Special Meeting Agenda
AGENDA
December 22, 2008 at 11:00 AM

I. Call to Order

II. Pledge of Allegiance

III. Roll Call

IV. Consider requests from Clean Tank to construct bulkhead and for an option on additional waterfront

V. Consider requests from Chouest Shorebase Services, LLC to lease property on Slip B

VI. Consider adjustment of Commissioner's compensation

VII. Update on proposed tie rod work for Slip B Bulkhead Project #1

VIII. Update on vessels/structures in violation of Ordinance No. 25 and Ordinance No. 37

IX. Update on Airport Corridor appraisal process

X. Any other Business

XI. Public Comment

XII. Adjournment

OFFICIAL PROCEEDINGS OF THE GREATER LAFOURCHE PORT COMMISSION
December 22, 2008

The Board of Commissioners of the Greater Lafourche Port Commission met in special session on Monday, December 22, 2008 at 11:00 AM.

President Griffin called the meeting to order, and Vice President Vizier called the roll.

ATTENDED: Chuckie Cheramie, Perry Gisclair, Jimmy Lafont, Donald Vizier, Larry Griffin, John Melancon, and Ervin Bruce

ABSENT: Wilbert Collins and Jimmy Guidry

President Griffin presented for the board's consideration the request from Clean Tank to construct the bulkhead and for an option on additional waterfront. Director Falgout stated that our engineer has designed the bulkhead already with associated cost of approximately $179,000 and we are requesting that Clean Tank reimburse that cost to relocate the bulkhead to another site. Mr. Roger White addressed the board. He stated that Clean Tank is unable to make that commitment at this time and encourages the Port to continue with the bulkhead as designed. Director Falgout stated that the request for an additional 600 ft option was pending this response. Mr. White stated that Clean Tank would like to have the option on the additional 600 ft. Director Falgout stated that if Clean Tank would build their own bulkhead the Port would have to move the designed bulkhead further north which would impact our next port priority program application which DOTD has already submitted as part of state stimulus package. There is $24 million in request from LA Ports and if the Port's share is approved we would not have the flexibility to allow lessees to build their own bulkhead in that area. Upon motion by John Melancon and second by Ervin Bruce, the board unanimously approved the additional 600'of bulkhead.

President Griffin presented for the board's consideration the requests from Chouest Shorebase Services, LLC ("CSS") to lease 71 acres of property on Slip B & C. Director Falgout stated that the Port adopted a policy on right of first refusals and leasing property. The board requested that Mr. White give a presentation of their plans on this site and explain some problems they had with the policy. Mr. White stated that he interpreted the policy as if CSS took an option on this site even prior to development a third party could come in and lease the same property and start paying rent. He feels that it is an unfair situation when it takes time to plan this size of development with engineering and acquiring tenants on a site that will not be active for another 3-4 years. It is important to have control of this site before spending money for vendors and suppliers. He feels this policy does not prevent a third party from wanting this site which would force CSS to start paying rent which may result in paying rent for 1-2 years on unusable property. Mr. White stated that the board's concerns are that other companies will not have access to this property and CSS would cancel the lease at the time it becomes usable. CSS's proposal is a guarantee of a minimum of 1 year's rent on the entire piece of property. The lease would also require them to stabilize the embankment within 2 years. The property would be developed in two segments first along Slip B and then along Slip C. Mr. White is requesting that the board amend their policy to allow them to lease the property and go forward with engineering and securing tenants. Mr. White then discussed new developments in the Gulf of Mexico planned for 2010-2012. He then showed the board the plan for this site for a state of the art facility to handle large deepwater vessels. The estimated cost of investment is over $150 million.

Director Falgout stated that the proposal is that CSS would sign the lease within 30 days paying an implementation fee of 1 month's rent on the total 71 acres and if cancelled before the first 35 acres becomes available CSS would pay 90 days of rent on the 35 acres. He stated that if the lease is cancelled after the 35 acres are available CSS would pay 1 year's rent. The same terms will exist for the remaining 36 acres. Commissioner Vizier motioned to approve the lease with CSS which was seconded by Ervin Bruce, the floor was then opened for discussion.

Commissioner Lafont stated that the policy came about when 2 different companies wanted to lock in this site and stated that we will be amending this policy we just created. He is for the lease agreement but warned the board that others may come to amend the same policy. Commissioner Gisclair questioned the term "available property", which Director Falgout stated that available property is when the Port develops it to a +5 elevation. It is anticipated that by the end of 2009 we will have the material to elevate the property from the upcoming bulkhead/dredging projects which will kick in the terms of the agreement. The quicker we develop the property to make it available we will begin collecting rental. Commissioner Gisclair questioned if this project is in the budget, which Director Falgout replied that the first 35 acres on Slip B are in the budget in capital projects. The Slip C side will not be until late 2010 or early 2011 and will be eligible for port priority funds. Commissioner Melancon stated that the policy was put in place and sent to lessees to try to get a policy that works for lessees in the Port. The policy may not fit all situations and may need to be amended from time to time. Chouest has always lived up to their plans in the Port and he thanked them for their business. The board then voted which resulted in all yeas.

