

MINUTES
FRENCH MARKET CORPORATION
REAL ESTATE COMMITTEE MEETING
Wednesday, January 25, 2023; 12:00 p.m.
National Park Service
916 N. Peters Street
New Orleans, LA 70116

CALL TO ORDER

The meeting was called to order by the Chairperson, Mr. DeLong at 12:11 p.m.

ROLL CALL

Member Present: Mr. DeLong and Ms. McClendon

Members Absent: Ms. Burns

Staff Present: Ms. Alley, Mr. Gurtner, Ms. Watson, Ms. Clark, and Ms. Robison

A. REVIEW AND ADOPTION OF MINUTES – September 7, 2022

Ms. McClendon moved and Mr. DeLong seconded a motion to adopt the minutes of the September 7, 2022 Real Estate Committee meeting. The motion carried unanimously.

B. PUBLIC COMMENTS

The public comments were received as the items were reported.

C. NEW BUSINESS

1. Consideration: Corner Oyster House, LLC – 500 Saint Peters Street and 635 Decatur Street –Request for Lease Assignment

Ms. Alley reported that Corner Oyster House, LLC operates a full service restaurant with accessory alcoholic beverages sales in the Upper Pontalba Building at the corner of St. Peter and Decatur Streets. In August 2020, FMC approved a new five (5) year Lease, with one (1) five year renewal option. Recently, Patricia Rivers Estey, the sole member of Corner Oyster House, LLC, submitted a request to permit the assignment of 100% of her interest in Corner Oyster House, LLC to her son Armando Dale Rodriguez, who has been managing the property in recent years. Mr. Rodriguez would also become the personal guarantor of the Lease and responsible for all obligations, terms and conditions of the Lease. Mr. Rodriguez has submitted the required financial documents to support his obligations as the Tenant and personal guarantor.

The Tenant met the annual sales requirement for each Lease Year under the previous Lease Term with the exception of the third Lease Year primarily due to the COVID-19 Pandemic. The Tenant is currently exceeding their sales requirement under the current Lease Term.

The FMC Staff recommends that the Real Estate Committee

1. Recommend approval of the request for assignment, per the Tenant's request; and
2. The Real Estate Committee forward its recommendation to the Board of Directors to be place on the consent agenda at the next regularly scheduled meeting.

Mr. DeLong asked if the applicant had reviewed the Lease and is good with all of its conditions, as well as the assumption as the personal guarantor.

Ms. Alley stated that the applicant and his legal counsel, Mr. Marx were present at the meeting. Mr. Marx prepared the assumption documents, but the staff will review them together with the FMC attorney, Ray Lewis, and execute the documents.

Mr. Marx (Corner Oyster House Counsel) stated that they have no questions regarding the assignment of the Lease to Dale Rodriguez because Ms. Estey, his mother, contain 100% interest in the LLC to Dale, which constitutes an assignment and requires this Board's approval. They are familiar with the Lease and what it entails.

Ms. McClendon moved and Mr. DeLong seconded a motion to accept the Staff's recommendation that the Real Estate Committee recommend to the Board the approval of the request for assignment by the Tenant; and that the Real Estate Committee forward its recommendation to the Board of Directors to be placed on the consent agenda at the next regularly scheduled meeting. The motion carried unanimously.

2. Consideration: Albertos Tapas LLC d.b.a Alberto's Gourmet Cheeses – 1100 N. Peters Street – Farmers Market Bay 11 - Request To Renew Lease And To Add Renewal Options

Ms. Alley reported that the Tenant is located in Farmers Market Bay 11 and operates a standard restaurant selling cheese and cheese centric offerings, soups, salads, deli style sandwiches and desserts, as well as wine and beer, by the bottle or glass.

The Tenant met the annual sales requirement for each Lease Year under the current Lease Term, with the exception of the third lease year primarily due to the COVID-19 Pandemic. The Tenant has not been in default within the 12 months prior to requesting a new Lease, is not currently in default, and has exceeded the minimum annual sales requirement for the 12 months prior to requesting renewal. The Tenant requests a new five (5) year Lease Term with two (2) five (5) year renewal options.

For the FMC Staff to consider and recommend such a long term commitment, the Tenant would need to commit to follow the guidance of our Strategic Plan and work with the Staff to implement new ideas to attract customers specifically to their restaurant rather than Alberto's solely relying solely on the existing foot traffic in the market, as they indicated has been their marketing strategy.

