

**PORT OF SOUTH LOUISIANA
REGULAR COMMISSION MEETING
MONDAY, OCTOBER 21, 2019
ADMINISTRATION BUILDING
LAPLACE, LOUISIANA
10:00 A.M.**

1. CALL TO ORDER.....CHAIRMAN ROBICHAUX
2. ROLL CALL.....CHAIRMAN ROBICHAUX
3. PLEDGE OF ALLEGIANCE.....COMMISSIONER HICKERSON
4. NEW BUSINESS AND PUBLIC COMMENTS
 - A. CONSIDER FIRST AMENDMENT TO LEASE AGREEMENT WITH UNION CARBIDE CORPORATION (DOW-St. Charles Railyard)
 - B. CONSIDER RESOLUTION COMMITTING ADDITIONAL FUNDS TO LAND ACQUISITION, PLANNING FOR INFRASTRUCTURE DEVELOPMENT FOR PUBLIC PORT/INDUSTRIAL PARK FACILITIES (ST. CHARLES) FPC PROJECT NO. 36-P21-10-01 (St. Charles Railyard)
 - C. CONSIDER RESOLUTION AWARDDING LAND ACQUISITION, PLANNING FOR INFRASTRUCTURE DEVELOPMENT FOR PUBLIC PORT/INDUSTRIAL PARK FACILITIES (ST. CHARLES) FPC PROJECT NO. 36-P21-10-01 (St. Charles Railyard)
 - D. CONSIDER RESOLUTION AMENDING PROFESSIONAL LEGAL SERVICES AGREEMENT WITH BREAZEALE, SACHSE & WILSON. L.P.
5. ADJOURNMENT

CALLED PURSUANT TO ARTICLE II OF THE PSL BY-LAWS

America's Largest Tonnage Port



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**A REGULAR MEETING OF THE PORT OF SOUTH LOUISIANA
COMMISSION HELD AT THE PORT OF SOUTH LOUISIANA ADMINISTRATION
BUILDING ON MONDAY, OCTOBER 21, 2019**

ITEM 1-CALL TO ORDER

Chairman Paul Robichaux called the Meeting to order at 10:00 a.m.

ITEM 2-ROLL CALL

Vickie Clark	Mr. Bazile
Mr. Bazile	Here.
Vickie Clark	Ms. Songy
Ms. Songy	Here.
Vickie Clark	Mr. Murray; Absent
	Mr. Scontrino
Mr. Scontrino	Here
Vickie Clark	Mr. Hickerson
Mr. Hickerson	Here
Vickie Clark	Mr. Sellars; Absent
	Mr. Buckwalter
Mr. Buckwalter	Here.
Vickie Clark	Mr. Roussel; Absent
	Mr. Robichaux
Mr. Robichaux	Here.

ITEM 3. PLEDGE OF ALLEGIANCE

Commissioner Hickerson led the Pledge of Allegiance.

ITEM 4.. NEW BUSINESS AND PUBLIC COMMENT

Mr. Robichaux Any public comments?

ITEM 4A. CONSIDER FIRST AMENDMENT TO LEASE AGREEMENT WITH UNION CARBIDE CORPORATION (DOW-ST. CHARLES RAILYARD)

Mr. Aucoin In May of this year when the bids for the DOW Railyard project came in well over our estimated budget and the Capital Outlay funds available to the Port, the Port and DOW began negotiations on the gap in funding. (Capital Outlay funding for the project is \$8.775M and the lowest bid came in at \$11,557,508). In the original Lease with DOW (dated April 2017) they agreed to pay the Port \$42,333 per month (\$507,996 per year). In our negotiations, DOW rejected our 1st offer of \$59,561.26 and came back with an offer of \$42,333 per month which we did not consider. DOW's board accepted our counteroffer of \$52,000 per month (\$624,000 per year) for 20 years at their meeting on Friday, October 11. This 20-year lease has an escalation clause that the lease will increase each year at PPI – not less than \$492 per year. I recommend approving this First Amendment to the DOW lease wherein we will collect a total over the life of the lease of \$12,480,000.

Patti Crockett Actually it is more than because the PPI adjustment is not included.

Mr. Aucoin Right. Any questions?

Mr. Scontrino Just a couple of questions...8.7 million was the estimate from our engineers ?

Mr. Aucoin Right. From the beginning the price of steel went up and things were volatile and that cost the bidding to be much higher than anticipated.

