

**THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS
MINUTES OF THE REGULAR BOARD MEETING
THURSDAY, APRIL 23, 2020**

A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS, PROPERLY NOTICED AND AUTHORIZED IN ACCORDANCE WITH SECTION 4 OF THE GOVERNOR’S MARCH 16, 2020 PROCLAMATION 41 JBE 2020, CONVENED REMOTELY VIA ZOOM VIDEOCONFERENCE AT 9:34 A.M. ON THURSDAY, APRIL 23, 2020.

**COMMISSIONERS
PRESENT:**

Tara C. Hernandez, Chair
Darryl D. Berger, Vice-Chairman
William H. Langenstein, III, Secretary-Treasurer
Arnold B. Baker, Member
Charles H. Ponstein, Member
Jack C. Jensen, Member
Joseph F. Toomy, Member

STAFF:

B. Christian, President and Chief Executive Officer
M. Ganon, Vice President, Public Affairs
A. Fant, Vice President, Planning and Facilities
B. Landry, Vice President, Commercial
R. Wendel, Chief Financial Officer
J. Escudier, Executive Counsel
M. Scelson, General Counsel
A. Evett, Director, Engineering
C. Coats, Director, Real Estate
R. Aragon Dolese, Director, Marketing and Communications
J. Guidry, Director, Maintenance
M. Gresham, Director, External Affairs
J. Ragusa, Communications
A. Pellegrin, Director, Sustainable Development
Capt. M. Montroll, Harbor Police Department
M. Verderame, Director, Records
E. Pansano, Director, Internal Audit
T. Carter, Director, Procurement
J. Mansour, Director, Commercial
J. Crist, Deputy Director, Real Estate
A. Coats, Commercial
C. Alfonso, Community Affairs
R. Bylsma, Construction
A. Darensbourg, Facilities
J. Woodward, Permitting
E. Federer, Manager, Environmental
M. Sulser, Manager, Engineering
D. Collins, Environmental

GUESTS:

M. Stolzman, NOPB
T. Haver, NOPB
C. Kocur, NOPB
C. Smoot, NOPB
A. Tatar, Regional Planning Commission
K. Calkins
C. Divins
R. Otte, Louisiana Department of Environmental Quality
K. Price
D. Chisholm
G. Rose, NOPB
B. Adams
T. Mcauley

I. Determination of Quorum and Call to Order

Following a roll call of Board members, Chair Hernandez confirmed a quorum and called the meeting to order at 9:34 a.m.

II. Briefing & Action Items:

A. Acceptance of the Consolidated Financial Statements for March, 2020.

Mr. Wendel presented the consolidated financial statements for March 2020, a copy of which is made a part of these minutes. He noted March and fiscal year-to-date figures for gross revenues, labor costs, operating costs, and operating incomes for the Board, as well as on a consolidated basis with the New Orleans Public Belt Railroad Corporation (“NOPB”). Mr. Landry provided an overview of the Board’s cargo volumes, and Mr. Stolzman provided an overview of railroad volumes for NOPB.

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

B. Consider Approval of a Resolution Authorizing the Sale of Series 2020A, 2020B, and 2020C Revenue Bonds for the Purpose of Advanced Refunding of the Board’s Series 2013A and 2013B Bonds and GoZone Bonds with Regions Capital Advantage, Inc. for the 2020A, Regions Commercial Equipment Finance, LLC for the 2020C, and JPMorgan Chase for the 2020B, and Providing for Other Matters with Respect to the Issuance of these Bonds.

Mr. Wendel presented and recommended approval of the resolution. He provided an overview of the solicitation process for the procurement of 2013A, 2013B, and GoZone bond options, as well as estimated timelines, interest rates, and forecasted cost savings in connection with each bond series.

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

C. Consider Approval of a Resolution Awarding a Contract to Roof Technologies, Inc., in the Amount of \$604,694, for Phase I of Renovations to the Warehouse at 400 Edwards Avenue in New Orleans, Louisiana.

Mr. Evett presented and recommended approval of the resolution. The scope of work included in this contract includes installation of 40,000 sq. ft. of new roof and insulation for Unit B of the Board's warehouse facility located at 400 Edwards Avenue (the "Warehouse"). Mr. Evett noted that these roof repairs constitute Phase I of improvement and repair work required by the Board's lease of 10,000 sq. ft. of warehouse Unit B to the General Services Administration of the United States ("GSA") (the "Lease"). Roof Technologies, Inc. was the lower of two responsive bidders, and funding is allocated in the Board's Capital Investment Plan.