The FMC Staff made several suggestions and tried to solicit suggestions from the Tenant; the Tenant resisted each one, but stressed positive reviews they have received in 2013 and 2018. While the Tenant has met the sales requirements for most years under the previous Lease Terms, the Staff is concerned that the Tenant consistently resisted multiple attempts by the Staff to solicit their ideas their ideas to attract visitors specifically to their restaurant or to improve any aspect of their business. Only when the Staff indicated that it would not support the Lease term, as requested, did they agree to the Staff's suggestions that they develop a social media strategy, and that they propose that they would use Uber Eats and sign up for other rideshares.

The Staff recommends that the Real Estate Committee recommend approval of:

1. One (1) five (5) year Lease with no renewal options, subject to:
2. A minimum performance standard of \$220,799.90 shall be included in this Lease;
3. The Tenant shall develop a social media outreach strategy/program and submit it in writing to the FMC Staff for review and approval within 90 days of execution of the new Lease. Tenant shall execute the approved program, which shall include periodic reporting to FMC Staff.
4. The Tenant shall execute an amended and restated Lease based on the current commercial lease form; and

5. The Real Estate Committee shall forward its recommendation to the Board of Directors to be placed on the consent agenda at the next Board of Directors meeting.

Antonia Serrano (Alberto's Wine & Cheese Bistro Representative) stated that they sent an email this morning explaining what their plans are, which included some of the revues and write ups by local and national magazines and newspapers.

Ms. Alley agreed that Ms. Serrano sent an email this morning suggesting that they would be willing to do some of the social media strategies that the FMC had suggested and that Ms. Serrano had also suggested doing Uber Eats and other Rideshares.

Ms. Serrano stated that they are not resistant to the Staff's suggestions.

Ms. Alley stated that she was explaining to the Committee the experiences she had in the last couple of meetings with Ms. Serrano; but the Staff was glad to receive something this morning, which is why the Staff is recommending the five (5) year term, but with no options.

The Staff put conditions on the recommendation because the Staff would like to see Alberto's implement what they say they are going to do; and the Staff would like Alberto's to check in periodically to work with the Staff on the plan.

The FMC spent the last two (2) years doing a strategic plan and having all of the FMC's financial records and analysis performed by an outside firm. The firm told the FMC that anyone who is operating in the Farmers Market should be able to meet their numbers. So, the Staff would like to see what Alberto's wants to do to help improve the site and improve the Market.

Ms. Serrano stated that Alberto's is exceeding by more than twice the sales requirement of their Lease. She asked the Staff to please renew their Lease with one (1) additional option to renew for five (5) years.

Ms. Alley stated that the Staff is uncomfortable with a long term commitment until there is a real understanding of what the Market is looking for. Ms. Alley stated that one (1) five year term with no options is what the Staff is recommending to the Board.

Mr. DeLong asked (from Ms. Serrano's perspective) what are the reasons for the pushback on some of the recommendations from the Staff?

Ms. Serrano stated that they are not pushing back from the recommendations of the Staff. They feel like they have good traffic to their business and very good sales that exceed twice the amount of the requirement under the Lease. They have attracted people to their store because word of mouth and revues attract people to their store. They have a very good muffaletta that is one of the best in the city, so a lot of times people come specifically for their muffaletta. They have proven exceedingly high sales so she does not understand why the Staff is recommending its recommendations.

Mr. DeLong said that he believes the Staff is saying that they would like to see Alberto's put out more advertising to reach out to people and to get them to know about the muffaletta, and to make it more available. The Market is a prime location and someone could set up a lemonade stand in the Market and it would do well and probably meet its numbers. Based on the strategic plan, the Committee would like to see everyone working to improve the Farmers Market area and to develop a particular look and feel, and to have all of the restaurateurs put forth their best effort to grow the Market.

Ms. Serrano stated that they also have some limitations. They have a tiny kitchen and the whole area is 329 sq. ft., with a small electric grill, so there is only so much that they can produce. If they had long lines like at Central Grocer's they would not be able to meet that demand. They serve their muffalettas hot so in order meet a demand like Central Grocers they would need a bigger kitchen, which they do not have.

Mr. DeLong asked if Alberto's feels like it is at capacity now for what they are able to produce and sell.

Ms. Serrano stated that they can produce more during slow times if that is what they need to do; because when they are busy they can hardly handle the orders. During slow times is when they need to advertise.

Ms. Alley said that she agrees and the conditions inside the bays are based on their Lease and choices that they made early on. Had they wanted to make an investment in their kitchen, early on they could have; and if they wanted to come back to the Staff now to say they would like to make an investment in putting in more things, it is their obligation under the Lease and the Staff is open to it. The Staff also understands that there is only so much they can build out in a small site.