Mr. Scontrino You think that it is related to tariffs. It seems to me \$2.7million or 25% over what we estimated and that seems to be a pretty bad estimate.

Al Naomi We put the estimate together and was prepared to go with the contract award. But there was a delay in getting final approval with the contract from the State. In that time frame there was a trade war between US and other nations especially China as far as the steel prices....cost some tremendous price increases and this resulted in the overbidding that you are talking about. It was over a year delay.

Mr. Scontrino Not just steel but....

Al Naomi Steel but other things but steel is the driving force this particular time ...

Mr. Scontrino Cause \$2.7 million is a lot.

Al Naomi It isactual breakdown goes right to the price of rail and other parts gone up to, but it seems all prices are going up and it continue to raise...

Mr. Scontrino Wanted to make the comment so that everybody understood why it changed so much and it needed to be said for the record.

We are putting in four million (\$4,000,000) when we do the math why doesn't it add up to \$4,000,000?

Mr. Aucoin It is a round figure we used just used.

Mr. Scontrino You have that the alternate is included with \$11.5 million, when you do the math you are about \$1.2 million over. I am trying to figure out if that is attributed to something else.

Patti Crockett In that \$11.5 million that is for construction only. That does not include what we had to pay for engineering, planning and design and all to

Mr. Scontrino So we didn't have that number in the original number...for planning and engineering...

Mr. Aucoin Yes, we didn't expect that to go up ...it just something to be precautionary ...so we do not have to come back to the board for more money. We actually are not going to spend it unless we need to ...

Mr. Hickerson Shouldn't it say not to exceed \$4,000,000?

Mr. Aucoin It can't exceed that is all I have authority for ...

Mr. Scontrino Just \$1.2 Million is not accounted for so the conversation...I just wanted to bring up that the numbers didn't add up to.....

Patti Crockett There was a \$500,000 contingency and the planning and all. We only had \$8.2 million out of the capital outlay funding for the project and that brings us closer to.....

Mr. Scontrino We are spending \$1.2 million for soft cost and I am sorry to ask you maybe I should be asking someone else.

Patti Crockett It is just that I don't have it all in front of me.

Mr. Aucoin We just don't want to have to comeback Joey, and this give us that comfort level that we think we need to complete the project now and make a reasonable agreement with DOW.

Included in all these numbers is a 1% return on the 4 million dollars so that is also stretched out the life of this lease as well.

Mr. Hymel There are somethings that are going to be additional cost on the project like geotechnical testing cost, soil.... You also will have onsite inspection. I don't think that is included.

Mr. Scontrino So we \$8.2 million was never enough to begin with...

Mr. Robichaux Do we have an itemized list of our anticipated cost?

Mr. Aucoin We can put one together.

Mr. Scontrino Well you are seeking our approval and I am just doing the math and I see there is \$1.2 million outside and there is no explanation for the \$1.2 million until we sit in the forum and talk about it. It seems appropriate that you would have had that in here for us so the \$1.2 million can explained and we wouldn't be questioning it....so I appreciate that information.

The lease increased substantially. I am in favor of the project.

Mr. Aucoin We will send all the Commissioners the breakdown.

A Motion was offered by Scontrino and seconded by Ms. Songy that the Executive Director be authorized to execute the First Amendment to the lease agreement with Union Carbide (DOW).

YEAS Mr. Bazile, Ms. Songy, Mr. Scontrino, Mr. Hickerson,
Mr. Buckwalter, Mr. Robichaux

NAYS Mr. Sellars, Mr. Roussel, Mr. Murray

ABSTAIN None

ABSENT None

**ITEM 7B. CONSIDER RESOLUTION COMMITTING ADDITIONAL FUNDS TO
LAND ACQUISITION, PLANNING FOR INFRASTRUCTURE DEVELOPMENT FOR
PUBLIC PORT/INDUSTRIAL PARK FACILITIES (ST. CHARLES) FPC PROJECT
NO. 36-P21-10-01 (St. Charles Railyard)**

Mr. Aucoin Thank you Chairman Robichaux. This item relates to Item A. This resolution will be provided to Facility Planning and Control committing the Port to the additional funds of \$4M necessary to complete this project. I recommend approving the resolution. Upon receipt of this Resolution they will release the Capital Outlay Funds. I recommend approving this Resolution.

