

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, NOVEMBER 19, 2020**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH PROCLAMATION 159 JBE 2020, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE AT 1:59 PM ON THURSDAY, NOVEMBER 19, 2020.

MEMBERS PRESENT: Darryl D. Berger, Chairman
Charles H. Ponstein, Secretary-Treasurer
Jack C. Jensen, Jr., Member
Joseph F. Toomy, Member
Walter J. Leger, Jr., Member

MEMBERS ABSENT: William H. Langenstein, III, Vice Chairman
Tara C. Hernandez, Member

STAFF: B. Christian, President and Chief Executive Officer
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
J. Guidry, Director, Maintenance
E. Pansano, Director, Internal Audit
T. Carter, Director, Procurement
J. Crist, Deputy Director, Terminal Operations
G. Palermo, Deputy General Counsel
M. Gresham, Director, External Affairs
D. Cordell, Chief Information Officer
J. Sholar, Director, Human Resources
A. Coates, Commercial
J. Swartout, 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
A. Madere, Manager, Records
M. Singley, Board Secretariat

Chief R. Hecker, Harbor Police Department
Capt. M. Montroll, Harbor Police Department

GUESTS: M. Stolzman, NOPB
C. Kocur, NOPB
T. Bryant, NOPB
T. Wells
K. Price
B. Adams
N. Junius
N. Kernion

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 1:59 p.m.

II. Approval of Meeting Minutes for October 2020

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

Commissioner Jensen moved to accept the minutes and Commissioner Leger seconded the motion. **MOTION CARRIED UNANIMOUSLY**

III. Action Items:

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

Mr. Wendel presented the consolidated financial statements for October 2020, a copy of which is made a part of these minutes. Mr. Landry provided an overview of the Board's cargo volumes and reported that the numerous hurricane disruptions last month severely impacted the positive upward trend of September.

Commissioner Ponstein inquired about the handling of containers when vessels are re-routed due to weather. Mr. Landry explained that, in most instances, the cargo will be unloaded at another port and transported to local destinations via truck or rail.

Mr. Wendel presented the operating revenues and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and 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"). Mr. Wendel also noted that a revenue adjustment will be presented to the Board in the next few months as part of an overall update to budget projections.

Commissioner Jensen moved to accept the consolidated financial statements and Commissioner Ponstein seconded. **MOTION CARRIED UNANIMOUSLY**

B. Briefing on the Annual Consolidated Independent Auditors' Report

Ms. Becky Hammond, representing the Board's independent financial auditing firm Carr, Riggs & Ingram, LLC, briefed the Board on the key findings of the independent Financial Audit Report for Fiscal Year 2020. Mr. Wendel highlighted changes from the previous year and detailed the elaborate process of compiling the financial information to complete the audit. He also provided a presentation of the consolidated debt service coverage, and noted that per the findings of the audit, the Board complied with the requirements of all categories.

Mr. Wendel thanked all Accounting staff as well as the auditing firm for their hard work in completing the audit on time, during a pandemic.

C. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into a Lease Agreement with New Orleans Cold Storage and Warehouse Company Ltd. at Jourdan Road Terminal.

Mr. Crist presented and recommended approval of the resolution. He stated that the new lease agreement with New Orleans Cold Storage and Warehouse Company Ltd. ("NOCS") at Jourdan Road Terminal will replace the current agreement, and includes updated terms and rate structure that will facilitate the private expansion of the facility. The new lease premises will be expanded by approximately nine (9) acres to encompass the entirety of Jourdan Road Terminal, and the base rent will be \$453,224 annually. The primary lease term is for a period of thirty (30) years with two (2) ten-year option periods. Mr. Crist provided an overview of lease terms, noting that development of this property aligns with the Board's *Master Plan* and helps facilitate the Board's *Port Inner Harbor Revitalization (PIER) Plan*.

Commissioner Jensen asked if small cargo vessels will still be handled at that location. Mr. Landry responded that the site will continue to accept small cargo vessels, but that the volume of those vessels is expected to dwindle as container volume continues to increase.