Initially, the Staff did not present ideas; the Staff solicited ideas because the Staff is not trying to impose a solution on the Tenant. The Staff is trying to get an understanding of what we are trying to see in the Market and get that commitment since the long term... Alberto's asked the Staff for a fifteen (15) year commitment. That type of commitment is longer than what the Staff recommended for Corner Oyster House.

Ms. Serrano said that they had changed their request and had instead requested a one (1) additional five (5) year renewal option.

Ms. Alley stated that Ms. Serrano changed her request this morning, but Ms. Serrano and the Staff had been having the conversations for months. The Staff was pleased to see that Alberto's added some things to their plan this morning.

Ms. Serrano said that she had added things in previous emails.

Ms. Alley stated that Ms. Serrano mentioned some things, but the Staff had never seen anything solid in previous emails, to which Ms. Clark can verify exactly what the Staff has been getting. Ms. Alley said she comes from the "trust, but verify" world and the "land use" world where if someone agrees to do something they are held to it. Therefore, the Staff recommends that it takes the next five (5) years to see how it goes with Alberto's. If the promises that Ms. Serrano made to implement certain things happen, or if the Staff find out that those plans were not the right ones and/or maybe something else would have worked better; but until we know so, the Staff is not comfortable recommending to the Board to go any longer than five (5) years. Five years is a fairly generous Lease Term.

Ms. Serrano stated that they have been in the Market for thirteen (13) years already, and they believe they are very good tenants and she does not understand why they cannot have a five (5) year renewal with a five (5) year option to renew.

Ms. Alley stated that she would be happy to support another five (5) years, five (5) years from now once Ms. Serrano shows her that we are going to be able to do the things talked about; and that Ms. Serrano has an understanding of what the FMC is looking for from its Tenants regarding that commitment to the mission of the Market.

Everyone is here for the mission of the Market and not just one particular tenant. The Staff hopes that Ms. Serrano will get on board with it because she and the Staff has the next five (5) years to work through the plan. If after five (5) years Alberto's has done a fabulous job, the Staff can't imagine that anyone would not recommend another five (5) year option.

Ms. Serrano stated that they are planning on doing a fabulous job.

Ms. Alley stated that she thinks that we will all be in the same spot five (5) years from now, but ten (10) years from now is an awfully big leap to make.

Ms. McClendon stated that the Staff and Committee are trying to encourage Ms. Serrano to support the Market. Alberto's is doing really well, but the goal is also to help the Market while Alberto's helps itself. That is what the Committee is pushing for.

Ms. Alley agreed and stated that Alberto's is not being asked to make a financial investment. Alberto's would be making an investment in coming on board with what we are all trying to do together, and understanding that everyone in the Market met their goals; because there is a built in traffic where if a business just opened its doors it will meet those goals. There is only one business who exceeded its goals the entire time (even after the three (3) month of being closed for COVID-19) and did not just rely on being in the Market, because that business looked for other ways to bring people to the Market by looking at changing their menu, bringing in outside groups for different events, had a robust social media, provided delivery, etc.

The Staff had only initially asked Alberto's for a couple of ideas. We have now gotten to that point, but now we have to see if it works.

Mr. DeLong asked Ms. Serrano if she was familiar with the FMC's strategic plan; if she has seen it or heard any of the interviews with Ms. Alley where she talks about trying to get more locals down to the Market and is not just relying on tourist foot traffic.

Ms. Serrano said she did hear about the strategic plan, and they asked the Staff for any recommendations, but the Staff said there were no recommendations, it would be up to Ms. Serrano to tell the Staff what she is planning to do. The only thing Alberto's has not done is advertised or made contact with a delivery company. When business is slow they can do so because a lot of times people do not want to eat outside because the Market is so hot and they prefer to take their food to the hotels, and at these times they will have delivery companies deliver food for them.

Mr. DeLong stated that the Committee's idea for the Market is to have it be a place where not only tourists visit, but locals as well. They want everyone to build their local clientele.

Ms. Serrano said that they have a lot of local clientele and they have a lot of customers in the Flea Market, which is made up of over 200 vendors, who come to order from Alberto's.

Mr. DeLong stated that he feels comfortable with the five (5) year Lease. He agrees with Ms. Alley's assessment that after five (5) years it would be great to reassess and to figure things out; and after five (5) years if everything is moving in the right direction, the Committee can consider a longer term lease with renewal options. He believes that right now in this transition period while we are trying to get all of the vendors in the Market to pull in the same direction towards the FMC's strategic goals, a five (5) year lease is probably the appropriate term.