Chair Hernandez asked about the timeline for completion for Phase I roof repairs. Mr. Evett noted that the work is anticipated to commence within the next month, and is expected to last 65 calendar days.

Commissioner Langenstein asked for clarification regarding staff's effort to manage the overall budget for Phase I and Phase II warehouse improvements. Mr. Evett confirmed that staff are reviewing cost-saving design options for Phase II of warehouse improvements to balance Phase I costs, which are currently over budget.

Commissioner Langenstein asked whether the Lease encompasses only Unit B of the warehouse facility, and whether any prior roof work has been completed on any of the other warehouse units. Mr. Evett confirmed that the Lease includes 10,000 sq. ft. of Unit B, and that while Unit E has a newer roof, repairs would also be required to that unit's roof prior to potential tenant occupancy.

Chair Hernandez asked if it was possible to realize efficiencies by simultaneously addressing repairs or improvements to other sections of the warehouse. Mr. Evett confirmed that without tenants currently available to lease additional units, it is not cost effective to undertake repair work for additional units at this time.

Commissioner Jensen noted concerns regarding how the leasing of 10,000 sq. ft. of Unit B could create limitations on the availability of the remaining Warehouse space for additional tenants. Ms. Coats provided an overview of the terms of the Lease, including explanation of the GSA's preference to lease Unit B and how the ten-year lease rate structure is designed to fully reimburse the Board's investment in repairs. Ms. Coats also noted that much of the remaining Warehouse space was sectioned-off prior to the Board's acquisition of the property. Therefore additional investment in the warehouse work would be required to lease the entirety, or larger parts, of the remaining space.

Chair Hernandez and Commissioner Jensen inquired as to how market rates for the area compare to the Lease rate. Ms. Coats confirmed that the market rate is approximately \$4.00/sq. ft. and the GSA's Lease rate is \$5.99/sq. ft. for climate-controlled warehouse space.

Commissioner Jensen and Ponstein expressed concern over market lease rates, but concurred that the opportunity to secure the GSA as a tenant will potentially attract more future tenants for the remaining Warehouse space.

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

D. Briefing on the President and Chief Executive Officer's Declaration of Extreme Public Emergency in Connection with the *M/V E. R. London* Allision with Container Crane No. 9.

Mr. Evett briefed the Board on Ms. Christian's Declaration of Extreme Public Emergency in connection with damage sustained to Container Crane No. 9. At approximately 2300 hours on Tuesday, April 14, 2020, the *M/V E. R. London* struck one of the Board's 100-ft. Gantry cranes, namely Container Crane No. 9. The allision caused significant structural damage to the crane, as well as damage to Napoleon Avenue Wharf "A," resulting in a dangerous situation that could have resulted in loss of life and additional property damage, therefore necessitating the Declaration of Extreme Public Emergency.

Mr. Evett noted that repair plans are currently under development and repairs will be prioritized in two phases. Staff are in the process of procuring contracts for the Phase I stabilization work, which is anticipated to be complete on or by April 29, 2020. Phase II of repair work will include structural repairs to return the crane to service. Initial cost estimates to repair the damage is \$1.5 million, and staff anticipate Container Crane No. 9 will be out of service for two to three months as a result of the repair work.

Commissioner Ponstein asked how these damage repairs will impact the project schedule for the container crane rail extension project.

Chair Hernandez asked if the damage repair costs are reimbursable, as well as whether accommodations have been made to mitigate business impacts to customers caused by the loss of Container Crane No. 9. Mr. Evett stated that staff were working to maintain two functional container crane berths. Mr. Escudier noted that the *M/V E. R. London* had been put on notice regarding the intent to file for damages, and an investigation of the incident has commenced. Mr. Landry confirmed that staff were working to mitigate the effects on customers.

Commissioner Langenstein asked Mr. Evett if the river's high levels are compounded by the Corps of Engineers' decision not to open the spillway. Mr. Evett stated that the high-river levels present consistent challenges.

Commissioner Toomy asked if there would be any delays to repair to Container Crane No. 9 due to the current high-river conditions, and Mr. Evett confirmed that the damage repairs would take place on top of the wharf deck and would not be impeded by river elevation.

Commissioner Jensen asked if these damage repair contracts were fast-tracked. Mr. Evett stated that staff are currently reviewing bids that have been received for Phase I work, and hope to issue a contract and commence work as soon as possible.