A Motion was offered by Mr. Scontrino and seconded by Mr. Buckwalter that a Resolution be passed committing \$4 million dollars to the Land Acquisition, Planning For Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles) FPC Project No. 36-P21-10-01 (St. Charles Railyard).

YEAS Mr. Bazile, Ms. Songy, Mr. Scontrino, Mr. Hickerson,
Mr. Buckwalter, Mr. Robichaux

NAYS Mr. Sellars, Mr. Roussel, Mr. Murray

ABSTAIN None

ABSENT None

**ITEM 7C. CONSIDER RESOLUTION AWARDING LAND ACQUISITION,
PLANNING, INFRASTRUCTURE DEVELOPMENT FOR PUBLIC PORT/INDUSTRIAL
PARK FACILITIES (ST. CHARLES) FPC PROJECT NO. 36-P21-10-01 (St. Charles
Railyard)**

Mr. Aucoin Thank you, Chairman Robichaux. The Port received 4 bids for the Railyard project. This resolution allows the Port to award the Railyard project bid to the lowest responsible bidder, Barriere Construction

(pending Facility Planning and Control's final approval). The total project construction amount is \$11,557,508.00 which includes the base bid and Alternate 1. I recommend approving this resolution.

A Motion was offered by Mr. Hickerson and second by Mr. Scontrino that the Land Acquisition, Planning for Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles) FPC Project No. 36-P21-10-01 (St. Charles Railyard) project be awarded to Barriere Construction for an amount of \$11,557,508.00.

YEAS Mr. Bazile, Ms. Songy, Mr. Scontrino, Mr. Hickerson,
Mr. Buckwalter, Mr. Robichaux

NAYS Mr. Sellars, Mr. Roussel, Mr. Murray

ABSTAIN None

ABSENT None

ITEM7D. CONSIDER RESOLUTION AMENDING PROFESSIONAL LEGAL SERVICES AGREEMENT WITH BREAZEALE, SACHSE & WILSON. L.P.

Mr. Aucoin Thank you, Chairman Robichaux. The agreement would allow the Port to continue hiring Breazeale, Sachse & Wilson for a complex bankruptcy dispute- the Bayou Steel Bankruptcy in particular. I recommend approval but would ask that page two of the Resolution be amended to include (where attorneys are listed) the name of Timothy W. Hardy. I ask that you approve the change and add his name to the list.

Mr. Hickerson Somewhere I read that the Port was interested in doing an industrial site at Bayou Steel.. can you explain that?

Mr. Aucoin We have several prospects who are interested in the site whether the Port is involved depends a lot on whether the prospect want us to be involved or not. The point of us hiring a bankruptcy attorney is to monitor the bankruptcy proceedings- it is in our port district and we may have an opportunity for a joint venture. Just to keep us in form because the bankruptcy is in the State of Delaware not Louisiana. Does that answer the question?

Mr. Hickerson Yes.

Mr. Scontrino I think this is good move on our Port to let them know we are involved...interested ...without something could happened that is

not in the best interest of the Port or community. I think it is a smart move.

Mr. Robichaux You need properly representation especially in bankruptcy you could be missing the boat.

A Motion was offered by Mr. Scontrino and seconded by Mr. Buckwalter that a Resolution be passed amending the professional legal service agreement with Breazeale, Sachse & Wilson. L.P.

YEAS Mr. Bazile, Ms. Songy, Mr. Scontrino, Mr. Hickerson,
Mr. Buckwalter, Mr. Robichaux

NAYS Mr. Sellars, Mr. Roussel, Mr. Murray

ABSTAIN None

ABSENT None

ITEM 5. ADJOURNMENT

Mr. Robichaux Anybody has anything from Committees that you want to talk about? Judy?

Ms. Songy We will be calling a meeting to give an update on the property we want to acquire and another property that Brian is looking at...

Mr. Robichaux Joey? Whitney?

Mr. Hickerson I have a comment...What is the status of the Foreign Trade Zone application that we did for Wanhua for St. James ?

Mr. Aucoin I would have to check with Lisa, but I think they withdrew it.

Mr. Hickerson They withdrew. They moving to Texas.

Mr. Robichaux Anything on Insurance? When is your short list meeting?

Mr. Hickerson The short list meeting is I believe on the 10th. I wasn't informed.

Patti Crockett Monday, November 4th at 10:00 a.m.

Mr. Hickerson That is the date I set.