Mr. DeLong moved and Ms. McClendon seconded a motion to accept the Staff's recommendation that the Real Estate Committee recommend to the Board the approval of one (1) five (5) year Lease with no renewal options, subject to a minimum performance standard of \$220,799.90; the Tenant shall develop a social media outreach strategy/program and submit it in writing to the FMC Staff for review and approval within 90 days of execution of the new Lease; the Tenant shall execute the approved program, which shall include periodic reporting to the FMC Staff; the Tenant shall execute an amended and restated Lease based on the current commercial lease form; and that the Real Estate Committee forward its recommendation to the Board to be put on the Consent Agenda at the next regular meeting. The motion carried unanimously.

3. Presentation for Building E – Trapolin Peer Architects

Ms. Alley reported that the Staff and Trapolin have been working on the building for quite some time. Trapolin has been working on the building prior to Ms. Alley's arrival at the French Market Corporation. There was a lot of conversation around the 1st floor of Building E (Administration Building) where the 1000 N. Peters location was involved in litigation. The litigation resolved in the FMC prevailing, so the FMC has the entire ground floor of the building.

The ground floor is included in the plans, which works out a lease space that works for the FMC to lease out, as well as the use of the spaces that work best for the FMC. The Staff and Trapolin would like to show the Committee the 3rd floor, which is the FMC's office spaces, as well as the elevations. The Staff asked Trapolin to show the Committee some photographs of what the different issues were so that the Committee understands that there is a mixed bag. There are things that everyone knew were wrong prior to Hurricane Ida that we were working on while we were trying to settle on what the ground floor would look like. In addition to how the space was oriented, there were also some challenges with how the brick and foundation were built. Trapolin has photographs to show how they are going to deal with that.

When we got into Hurricane Ida, we also opened the walls because they were wet and we realized that there was mold inside the walls and issues with the way that the walls were constructed. We found issues with the windows and some other things. The roof was also damaged but we cannot change the roof until we fix the rest of the items. Trapolin will essentially deconstruct and reconstruct the building, with the exception of the structural steel. They will take off everything and put it back on.

We are super excited that we have gotten to this point because it has been a challenge. Trapolin has done multiple inspections and we have had engineers from the insurance company and the insurance adjuster, and Trapolin has been working hand-in-hand with the insurance adjuster. We think we have things where we know what we have to pay for and what we are going to get covered for.

Blake Kidder, Architect, Daniel Berg, Architect, and Gene Guidry, Principal Architect (Trapolin Peer Team) were all present at the meeting. Blake said that Trapolin originally had the project in their office. They were doing a lot of work at the 1st floor. They were going to essentially take off all the brick and restore the gallery on the 1st floor because they knew that there weren't adequate weeps and they were missing concrete curbs. At the bottom of a properly made brick wall, every few courses there is a hole, because the brick is a screen that water will soak behind and then the water runs down between the airgap and leaks out the bottom.

In the construction that Trapolin knew about, the weeps were either blocked or not installed, which caused water to build up and not properly exit out of the building quickly enough. On top of that, there wasn't any curb around the perimeter of the building, so the 1st floor metal studs are, in some areas, deteriorated, or almost completely rusted.

The third issue is that at the canopy currently attached to the building, there is missing flashing and relief angle; so at that time, Trapolin decided to take off the 1st level of brick up about twelve (12) feet or so, and while they were doing that, they were going to redo some of the 1st floor leasing space and they were going to reorganize some of the 1st floor. They were not going to touch the 2nd floor at all and they were going to reorganize some of the 3rd floor, which was a relatively small cope, under 50% of the total value of the building. Because of that, they would not have to follow things like storm water management and they could basically treat the building as if it were an existing building and they were under the 50% threshold. When Hurricane Ida came, they found that there was another level of issues. On top of the issues they realized that the threshold of construction is now over the 50% threshold limit and they have to essentially do a substantial renovation of the entire building.

Part of the substantial renovation is now they have run into the storm water management issue, so retention tanks will be stored in the parking lot. They also took this opportunity to reevaluate the parking scheme, itself. They are restriping the parking area, and will be replanting some of the landscaped areas because they were thinking about using some of it for water retention, but most of the storm water retention will be in the existing parking lot.

The trash area shown in the site plan is not a part of the scope, it is there to give a way to reference where we are on the drawings.