Commissioner Jensen noted concerns about customers being unable to unload cargo due to the shortage of available crane berths, as well as the tracking of claims for lost time. Mr. Wendel noted that a damage work order has been opened in order to track costs associated with repair and all other costs incurred in connection with this incident.

E. Consider Approval of a Resolution Adopting the *Port Inner Harbor Economic Revitalization Plan (PIER Plan)* as the Vision for Board Industrial Real Estate Development and the Inner Harbor District.

Ms. Pellegrin presented and recommended approval of the resolution. She stated that the *PIER Plan* is the result of a three-year U.S. Environmental Protection Agency (EPA) grant-funded project to plan for the redevelopment of the Board's industrial real estate in the Inner Harbor District. In drafting the *PIER Plan*, staff engaged a wide variety of stakeholders through public comment periods and information gathering assessments. The *PIER Plan* will be used to help guide future construction, design, policy, and investment partnerships for the Inner Harbor District, encompassing Board-owned property along the Industrial Canal and the Gulf Intracoastal Waterway.

Ms. Pellegrin also acknowledged the collaborative efforts of the New Orleans Regional Planning Commission, the Deep South Center Environmental Justice, the EPA, DEQ, and various stakeholder panel participants, as well as Port and NOPB staff.

Commissioner Toomy thanked Chair Hernandez's support of the *PIER Plan*, and recommended continued efforts to share the *PIER Plan* with different stakeholders through various communication and marketing strategies.

Chair Hernandez read aloud two public comments submitted for this agenda item.

Ms. Rebecca Otte, Brownfield Redevelopment Program Coordinator for the DEQ, noted support for the *PIER Plan* and the hope that the plan will support the Port's efforts to revitalize the Inner Harbor Navigation Canal corridor, including attracting business that will provide living-wage jobs for the community. She also noted the Brownfield Redevelopment Program's ongoing commitment to continued technical support to accomplish the objectives addressed in the *PIER Plan*.

Mr. Adam Tatar, Brownfields Program Manager for the New Orleans Regional Planning Commission, noted support of the Port's efforts to revitalize the Inner Harbor Navigation Canal. He noted the *PIER Plan* was drafted with extensive community involvement and

technical expertise, that, if adopted by the Board, will help to guide the use of future EPA Brownsfield grant funds.

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

F. Consider Approval of a Resolution Authorizing the President and Chief Executive Officer to Consent to an Assignment of the Lease Between the Board and Lake Pontchartrain Properties, LLC for Property Located at 6001 France Road, New Orleans, LA.

Ms. Coats informed the Board that based on information received by staff late Wednesday afternoon, staff recommends tabling consideration of the item to a future meeting. She noted that due to delays related to COVID-19, the parties involved in the Lake Pontchartrain Properties, LLC transaction have decided to postpone moving forward with a transfer of ownership at this time.

Based on staff recommendation, Commissioner Jensen moved to defer the item to a future meeting and Commissioner Toomy seconded. **MOTION CARRIED UNANIMOUSLY.**

G. Consider Approval of a Resolution Recognizing May 22, 2020, as National Maritime Day and May 2020, as Maritime Month.

Ms. Aragon Dolese presented and recommended approval of the resolution. She stated the resolution recognizes May 22 as National Maritime Day and the month of May as Maritime Month, as first decreed by Congress in 1933. The observation of Maritime Day began as a way to honor America's maritime heritage and ongoing positive impacts of the maritime industry. This year will mark the Board's fourth annual celebration of Maritime Month, and will focus on the ongoing commitment and continued operations of the maritime industry in light of the current COVID-19 pandemic. The Board's observance of Maritime Month will include a month-long campaign driven through a variety of events to engage internal and external stakeholders, including social media outreach and media partnerships.

Chair Hernandez asked if the campaign would focus on front line workers. Ms. Aragon Dolese confirmed that both the media and social media components would include an emphasis on front-line workers in the maritime industry.

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

III. Report by the President and Chief Executive Officer

Ms. Christian acknowledged the commitment of all front line workers for their contributions to keeping supply chains moving, and the Port and NOPB team for adapting to keep operations running.

IV. Adjournment

There being no further business to come before the Board, Chair Hernandez called for a motion to adjourn. Commissioner Ponstein moved, and Commissioner Toomy seconded. **MOTION CARRIED UNANIMOUSLY** and Chair Hernandez adjourned the meeting at 10:36 a.m.