Chairman Robichaux announced the November Commission Meeting would be on Wednesday, November 13th at 3:00 PM because staff would be traveling to Natchitoches for PAL Conference.

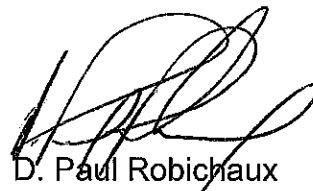
Mr. Aucoin I just want to thank everyone for coming out to the Special Meeting and really accommodate us in our negotiations with DOW and happy to work with them and do something in St. Charles Parish.

A Motion was offered by Mr. Scontrino and seconded by Mr. Hickerson that the Meeting be adjourned.

YEAS	Mr. Bazile, Ms. Songy, Mr. Scontrino, Mr. Hickerson, Mr. Buckwalter, Mr. Robichaux
NAYS	Mr. Sellars, Mr. Roussel, Mr. Murray
ABSTAIN	None
ABSENT	None

The meeting adjourned at 10:48 a.m.


Stanley C. Bazile
Secretary


D. Paul Robichaux
Chairman/President

December 4, 2019

A Motion was offered by Scottrino and seconded by Buckwalter.

**Land Acquisition, Planning for Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles)
FPC Project No. 36-P21-10-01 (Dow Railyard)**

RESOLUTION

WHEREAS, the Port of South Louisiana (Port) has received state funding in the amount of Eight Million Seven Hundred Seventy-Five Thousand Dollars (\$8,775,000) for Land Acquisition, Planning for Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles) FPC Project No. 36-P21-10-01 (Dow Railyard);

WHEREAS, the Port advertised for bids for the construction of a railyard at its SOLAPORT site;

WHEREAS, Barriere Construction Company, the apparent low bidder, submitted a total bid of \$11,557,508.00 (\$10,828,508 and Alternate 1 \$729,000) for the construction of the railyard

WHEREAS, Union Carbide Corporation (DOW) and the Port of South Louisiana entered into a lease agreement on April, 2017 for the lease of the railyard;

WHEREAS, DOW and the Port entered into a First Amendment to the April 17, 2019 lease agreement increasing the rents and the term;

WHEREAS, considering the bid amount, the funding available, contingencies and the lease agreement the Port desires to commit additional funding in the amount of four million dollars (\$4,000,000) to the project;

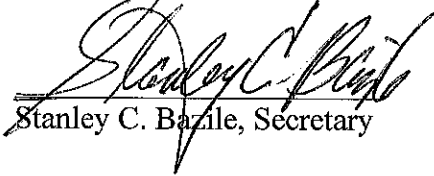
NOW THEREFORE BE IT RESOLVED, that the Port of South Louisiana does hereby commit the additional funds necessary to fund the project in the amount of four million dollars (\$4,000,000).

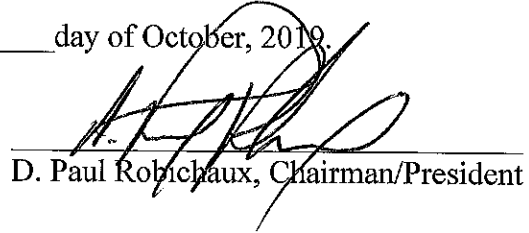
THE FOREGOING RESOLUTION having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Robert Roussel	_____	_____	X	_____
D. Paul Robichaux	X	_____	_____	_____

Patrick Sellars	_____	_____	<u> X </u>	_____
Kelly Buckwalter	<u> X </u>	_____	_____	_____
Whitney Hickerson	<u> X </u>	_____	_____	_____
Joseph Scontrino, III	<u> X </u>	_____	_____	_____
Stanley C. Bazile	<u> X </u>	_____	_____	_____
Judy Songy	<u> X </u>	_____	_____	_____
P. Joey Murray	_____	_____	<u> X </u>	_____

And the Resolution was declared adopted on this _____ day of October, 2019.

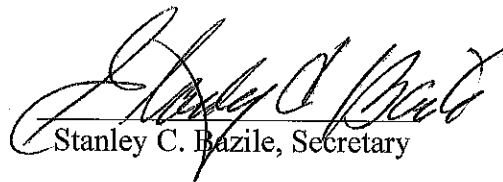

 Stanley C. Bazile, Secretary


 D. Paul Robichaux, Chairman/President

CERTIFICATION

I, hereby certify that the above foregoing is a true and correct copy of a Resolution adopted at a Regular Meeting of the Port of South Louisiana held on this 21st day of October, 2019 in which a quorum was present and voting and that the Resolution adopted is still in effect and has not been rescinded or revoked.