Blake showed a revision of the entire 1st floor of the building. He stated that as you walk in on N. Peters Street the entry is basically the same. They tried to separate the building into three (3) different zones. While they were redoing the first work, the maintenance department is in the building on the 1st floor on the other side of the rear wall. They separated the building into four (4) zones. The first entrance is the security office and the security center was in the building before Hurricane Ida. The second zone for the FMC is the maintenance workshop. The third zone is a breakroom that both the security and maintenance workers can use together. The fourth zone is the tenant space that is roughly 1200 sq. ft. Trapolin has created a central restroom for the 1st floor that would be used by everyone on the 1st floor, including the Tenant. The doors would be keyed and the door leading to the space would be open but keyed by the Tenant, so anyone could use the restrooms (maintenance and security).

At the entrance of the building the elevator would stay where it is currently located. He showed the security station and the actual security office, breakroom, and restrooms. He said the maintenance office and workshop are off the backside of the building, towards the river near Dutch Alley. Trapolin had to add a fire pump to meet the test flow requirements in case of fire so that it pumps water throughout the building in an emergency.

When Trapolin jumped the 50% threshold, they had to build above the flood plane, which was required. There was a requirement for them to raise the entire building up four (4") inches; but they were able to go to the BBSA and get a waiver. The building will now stay the same level, but instead of raising the building they are going to build a curb around the building, with the exception of where the openings are. There will be a six (6") inch concrete curb around the perimeter of the building, with a water bulb to hopefully stop water from coming in. All of the electrical will come from above, down, so that if there is a flood it would not be as traumatic. On the interior and exterior of the walls, water-rated sheetrock will be used.

Those were the three (3) caveats that had to be given to the BBSA to keep the same elevation. It also saved the FMC a tremendous amount of money. If they would have had to raise the building by four (4") inches they would have had to include ramps, move the 1st level of stairs up, etc., so it would have been quite the hurdle to jump; so they were happy to get the waiver.

On the second floor they left a white box for a potential tenant or for whomever is going to come in. There are discussions about possibly turning it into an office space, which Trapolin is working with the FMC on now on sketches of what the second floor space could be. At this time they are still going back and forth with that.

The third floor remains the FMC's main headquarters and in the plans Trapolin has redone the entire third floor. Right now on the second floor there is an interstitial staircase. There are two (2) stairs on the N. Peters and Dutch Alley sides, but currently there is an intermediate stair. Trapolin will take the stair out, cover up the slab, and make it like one (1) flat concrete slab on the third floor, and they have reorganized the building. The intent of what they are trying to do is that one of the great qualities about the building is that it has great views of the river and a lot of natural light with all of the windows around the perimeter.

They tried to perimeter out all of the offices around the edge and create a center core. So, spaces that you wouldn't want a bathroom added to, or that is not a high priority to have a bathroom in, they put in the center of the space.

Coming in from the elevator there will be a small reception area and a breakout phone booth area, in case anyone needs privacy to talk, because it will be a relatively open office. The offices will be laid out around the perimeter of the building, and most of the offices are typical in size, with the exception of the Executive Director's office and the office closest to the porter would be the Deputy Director's office. The Executive Director's office is designed with an area where the Executive can meet with people so that there is a little extra space and the Deputy's office is similarly designed, with an extra storage area and a little bit of a bigger office where people can come out.

Trapolin also connected the shared office (the accounting office) so that the multiple people who would share the space can communicate with each other quickly. A conference room has been added to that area as well. All of the post-shade black walls are opaque chip walls and everything in the white area is storefront. That storefront will be translucent up to a certain height (around 60% opacity) and above that will be clear. The goal is to get natural light from that office to the area while maintaining some sort of privacy. The core of the building's areas that we do not want light to like the restrooms and maybe the copy room and A/V area are put there; but there are some areas where it is nice to have light, like the kitchen, dayroom, and breakroom. In the breakout space, they have added the same storefronts so that the shared natural light can breathe into the space.

As for the exterior of the building, the bricks and everything will come off and it will be an armature of what the building is; it will be a feat. With this being the Vieux Carre we have to meet certain guidelines, but it will look (to everyone who walks by) the same way it has always looked, with the exception of the addition of some small openings for a fire pump room. They had to change some of the double doors to single doors to meet egress requirements for width; but all in all, the typical French Quarter resident or visitor will not notice the difference.

The elevations shown on the presentation were representative of N. Peters Street, Dutch Alley, in the alleyway between the floodwall and the parking lot looking back towards Canal Street. He showed a slide where he said all of the problems existed. It shown the conditions of an existing wall section from the ground floor through the roof, chopped up. The plans showed metal studs without curbs and how they were going to fix it. Some areas were hard to take a picture of due to the darkness. It showed areas with no studs with the walls dangling, which isn't a problem, structurally, because the studs do not hold the wall, they hold themselves up; but it is a problem with how the building functions. Trapolin will add the concrete curb with a goal of if it floods, the water will have to go up another 5 ½ inches before it dumps into the building. There will be a waterproofed jip so that if there is a disastrous time where it floods into the building it will not be gut-wrenching to fix.