Commissioner Toomy asked for clarification on how the proposed lease would support the Board's *PIER Plan*. Mr. Crist confirmed that the updated lease provisions offer growth and development possibilities that align with the broad strategic objectives presented in the *PIER Plan*.

Commissioner Toomy and Commissioner Jensen inquired about the lease terms related to the lessee's purchase option. Mr. Crist stated that NOCS would have the option to purchase the shed buildings only, not the land, and the acquisition would be subject to the provisions of any applicable grant funding. Prior to a sale, an appraisal process would be used to determine the fair market value of the sheds.

Commissioner Jensen commended staff for securing new opportunities with such a dependable and respected tenant.

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

D. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Amend the Board’s Lease Agreement with New Orleans Cold Storage and Warehouse Company Ltd. at Henry Clay Avenue Wharf.

Mr. Crist presented and recommended approval of the resolution. He stated that, at present, NOCS’ respective leases at Henry Clay Avenue Wharf and Jourdan Road Terminal, have a combined minimum annual tonnage guarantee (“MATG”). The purpose of this proposed lease amendment is to decouple the MATG so that each respective lease agreement will have a facility-specific MATG. The proposed lease amendment for the Henry Clay Avenue Wharf premises will also enable variable rent adjustments every five (5) years, which will allow for efficient commercial projections for each facility.

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

E. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to 1) Consent to an Assignment of Lake Pontchartrain Properties, LLC’s Lease at 6201 France Road to Athena New Orleans, LLC, 2) Execute an Amendment to the Lease, and 3) Execute a Consent and Estoppel Certificate with Peaceable Street Capital, in Connection with the Assignment.

Ms. Coats presented and recommended approval of the resolution. She noted that the Board’s current lease with Lake Pontchartrain Properties, LLC (“LPP”) includes approximately 33 acres of property located at 6201 France Road, in New Orleans, Louisiana. Athena New Orleans, LLC (“Athena”), is seeking to acquire LPP, and under terms of the current lease, the Board must consent to an assignment of the lease to Athena. Ms. Coats noted that Athena is a well-established company with relevant experience in commercial real estate, and that their acquisition includes plans to implement improvements on the property.

Ms. Coats gave an overview of the proposed lease amendments, including adjustment of the primary lease term and subsequent option periods, revision of rental rate structures, updating of the leased premises description, and reset provisions on sale, subleases and changes in managing members. The amended lease will include updated language on video poker machines, to be in accordance with State law and will give the lessee the Right of Last Look if the Board were to rent an adjacent property to one of Athena’s competitor.

Chairman Berger asked for clarification of the terms addressing the Right of Last Look. Ms. Coats confirmed that this clause was added to protect the lessee in case the Board were to rent the eleven (11) acres of contiguous land to a similar operator.

Commissioner Leger inquired about the language defining “Bad Boys Acts.” Ms. Coats noted the lease language defined these as “Death, Incapacitation, Fraud or Misrepresentation.”

Commissioner Leger also asked for general parameters of the Board’s maritime recreational use definitions, as delineated in the *PIER Plan*. Ms. Coats stated that activities generally relevant to the current use of the premises would include storage facilities, marinas, and recreation parks.

Commissioner Jensen asked if the two (2) leased properties to the North are separated by water and Ms. Coats confirmed that the property is divided by a slip of water, with Athena leasing the southern portion while Kiewit New Orleans leases the northern portion. Commissioner Jensen inquired about long-term plans to allow Athena to expand into the full marina slip, and Ms. Coats indicated that the current tenant has two (2) years remaining in its lease, but that in the meantime, if another larger property became available, the Board would offer the current tenant an option to relocate, thereby allowing opportunity for Athena to expand.

Ms. Coats added that in connection with the acquisition of LPP and assignment of the lease, Athena’s lender, Peaceable Street Capital, has also requested that the Board execute a Lessor Consent and Estoppel Agreement, prior to investing in the property.