President Griffin presented for the board's consideration the adjustment of Commissioner's compensation. Commissioner Melancon stated that he has been discussing with other commissioners an increase in pay since the last pay raise was back in 2000 bringing their pay from \$50 to \$100 with a limitation of 6 per month. The pay raises need to be approved by the Senate and the House. He was told it is not a good time but would like to bring it before the legislature since the funds are self generated by the Port and will not cost the state anything. He is requesting to change the per diem from \$100 to \$150 with the same limitation of 6 per month. The reason it is on the agenda is to get it advertised in time for the next legislative session. Commissioner Melancon motioned to increase the per diem to \$150 which was seconded by Jimmy Lafont, the floor was open for discussion. Commissioner Lafont stated that this is a different situation from when the legislature asked for a raise since we are limited to 6 per month and the Port is self generating this money. It should pass in the legislature.

Representative Gisclair stated that the legislature will convene on April 27, 2009 which means there are deadlines to submit and advertise local bills. The local bills need to be advertised twice 30 days before the introduction which means the last days to advertise is March 27th and March 28th. He stated that the state is obviously looking at a deficit and bills like this in the last session passed with flying colors. He does not see a problem with this being passed. If the board votes to increase the per diem, he will put the bill together and run it through the proper committee to get it passed. Commissioner Vizier stated that former Rep. Pitre said he would not bring a bill to the legislature unless he had a 9-0 vote of the board. He questioned Rep. Gisclair's feelings on this, which Rep. Gisclair stated that if some commissioners disagree he would go with the majority of the board but would like to hear the reason for voting against. Commissioner Gisclair stated that he has spoken to Sen. Dupre and Rep.Gisclair and would hope that they would go with a majority vote and not shut something down because one commissioner is against it. He stated that there are two commissioners absent today. He personally does not feel it is the right time to go from \$100 to \$150 in this term but he does not have a problem with voting on this later for the next board term. He was fully aware of the per diem rate when he ran for the position. Commissioner Vizier agreed and stated that the per diems received is fair and he is here to serve the Port. The board then voted which resulted in 5 yeas by Cheramie, Lafont, Griffin, Melancon, Bruce; 2 nays by Gisclair, Vizier; and 2 absent by Collins, Guidry.

Commissioner Vizier exited the meeting.

President Griffin presented to the board the update on the proposed tie rod work for Slip B Bulkhead Project #1. Director Falgout stated that we have negotiated with the engineer an agreement to upgrade the bulkhead on Slip B. Mr. Autin stated that after further discussions with the lessees and the engineer there was a global decision that Picciola & Associates ("P&A") would pay the cost for the upgrade with the condition that the lessees would not hold us or P&A responsible for the tie rods that have been temporarily fixed and would allow access to the sites without any claim of down time for the upgrade. We have verbal agreements from all affected lessees and have sent letters for them to sign off on with these conditions which we are awaiting the signed letters to move forward. Commissioner Lafont stated that P&A has agreed to pay for this cost when the lessees are operating on these sites. He questioned why P&A will pay another $375,000 to fix the tie rods again? Mr. Autin stated that when the rods were originally broken a metallurgist inspected the reason why these rods broke. The issue is that the tie rods at the interface of the sheet need to be addressed. The tie rods that broke are now repaired but this project would replace all the tie rods on these sites with an alloy at the interface of the sheet with a round bar opposed to the threaded bar. Mr. Breaux stated that all the rods will be changed for the proposed upgrade. Commissioner Lafont questioned how we came up with one party paying rather than several parties. Director Falgout stated that the upgrade will cost approximately $375,000 but if this goes to litigation it may cost millions and several parties would be involved. Mr. Autin stated that this would be an upgrade project, the bulkhead is not damaged. Director Falgout stated that there are many options for the board to take but the engineer agreed to fund this upgrade to move forward and not have to go through litigation. Commissioner Gisclair questioned if we are waiting to receive the signed letters back from the lessees before proceeding with this upgrade, which Mr. Autin replied yes. Mr. Autin requested that the board pass a resolution that the board is agreeable with the upgrade of this bulkhead. Upon motion by John Melancon and second by Ervin Bruce, the floor was open for discussion. Commissioner Gisclair reiterated the problems the Port had with getting the broken rods from the tenants to the metallurgist and questioned Mr. Picciola if he had recourse against the rod company, which Mr. Picciola replied he believes he does. Mr. Picciola stated that from the reports of the broken tie rods he believes that they broke from a combination of bending caused by loading, the fine threads, and the impact load. Mr. Picciola also said that the bulkhead design was well in line with what the Port requested. Mr. Picciola reported that he has agreed to pay for the upgrade, which the board thanked him. The board then voted which resulted in 5 yeas by Cheramie, Gisclair, Griffin, Melancon, Bruce; 1 nay by Lafont; and 3 absent by Vizier, Collins, Guidry.