He showed where the weeps were not present, where two bricks were joined there was not any mortar, and instead, a mortar net was installed as a drainage plane for the water to come out. The entire first floor is not level so Trapolin will install a topping flat to level the floor out, so that way the FMC will be able to easily transition. They understand that a previous tenant may have been a restaurant, so the slab is missing in spots and it is really patchy; so they are just going to start new and put the minimum amount of concrete as to not mess with the elevation, but to smooth everything out to start.

During Hurricane Ida, Trapolin went to the building and the FMC had to tear off all the interior jip. One of the things Trapolin noticed right away is that all of the windows are not flashed correctly. They are missing or have incorrectly installed a critical component, a sill pan flashing, which is the wooden sill at

the bottom of a window. There is a piece of flashing that goes underneath it so that when water leaks, the water is supposed to kick out to the building. The wood sill shown in the picture was like a sponge.

Another thing noticed when they ripped off all the jip is that on the exterior studs there was no waterproofing. The way the assembly should work is from interior to exterior there would be brick. There would be continuous insulation and behind the insulation on the exterior sheathing a piece of waterproofing would be applied. These items were never installed. The brick would knock out maybe 80% of the rain, but by design 20% of the water would get behind it. It caused mold to happen and it caused a lot of the exterior jip to deteriorate.

Another condition found were the brick ties (orange pieces tied back to the framing) which were supposed to be spaced about sixteen (16) on center, but they were spaced much further apart than that, sometimes approximately four (4) ft. in all directions.

Now, the entire clotting is going to have to get peeled out. Trapolin had to figure out how to put waterproofing in the tiny space with the brick on the building. It is nearly impossible; so Trapolin will peel the brick off. Now, all of the sheathing on the building is moldy and damaged so it will get peeled off. In some cases the studs are in working order so they will try to keep them, but in some cases they may have to be replaced, especially on the first floor. They will then put new sheathing on top of that and paint the waterproofing on.

Since they went through the 50% substantial renovation, there are new energy requirements that will be continuous with the insulation that has to be put on top of that. Trapolin will then put the proper amount of brick ties, reinsulate the stud and put new jib on; which will give a brand new wall, more or less. During demolition you should see the four plates and studs in the roof.

The next slide showed some of the precedence that was presented to Ms. Alley and Mr. Gurtner about how Trapolin can reorganize the space. Trapolin sees it where the first floor is the security and maintenance office with a heavy use restroom; so it has to be nice, but utilitarian and it has to last.

The third floor is the FMC headquarters where Trapolin would like to make it a little bit more special. People work there every day and are more likely to take care of it and are more likely to claim ownership. The people who work in those spaces are not doing heavy maintenance like the maintenance personnel and are not doing security. The first floor is utilitarian (still nice) and the third floor has a little bit more of a touch to it. That is a precedence for the office spaces and maybe a precedence for the reception desk. Trapolin was thinking about how the breakroom could work, about colors, millwork, and finishes; how the offices read with the storefronts, and how could they break up the space with color and furniture. They considered it is an office and people are working and doing different things and having meetings; so they tried to focus on acoustics, privacy, etc.

Ms. Alley stated that there is not really any privacy currently, because 80% of the walls are partition walls that do not go all the way up to the ceiling, the paint is chipping, and the floors are concrete. We would like to have the office be good, sustainable, and smart.

Blake stated that the material palate that they came up with after meeting with Leslie and Robbie, and going back and forth as it mainly relates to the third floor, is that Trapolin sees the millwork in their offices as stained wood and the millwork at the first floor being more of a painted wood or Pilon finish at the first floor. There should be more durable finishes.

The direction they are headed in with the third floor (and it can change during construction) is maple finish, stained wood, concrete flooring, carpeting in the offices to separate some of the spaces as they are walked through, specialty lighting and acoustic panels in the conference room, some of the FF&E for

office chairs, etc. The phone light room will be a space to go in and get privacy from everyone, so some of the FF&E for the phone room would have acoustic baffles in them, office chairs, nice wall coverings, kitchen coverings, and acoustic panels throughout the building to absorb sound and keep some of the reverb down.

Ms. Alley stated that they thought about the Board members when considering the phone room so that if they are in a meeting they can step away and step into the phone room to take a call in private.

