the Violet Location to St. Bernard Port, Harbor & Terminal District.**

Ms. Christian provided an introduction to the Board's initiative to develop additional modern maritime cargo facilities in St. Bernard Parish (the "Project"), highlighting the Project objectives. She noted that the Project will make the Port of New Orleans more competitive and attractive to not only customers, but also new industries, therefore providing for exceptional economic growth opportunities throughout the Board's jurisdiction, as well as the State. Ms. Christian thanked all parties involved, including the commissioners of the St. Bernard Port, Harbor & Terminal District ("St. Bernard Port") and St. Bernard Parish leaders, for their support and partnership in advancing this promising project.

Mr. Escudier presented an overview of the initial transaction to be executed in connection the Project, and then detailed the component documents required for Board approval in order to complete the transaction. He stated that on December 29, 2020, the Board will entered into a Second Amendment to the Cooperative Endeavor Agreement with St. Bernard Port ("CEA Amendment"). The CEA Amendment outlines the general terms of the transaction, including the acquisition of approximately eighty-one (81) acres of property located in Violet, Louisiana ("VDP Property") and currently owned by Violet Dock Port, L.L.C. ("VDP"). On December 29, 2020, the Board will also execute an Assignment of Judgments and Rights with VDP for the VDP Property, at a cost of \$18,000,000.

Immediately following the execution of the Assignment of Judgements and Rights, the Board and St. Bernard Port will execute a *Dation in Paiement* Agreement to transfer the VDP Property to the Board in exchange for the satisfaction of the outstanding Judgments. Afterwards, the Board, St. Bernard Port, and VDP will execute a Satisfaction of

Judgements to dispose of outstanding Judgments and all claims related to the expropriation of VDP Property.

Concurrent to the acquisition of the VDP Property, the Board and St. Bernard Port will enter into a lease agreement for a portion of the VDP Property that encompasses two (2) berths (the “Lease”). The Lease will be for a term of five (5) years, at a rate of \$540,000 per year.

Finally, the Board will execute a Purchase and Sale Agreement with St. Bernard Port for additional acreage (“Additional Acreage PSA”). Pending the Board’s completion of a two (2) year due diligence process, the Additional Acreage PSA will close on or before December 29, 2022, and the Board will receive title for the additional acreage for a payment of \$8,000,000.

Commissioner Leger invited Commissioner Ponstein, as the Board’s St. Bernard Parish representative, to join him in enthusiastically motioning for approval of the resolution authorizing this transaction.

Commissioners Leger and Ponstein co-moved to approve the resolution and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY**

Commissioner Leger celebrated the historic significance of the Project, emphasizing the magnitude of beneficial economic impacts that this development will have in St. Bernard Parish and Louisiana.

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Purchase and Sale Agreement with The Borgnemouth Realty Company, Limited, Willowbank, L.L.C., Louise Carrere Properties, L.L.C., Clavierie Properties of St. Bernard, L.L.C., MBM Investments, L.L.C., Dupuy Storage and Forwarding, L.L.C., Succession of Michael S. Buckley, and Succession of Vivian Champagne Buckley for the Purchase of Approximately 1,037 Acres of Property in Violet, Louisiana.

Ms. Coats presented and recommended approval of this resolution. She gave an overview of the terms of the Purchase and Sale Agreement (the “PSA”), including the various parties involved and the relationship of this transaction to the Board’s Project for a downriver development in St. Bernard Parish. The PSA entails the purchase of approximately 1,037 acres of land in Violet, Louisiana from multiple property owners. The average acquisition price is estimated at \$25,000 per acre, while the final closing costs and precise property dimensions will be subject to the Board’s completion of a due diligence process, including land surveys and environmental assessments. A deposit of \$1,000,000 will be required at the time of execution of the PSA, and will be refundable within the first twelve (12) months of due diligence. Closing is expected to occur within eighteen (18) months of executing the PSA, and the Board will have the option to extend the closing date by an additional six (6) months at a cost of \$1,000,000, which would not be credited to the purchase price.

Commissioner Toomy asked for clarification on the option to extend the closing date. Ms. Coasts confirmed that the optional 6-month extension would be available eighteen (18) months after the execution of the PSA.

Commissioner Leger invited Commissioner Ponstein to join him in moving to approve the resolution authorizing this transaction.

Commissioners Leger and Ponstein co-moved to approve the resolution and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY**

D. Consider Approval of a Resolution Authorizing the Sale of One or Multiple Series 2020 Bonds up to \$30 Million of Bonds for the Purpose of Funding the Acquisition of Property and Providing for the President and Chief Executive Officer to Enter into Other Matters with Respect to the Issuance of these Bonds.

Mr. Wendel presented and recommended approval of the resolution. He stated that the purpose of this resolution is to authorize the application to the State Bond Commission for the sale of multiple Series 2020 Bonds, in an amount up to \$30,000,000, for funding the acquisition and development of land.