Signed at La Place, Louisiana on the 21st day of October, 2019


 Stanley C. Bazile, Secretary

The following Resolution was offered by Hickerson and seconded by Scottrino

RESOLUTION

**Land Acquisition, Planning for Infrastructure
Development for Public Port/Industrial Park
Facilities (St. Charles)
FPC Project No. 36-P21-10-01
(DOW) Railyard**

WHEREAS, the Port of South Louisiana (hereinafter referred to as "Port") desires to construct a railyard at SOLAPORT;

WHEREAS, the Port of South Louisiana (Port) has received state funding in the amount of Eight Million Seven Hundred Seventy-Five Thousand Dollars (\$8,775,000) for Land Acquisition, Planning for Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles) FPC Project No. 36-P21-10-01 (DOW railyard);

WHEREAS, the Port did advertise for bids in accordance with La R.S. 38:2212 et.seq. (Public Bid Law);

WHEREAS, the Port did receive five (5) bids and the lowest responsible and responsive bidder is Barriere Construction Company, L.L.C.;

WHEREAS, the lowest bid exceeds the state funding available as well as the construction estimate for the project;

WHEREAS, the Port has passed a Resolution committing additional funds totaling Four million dollars (\$4,000,000) to the project;

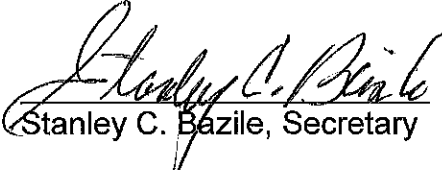
WHEREAS, the Port desires to award the bid to Barriere Construction Company, L.L.C. for the total project amount of Eleven million Five hundred fifty-seven thousand five hundred and eight dollars \$11,557,508.00 (\$10,828,508 and Alternate 1 \$729,000) for the construction of the railyard.

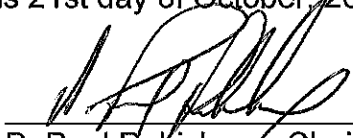
NOW, THEREFORE, BE IT RESOLVED, that the Port of South Louisiana Commission, in Regular Session, assembled on the 21st day of October, 2019 does hereby award the Land Acquisition, Planning for Infrastructure Development for Public Port/Industrial Park Facilities (St. Charles) FPC Project No. 36-P21-10-01 (DOW) Railyard to Barriere Construction Company, L.L.C. for the total project amount of Eleven million Five hundred fifty-seven thousand five hundred and eight dollars \$11,557,508.00 (\$10,828,508 and Alternate 1 \$729,000) for the construction of the railyard (pending Facility Planning and Control's approval).

THE FOREGOING RESOLUTION having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Robert Roussel	_____	_____	<u>X</u>	_____
Judy Songy	<u>X</u>	_____	_____	_____
Kelly Buckwalter	<u>X</u>	_____	_____	_____
Joseph Scontrino, III	<u>X</u>	_____	_____	_____
Stanley C. Bazile	<u>X</u>	_____	_____	_____
P. Joey Murray, III	_____	_____	<u>X</u>	_____
Whitney Hickerson	<u>X</u>	_____	_____	_____
Pat Sellars	_____	_____	<u>X</u>	_____
D. Paul Robichaux	<u>X</u>	_____	_____	_____

And the Resolution was declared adopted on this 21st day of October, 2019



 Stanley C. Bazile, Secretary


 D. Paul Robichaux, Chairman/President

CERTIFICATION

I hereby certify that the above foregoing is a true and correct copy of a Resolution adopted at a Regular Meeting of the Port of South Louisiana held on this 21st day of October 21st 2019 in which a quorum was present and voting and that the Resolution adopted is still in effect and has not been rescinded or revoked.