Blake stated that looking from the reception desk and looking towards the river there will be translucent panels on the storefront and there will be a concrete floor. Communal areas will have a striated carpet and the back wall of the phone room is also an acoustic element, and it looks nice.

In the conference room there will be a space for a presentation area, a TV, and a beverage area. The backside of the millwork will be maple and the inset is an acoustic panel. There will be acoustic baffles on the ceiling closely spaced together with more color.

They are still figuring out the light fixtures in the conference room, but they feel like this is the space to shine because visitors will come in and see what the French Market is.

Ms. Alley stated that this space would be where Committee and internal meetings would be held and the Board meetings will be held on the second floor, possibly. This is a smaller conference room.

Blake stated that the view looking at N. Peters Street inside of the offices there will be a gray, muted carpet; but they are trying to play with how the spaces are divided. Some of the floor finishes are green striated carpets that bleed into the conference room and signifies it is part of the communal area because it is a coffee/beverage station.

Walking through on N. Peters would be the communal kitchen area looking towards the river. This is one of the spaces where they are trying to get a lot of the shared light, while maintaining privacy. They are adding acoustic elements to help with some of the reverb, and that is where the ceiling height should open up, and at the offices is where the ceiling drops down.

In a view of the kitchen looking back towards the elevator/Esplanade Ave., there will be nice millwork and a built in millwork wall, another spot where there will be concrete, and the area where people will convene would again be the green carpet.

Ms. Alley explained that once all of this work is complete, the roof will be the last thing done; but the insurance will cover the roof.

Mr. DeLong asked if we are confident that we have discovered all the engineering/technical issues. He asked about the probability that we will discover additional major issues that need to be repaired.

Blake stated that there is always a probability, and he does not know the exact percentage; but they are ripping the building down to the bones. He is confident in that probability getting smaller.

Ms. Alley stated that she didn't know if Trapolin had gone out to the University of New Orleans (UNO) during the summer before they demolished one of their buildings. She said they first took all of the skin off the outside of the building and left it just there with the steel frame.

Blake said that he was happy that Ms. Alley brought up the roof. He said that the building will not even have studs in some places, but there will be the steel structure and concrete plates, but they are going to keep the roof as much as possible so it would be a roof hat. He does not foresee any issues, but they might hit some hiccups in the parking lot with the retention drain, and they are anticipating that.

Ms. Alley stated that, that would be likely because we hit several slabs while working on the grease traps, so what we find when we start to excavate could be interesting; because everyone just builds on top of whatever someone prior to them built. They demo the area and begin building.

The challenge for us is that only a small part of this project is under the insurance claim. The rest of it is ours and we are watching the numbers go up. We have asked to get a third party estimate because we are going to need that anyway to go and bid it. We have the money in our capital program, but with each element we added, the project got more expensive and while the insurance company will pay for some of the stuff inside, it will be very little. The insurance company will not pay for the damaged furniture, or the equipment; only the items that are truly related to Hurricane Ida. All of the things that we have been talking about such as the foundation and the moisture barrier flaws we found is on the City. The Staff has had conversations with Capital Projects and it does not surprise them, because they have found this in other buildings as well.

Building E was built in around 1972 and we have no reason to believe it was not built to code at the time; however, building a building on the edge of the Mississippi River that has no moisture barrier... It has been described as a "hot house" they essentially created, considering all of the things that has been found to be wrong. There are no weeps, no sills and flashing on the windows, bricks are beginning to deteriorate, and the moisture is being held inside the walls. People have complained of headaches and mainly sinus issues. Mr. Gurtner said that people used to complain about those issues all the time. There is a good chance that some of those issues were related to the amount of mold that was behind the walls. It is probably best that because of Hurricane Ida we had to open the walls.

Blake showed a picture that Ms. Alley stated was in the conference room, that Blake said was clotted with mold, and the amount of mold is concerning.

Ms. Alley stated that they had the mold measured. Ms. Alley and Mr. Gurtner were in the conference room for about a month following Hurricane Ida. They realized that they were both having bad headaches and they began seeing all the mold. They called Risk Management who told them they needed to get out of the building. In 1972 the builders did not put a moisture barrier in the wall. The Staff found the plans and found that Koch & Wilson Architects were the architects of the building, and they are top notch.

Blake explained that there was a different standard. They own their house in New Orleans East which was built in the 1960's. There was a moisture barrier but it was asphalt, and over time it deteriorated and fell apart.