Commissioner Toomy moved to approve the resolution and Commissioner Leger seconded. **MOTION CARRIED UNANIMOUSLY**

E. Consider Approval of an Amendment to the January 16, 2020 Resolution Authorizing the Sale of up to \$25 Million of Equipment Leases to Increase the Facility to \$30 Million and Allow the Leases to Also Have a Subordinate Pledge of Net Revenues in Accordance to the Board's Master Trust Indenture.

Mr. Wendel presented and recommended approval of the resolution. He specified that this amendment will update the authorization limits addressed in the January 2020 resolution, by increasing the borrowing amount by \$5,000,000 to a total not to exceed amount of \$30,000,000. Additionally, this resolution authorizes the leases to have a subordinate pledge of net revenue.

Commissioner Jensen moved to approve the resolution and Commissioner Hernandez seconded. **MOTION CARRIED UNANIMOUSLY**

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into an Amendment for an Amount Not to Exceed \$171,696.48 to the Contract with Boh Bros. Construction Co., L.L.C. for the Harmony Street Wharf Annex Substructure Repairs.

Mr. Evett presented and recommended approval of the resolution. He stated that the Board awarded a contract to Boh Bros. Construction Co., L.L.C. in September 2018, to perform substructure repairs at the Harmony Street Wharf Annex. The proposed change order, for an amount not to exceed \$171,696.48, includes work for additional column, deck and beam repairs, and to further strengthen the bulkhead wall. This change order will also increase

the contract time by 66 days to account for the additional work and Hurricane Zeta weather delays. Funding for this change order is allocated in the Board's Capital Investment Plan.

Commissioner Jensen asked if the scope of work for this project was similar to repair work currently being performed at the Nashville and Napoleon wharves. Mr. Evett stated that repair work similar to this contract is considered part of the Board's regular maintenance program, and undertaken at most facilities.

Commissioner Langenstein asked whether any anticipated additional work or change orders were anticipated at this wharf. Mr. Evett stated that no further change orders are anticipated within the project limits of this contract.

Commissioner Toomy moved to approve the resolution and Commissioner Langenstein seconded. **MOTION CARRIED UNANIMOUSLY**

G. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Lease Agreement between the Board and The Kearney Companies, Inc. for Property Located at 3601 France Road, New Orleans, Louisiana.

Ms. Coats presented and recommended approval of the resolution. The proposed lease with The Kearney Companies, Inc. ("Lessee") would expand on their current and expiring lease, to include approximately 11.35 acres of property located at 3601 France Road in New Orleans. She gave an overview of proposed lease terms, which will add an additional one (1) acre of land to the previously leased premises, with an initial term of three (3) years, with the option to extend for three (3) years. Ms. Coats also detailed the Lessee's obligations for annual rent, security, and maintenance of the facility. She noted that if the Board decided to redevelop the property and was able to provide a comparable replacement site, the Board would have the right to terminate the lease.

Commissioners Langenstein moved to approve the resolution and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY.**

V. Report by the President and Chief Executive Officer

Ms. Christian first celebrated the Harbor Police Department's participation in the *2020 Light Up* at Children's Hospital. The police units and fireboat provided an enjoyable holiday-themed entertainment for the patients and their families.

Ms. Christian also expressed her gratitude to Reverend Vandercook and the Global Maritime Ministries team for hosting the annual Holiday Cheer event for Port staff. The festive event was socially distanced this year, but still very much enjoyed by all.

Ms. Christian then reported the anticipated announcement of a new direct container service to a key foreign market. With this addition, the Port of New Orleans will now offer fourteen (14) weekly direct container services. This announcement will continue the Port's

positive trend of adding a new service yearly since 2015, thus confirming the position as one of the top container ports in the country.

Lastly, Ms. Christian thanked staff for their commitment and hard work on the Project during the last several years. She also commended current and past Commissioners for their commitment and guidance in building strong relationships with the communities and in making this Project a successful reality.

Commissioner Toomy acknowledged Ms. Amelia Pellegrin's contributions to the Port, as the Director of the Sustainable Development Department. He recognized her strong commitment in successfully moving environmental issues to the front line, for the benefit of the community, operators and customers. He also celebrated the many grant awards and recognitions the Port received under her leadership. The other Commissioners echoed their gratitude to Ms. Pellegrin for her contributions during her Port tenure.

VI. Adjournment

Chairman Berger thoroughly thanked staff and Commissioners for their hard work throughout a challenging year. He shared wishes for a prosperous and brighter year for all in 2021.

There being no further business to come before the Board, Chairman Berger called for a motion to adjourn. Commissioner Leger so moved and Commissioner Jensen seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Berger adjourned the meeting at 2:38 p.m.