President Griffin presented the update on the vessels/structures in violation of Ordinance No. 25 and Ordinance No. 37. Director Falgout stated that we received quotes on the removal of these sunken structures with the low quote being Grand Isle Shipyard. Mr. Autin stated that we sent letters to the owners that the Port is proceeding in removing the vessels and buildings. Ms. Mary Ann the owner of the fireworks building in Golden Meadow wrote a letter stating that she is working on the removal of the building. There are other vessel owners here to address the board. Mr. Douglas Plaisance stated that the quote to remove his vessel is considerably high and he is trying to fix the vessel. He is requesting more time to be able to fix the boat. Commissioner Griffin questioned if more time is given how soon will it be removed, which Mr. Plaisance replied that the boat is afloat now and he could get rid of the boat for a lesser amount. Commissioner Melancon stated that something needs to be done and his suggestion to Mr. Plaisance is to get rid of the vessel. We have been dealing with this boat for over 7 years. If we are forced to remove this vessel a judgment will be placed on Mr. Plaisance if it is not paid. If Mr. Plaisance wants more time, I would only consider 30 days. We have given him every opportunity in the world to get something done. Commissioner Lafont stated that we should not have a choice in giving additional time since we followed our ordinance. If we give him any more time, I would only give him 3 days. We have to move forward with this. Mr. Autin stated that we now have these quotes to move forward with the removal and it is board's decision if additional days are given. Commissioner Melancon stated that the contractor will not begin removal until after the holidays and he informed Mr. Plaisance that he has

2-3 weeks to remove the vessel from Bayou Lafourche. Mr. Plaisance requested that the board notify him prior to the contractor being on site, which the board agreed.

Mr. Jacob Folse addressed the board for the sunken vessel in front of LCO. He stated that the vessel sunk after Hurricane Ike and he does have plans to lift the vessel and bring it to Lake Des Allemands by the end of this week. The board stated they will notify him when the contractor is on site. Commissioner Cheramie stated that he saw someone trying to lift the Lady Leota in Galliano but they were not successful. Upon motion by Chuckie Cheramie and second by Perry Gisclair, the board awarded the low bid by Grand Isle Shipyard for the removal of the sunken vessels/buildings.

President Griffin presented to the board the update on Airport Corridor appraisal process. Director Falgout stated that the Port did an appraisal for the property and Mr. Martin also did an appraisal on only his tract of land. Mr. Rome stated that our appraisal for building and land on Mr. Martin's tract is $542,000. The appraisal from Mr. Martin for building and land was $1.2 million. There is an encroachment on this tract of a warehouse building which was discussed with Mr. Martin to pay half the value of $238,000 and he would tear it down. The administration would like authorization from the board to proceed and have our appraiser review Mr. Martin's appraisal report. Upon motion by Ervin Bruce and second by Jimmy Lafont, the floor was open for discussion. Commissioner Gisclair questioned what the Port is trying to accomplish with one tract of land, which Director Falgout stated that from the preliminary engineering this size project would be like the Larose connection you would need the 2 parcels but with one tract you could still build one similar to the Cote Blanche Connection. The approaches to the bridge would be a DOTD function and will not impact the connector. Commissioner Gisclair questioned turning lanes, which Engineer Picciola stated that with just the Martin tract the project would consist of a 2 lane road with full asphalt shoulders with turning lanes at the intersection of the four lane highway and LA 1. Commissioner Gisclair questioned the Parish's part in this project, which Director Falgout stated that before we sign a purchase agreement for property we would have an agreement with the parish outlining their responsibility for when we acquire the property. The discussion with the Parish is that they would build and hard surface the road. They have submitted capital outlay request as well. Commissioner Melancon suggested that we wait and analyze the real estate market for 2009. Commissioner Lafont stated that we will have to compare the numbers anyway before the board moves forward with negotiations and requested to go ahead and do it now. The board then voted which resulted in all yeas.

President Griffin opened the floor for any other business. Director Falgout advised the board that the Port will be advertising to sell the 2 mobile homes and the 3 travel trailers that are at the airport.

Upon motion by Chuckie Cheramie and second by John Melancon, the board adjourned the special meeting.

ATTEST:

Larry Griffin, President

Wilbert Collins, Secretary