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

IV. Closed Executive Session to Discuss the Matter of a Settlement Agreement Between the Board and Cycle Marine Group, Inc., in Connection with the Contract for Wharf Substructure Repairs at Nashville Avenue Wharf “A.” (in accordance with La. R.S. 42:17A(2)).

Chairman Berger called for a motion to enter into closed executive session, in accordance with La. R.S. 42:17A(2), to discuss the matter of a settlement between the Board and Cycle Marine Group, Inc., in connection with the contract for wharf substructure repairs at Nashville Avenue Wharf “A.”

Commissioner Leger moved to enter into a closed executive session and Commissioner Jensen seconded. The **MOTION CARRIED UNANIMOUSLY** and the Board entered into a closed teleconference session.

Following conclusion of the discussion, Commissioner Ponstein moved to end the closed executive session and return to the open meeting. Commissioner Jensen seconded. **MOTION**

CARRIED UNANIMOUSLY and the closed executive session concluded. The Commissioners returned to the public zoom meeting.

V. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Enter into Settlement Agreement with Cycle Marine Group, Inc., in Connection with the Board’s Contract for Wharf Substructure Repairs at Nashville Avenue Wharf “A.”

Mr. Escudier presented and recommended approval of the resolution to authorize the President and Chief Executive Officer to enter into a settlement agreement with Cycle Marine Group, Inc., in connection with the Board’s contract for wharf substructure repairs at Nashville Avenue Wharf “A.”

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

VI. Report by the President and Chief Executive Officer

Ms. Christian reported that Commissioners Jensen and Toomy attended the Jefferson Parish Council meeting on November 4, and spoke about the Port’s significant economic impact in Jefferson Parish. She added that Commissioner Toomy also represents the Board on the Jefferson Parish Westbank Port Development Task Force, designed to identify infrastructure needs and new business opportunities. Also this month, Mr. Landry, Chief Commercial Officer, along with Commissioner Toomy, addressed the Jefferson Parish Business Council to deliver an update on the Board’s current business and expansion efforts that will offer partnership and business development opportunities in Jefferson Parish. Ms. Christian thanked Commissioner Jensen and Commissioner Toomy for their commitment in representing Jefferson Parish.

Ms. Christian announced that the Board received a second EPA grant for \$1.24 million for the Clean Truck Replacement Incentive Program (“Clean TRIP”), bringing the total funding for the Board’s Clean TRIP to \$2.8 million. Ms. Christian stated that, through this program, the Board has helped small local businesses replace 58 short-haul drayage trucks with cleaner burning engines, reducing fine particulate emissions by more than 96%, which equates to taking 73,000 cars off the road. The Board will begin accepting applications for new truck replacements in Spring 2021. Ms. Christian congratulated the Environmental Department staff for their essential contribution in receiving another grant for this program.

Lastly, Ms. Christian reported on Truck Driver Appreciation Week designed to recognize the economic impact and celebrate the commitment of the local trucking industry.

Commissioner Leger congratulated Ms. Christian for being the first woman honored with the World Trade Center’s *C. Alvin Bertel Award*, acknowledging her contributions and commitment to the maritime industry. Commissioners commended Ms. Christian on her impressive leadership and achievements at the helm of the Port of New Orleans.

Commissioner Toomy recommended sending a formal letter on behalf of the Board to congratulate Congressman Cedric Richmond on his appointment to the President Elect's administration, and also thank Congressman Richmond for his continued support of the maritime industry.

Commissioner Leger added that Congressman Garrett Graves should also be recognized for his impressive maritime expertise and unrelenting support of the Port of New Orleans.

VII. Adjournment

There being no further business to come before the Board, Chairman Berger called for a motion to adjourn. Commissioner Leger so moved and Commissioner Toomy seconded. **MOTION CARRIED UNANIMOUSLY** and Chairman Berger adjourned the meeting at 3:19 p.m.