He further explained that the renovation of Building E will not be the same type of renovation that we would experience at the UPB where we are trying to keep a lot of stuff. The whole thing is going to be armature. He questioned are there going to be any issues with the structural steel once they expose it all, or the metal studs on the outside? His concern would be the roof that we are trying to retain and all of the framing. Did we add sheathing to the top of the roof? A lot of times they would have put 1-ply boards and in order to re-roof it calls for putting plywood on top of it in order to get the warranty on the roof. They just experienced this with another renovation that they are working on in the Garden District.

In this particular project, it is a gutted shell building, so the FMC should be more concerned about that on the UPB.

Ms. Alley said that going back and reading the things she read when we took over the building, you could see that bad renovations over time have caused the problems that are now coming to roost. The Staff is talking to people about changing some of the state laws to allow us to pre-qualify contractors. The problem with that is we get traction and everyone thinks it is a good idea, but when trying to get certain

people with the City (like Julian) to commit; they are not ready to “pull that trigger” yet. It is important to the FMC, particularly, because of the UPB, but it is relevant (if we follow the model that the State has) to any national register or property that is out there. Sometimes it is just too close to the session to get them to do it, so we might have to get them to do it next session; but we have someone to do it for us.

Blake said that the UPB is a jewel of the French Quarter, and pre-qualification does not sound like a bad idea.

Ms. Alley stated that everyone at City Hall is onboard and they very much want us to do this. We had a sad moment with WWOZ where they thought they might be able to hang out in one corner of the building while we do the renovations; but once we explained to them that the brick had to come off, they understood that they are going to have to get out. We told them that they would have to be out around August so that they can get through Jazz Fest. Their lease is month-to-month.

The assumption is that everything will happen quickly and these guys are going to do what they have to do. Our challenge is going to be when we have it cued up with Procurement as it relates to how fast they are going to bid it and how fast we can get the scopes under contract; especially when they are starting to move some of the infrastructure money. We are going to work on that, but we are hoping that by the summer we are going to have some under contract and we will be planning for “ready to go” and shortly after that we will also be bringing Trapolin the UPB work.

We have been doing a lot of work on the back of the buildings just to get them in good shape, but we have not tried to activate Dutch Alley because of the construction on the building. We are going to do the parking lot and put tanks in, etc., so we are going to have to lay down somewhere nearby and it could end up being at the St. Phillips end of Dutch Alley. The parking lot gets really narrow at that end, but we may have to take some of those spaces and we do not want to take anything out of commerce when we don't have to.

Blake stated that Trapolin went through Permitting and they presented it for the DBSA and went through the VCC and they are getting comments back from the Permitting so it is all public record now.

Ms. Alley stated that they supported the FMC in getting the variance quickly. The sites along the river's edge are weird because they do not have a lot of record to determine things like calculating your storm water or any of the zoning things that are calculated based on lots. She thought it would take us forever to get an interpretation from them, but it did not, which was great. Trapolin went before DBSA and got them to waive the requirements for elevating the building, which helped us out tremendously; because now we do not have to do a lot of ramps to get people into the building.

Ideally, with the second floor we may end up with a couple of extra cubicles down there. Howie Kaplan is looking for offices for the City's Nightlife Economy Department and we have a building that has security and is open 24 hours in the middle of the French Quarter. Also, we have Traveler's Aid social workers coming in and out at different times.

One of our biggest problems is that we have all been sharing one (1) restroom in that building, from ground floor to 3rd floor; so having the restrooms and locker rooms for security and maintenance on the 1st floor and not having to share one (1) restroom will hopefully work out well. We will then be able to get the administrative team out of the UPB and get the two units we occupy there back on the market.

Mr. DeLong moved and Ms. McClendon seconded a motion to list the presentation on the regular Board meeting agenda. The motion carried unanimously.

Mr. DeLong thanked Richard Campanella for his article. The article was timely and had wonderful and hopeful thoughts for what can be for the parking lots on Elysian Fields. It referenced back to what a vibrant area it used to be in commerce and trade. It is a really unique asset of the FMC and he looks forward to working towards getting it back into commerce and doing something interesting with it.

Ms. Alley stated that the article explains the history and why those properties are no longer used the way that they were; but it also explains the value of how they were used. We are having the same kind of conversations moving forward about the same things.

Mr. DeLong said that the economy moves on, the use moves on, and now it is incumbent upon us to figure out how to use it in present day.

Ms. Alley said that it is the perfect opportunity. The Staff will meet with Audubon again next week. We are going to start regular monthly meetings with them to see what is going on. We still need to figure out Crescent Park and the challenges that happen with it.

D. ADJOURNMENT

Ms. McClendon moved and Mr. DeLong seconded a motion to adjourn. The meeting adjourned at 1:14 p.m.