Signed at La Place, Louisiana on the 21st day of October, 2019


 Stanley C. Bazile, Secretary

RESOLUTION

**Professional Legal Services Contract
Breazeale, Sachse & Wilson, LLP**

WHEREAS, the Port of South Louisiana Commission has determined that a real necessity exists to continue the employment of the law firm, Breazeale, Sachse & Wilson, L.L.P., to continue to provide legal services on several complex cases involving the Port of South Louisiana;

WHEREAS, Bayou Steel BD Holdings L.L.C, a company located in the Port of South Louisiana District and employing 375 workers filed for bankruptcy in the United States Bankruptcy Court for the District of Delaware;

WHEREAS, the Port of South Louisiana is actively working to purchase or participate in the revitalization of Bayou Steel and needs to retain an attorney who specializes in bankruptcy matters posthaste;

WHEREAS, the Port of South Louisiana has several legal matters pending in various Courts that include complex contract disputes, specialized zoning disputes and intricate expropriations, with attorneys from Breazeale, Sachse & Wilson, L.L.P. currently enrolled as legal counsel for the Port of South Louisiana;

WHEREAS, the Port of South Louisiana also has other ongoing complex legal matters that include the need for sophisticated contract advice and expertise in federal airport regulations;

WHEREAS, Breazeale, Sachse & Wilson, L.L.P has attorneys who specialize in the matters in which it is representing the Port of South Louisiana;

WHEREAS, the Port of South Louisiana recognizes that the legal fees of Breazeale, Sachse & Wilson, L.L.P exceed the Attorney General Fee Schedule however the knowledge and resources that Breazeale, Sachse & Wilson, L.L.P. have available will be a benefit to the Port's position in these legal matters;

WHEREAS, the following individuals employed by Breazeale, Sachse & Wilson, L.L.P that will

be providing legal services to the Port of South Louisiana include:

- 1) Attorney Peter Butler Jr.
- 2) Attorney Troy Villa
- 3) Attorney Richard Passler
- 4) Attorney Eric Landry
- 5) Attorney Thomas Benjamin
- 6) Paralegal, Margaret Beyer

WHEREAS, the cost for these services shall be billed as follows and shall not exceed Three Hundred Thousand Dollars (\$300,000):

\$325.00 per hour	Senior Partners
\$225.00 per hour	Associates
\$115.00 per hour	Paralegal Services

WHEREAS, the cost for the services of the Bankruptcy Attorney, Alan H. Goodman, shall be Four hundred and twenty-five dollars (\$425.00) and his fees shall not exceed Two hundred thousand dollars (\$200,000);

NOW THEREFORE BE IT RESOLVED, that the Executive Director, Paul G. Aucoin, be authorized to continue to employ Breazeale, Sachse & Wilson, LLP, to provide legal services on several complex cases involving the Port of South Louisiana; the cost of these services shall be billed as follows and shall not exceed Three Hundred Thousand Dollars (\$300,000):

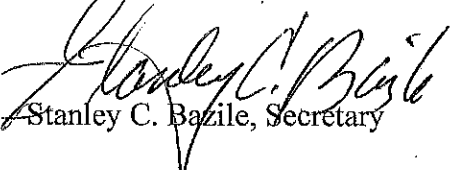
\$325.00 per hour	Senior Partners
\$225.00 per hour	Associates
\$115.00 per hour	Paralegal Services

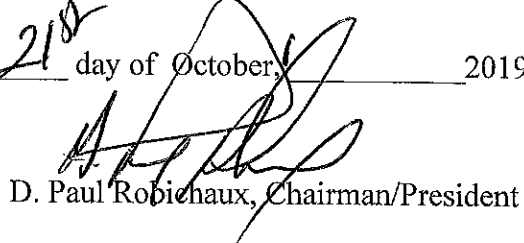
BE IT FURTHER RESOLVED, that the hourly cost for the services of the Bankruptcy Attorney, Alan H. Goodman, shall be Four hundred and twenty-five dollars (\$425.00) and the fees shall not exceed Two hundred thousand dollars (\$200,000);

THE FOREGOING RESOLUTION having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Robert Roussel			X	
D. Paul Robichaux	✓			
Patrick Sellars			X	
Kelly Buckwalter	✓			
Whitney Hickerson	✓			
Joseph Scontrino, III	✓			
Stanley C. Bazile	✓			
Judy Songy	✓			
P. Joey Murray			X	

And the Resolution was declared adopted on this 21st day of October, 2019.


Stanley C. Bazile, Secretary


D. Paul Robichaux, Chairman/President

CERTIFICATION

I hereby certify that the above foregoing is a true and correct copy of a Resolution adopted at a Regular Meeting of the Port of South Louisiana and held on this 21st day of October, 2019 in which a quorum was present and voting and that the Resolution adopted is still in effect and has not been rescinded or revoked.

Signed at La Place, Louisiana on the 21st day of October, 2019


Secretary