

STATE OF LOUISIANA  
PARISH LAFOURCHE

**A SPECIAL MEETING OF THE LAFOURCHE PARISH COUNCIL, PARISH OF LAFOURCHE, STATE OF LOUISIANA, WAS SCHEDULED FOR TUESDAY, MAY 5, 2009 AT 5:00 P.M., TO BE HELD AT THE OLD WAL-MART BUILDING, 4876 HIGHWAY 1, MATHEWS, LOUISIANA.**

The Lafourche Parish Council was duly convened as the Governing Authority of said Parish by Mr. Jerry Jones, Chairman, who then stated that the Lafourche Parish Council was ready for the transaction of business at 5:00 p.m.

Proceedings of the meeting were called to order with the following:

**PRESENT:** Mr. Jerry Jones, Chairman  
Mr. Michael Delatte  
Mr. Joseph "Joe" Fertitta  
Mr. Matt Matherne  
Mr. Lindel Toups  
Mr. Rodney Doucet  
Ms. Charlotte Randolph, Parish President

**ABSENT:** Mr. Louis Richard  
Mr. Phillip Gouaux  
Mr. Daniel Lorraine, Vice-Chair

Chairman Jones announced that the invocation would be led by Mr. Rodney Doucet. The Council then recited the Pledge of Allegiance led by Mr. Lindel Toups.

## PRESENTATIONS

The first item (1) on the agenda was a Power point presentation of cost comparisons on repair of the Barrios Building and the Wal-Mart Building alternative. President Randolph first preferenced on the purpose of calling for a special meeting; being so they could present all of the information to the Council, to have time to digest and ask any questions, so they would not be thrusting this upon them when they would have an 80 item agenda or something like that. She expressed that Administration thought this was that important, in that she really appreciated that the Council had come out to listen to what they had to present for this special meeting.

**Mr. Brennan Matherne, Director of Department of Parks, Recreation, and Public Facilities,** began by explaining that the presentation was not that long, but was indeed thorough (*see Exhibit "A"*). He said it would simplify the work done over the past eight months. Mr. Matherne stated that in doing research for this project, they have been working closely with FEMA, the Parish's insurance company, the Finance Department, and everyone else involved; going over all of the possible costs that would be involved in either project that they would decide to choose. He said the two projects they were considering as the most viable options were: returning to the Barrios building, as repaired and necessary; or purchasing the Wal-Mart building and making any necessary renovations. Mr. Matherne further explained the presentation was basically going to show the breakdowns of what the insurance and FEMA would contribute to such projects; the costs estimates to repair the Barrios building or to relocate to the Wal-Mart building; including absolute costs and probable costs. He said that it would also show side by side comparisons of both.

Mr. Matherne stated that a handout would be then given (*see Exhibit "B"*), so they could have the figures in front of them, looking at it side by side, while they were discussing the options. He asked that they remember that while he was going through the presentation that the costs being given were based on a lot of facts, giving the best estimates that they could come up with.

Mr. Matherne began with the "Repair Option & Alternative" presentation; first of all identifying their two main/primary funding sources for this project, as being the insurance settlement and FEMA. He said, as the Councilmen were aware, Duplantis Design Group had done a study for the Parish that estimated costs of around or a little over \$1.1 million to repair the entire Barrios building. In talking with the insurance company, they can all but guarantee the Parish that at least \$600,000 was what they could be expecting to get back; anticipating more, but showing the lowest figure possible for the point of this demonstration. Mr. Matherne said that they were given a range up to possibly \$800,000. He reported that the second main funding source was, of course, the reimbursements from FEMA; with the final FEMA repair estimate, received about a week ago, being a little over \$1.3 million. Mr. Matherne said that the relevance of the amount was that it was what FEMA felt that they were responsible for, as for as direct storm related damage. He asked they notice that it was a little over Duplantis' figure of \$1.1 million; but for them to aware there would be some give and take because Duplantis did not figure for mold and FEMA took out some of the things that Duplantis was repairing, so in the end it would be just a little bit higher. Mr. Matherne stated that the bottom line, needing to be known about those two figures, was that FEMA's estimate is relevant because the Parish was going to get a percentage of that, toward whatever project they decide to do; but the insurance settlement was going to come off the top. He said that in case, to figure out what they would get from FEMA, they would take the percentage of the \$1.3 million minus the \$600,000. So, because of that reason, the higher the insurance settlement goes from here, the more even the two projects are going to be, as far as how much the Parish would be receiving from FEMA. Mr. Matherne further explained the reasoning, in that if they repair at Barrios, that the share from the storm from Gustav was 90/10, FEMA would be 90% of storm repairs and the Parish comes up with 10%. However, to do the Wal-Mart project, or any alternate project for that matter, FEMA was going to only contribute roughly 81%. He explained that was because FEMA had to subtract 10% off of whatever the storm value is, which was at 90, taking off another 10, it would be roughly 81%. So, now that they know FEMA's repair estimates and the percentages they were going to have, depending on the project, and at least have some idea what they were going to get from insurance, it led Administration to this meeting.

Mr. Matherne presented the Council with "associated costs" of the buildings; reiterating that it leaves them with two viable options at this point, as stated earlier. He began with Option #1, which was to repair the Barrios building; with the "absolute costs" being figured at right under \$2 million. Mr. Matherne then listed the line items used to determine the amounts; such as mold remediation, storm-related repairs, repairs not covered by FEMA, de-humidifiers for three months, temporary building rental for a year, and moving costs; briefly explaining same. He expressed these were the absolute costs, meaning this was what it was going to absolutely cost to go back to Barrios, before adding in what they get from FEMA and such.

Mr. Matherne went on to explain that there was also \$405,000 of "potential costs"; explaining that they were costs that were likely to come up if they choose Option #1. He listed and explained individual items; saying that they talked about purchasing a separate building for their Office of Emergency Preparedness, being that they were so limited in space there. Since they have been at the Wal-Mart building they have actually expanded, in that a lot of new people have been hired, in which it just seems logical. He added that there was actually a building that they could potentially buy, factoring that cost in. Mr. Matherne explained that the next two line items were of hidden damages: one was the non-storm damages, which were things that were not covered by FEMA, planning as much as up to \$150,000 that may be found, on top of things that were already known that would have to be replaced. Then, for hidden storm damage; reiterating the Parish's 10% of what they figured to be about \$250,000. Mr. Matherne stated that they really felt that the mold remediation was going to turn up a lot more than the estimate that FEMA had been working with; adding that it may be coming up with an additional \$25,000. He added that it would be another \$50,000 to purchase property for parking, which was something that they have been thinking about doing, as many as two or three years ago. The property was actually bought, but they put this into future plans of doing so.

Mr. Matherne then stated that the total for absolute and potential costs, shown and explained, was a little over \$2.3 million. He said that once they subtract what they expect to get from FEMA and insurance, being a little over \$1.2 million, that the difference would show what the Parish can expect to pay. Once they have gotten reimbursed by FEMA and insurance, they would still have to come up with over \$1.1 million to repair the Barrios building. He asked they keep in mind that this would be money they would have to come up with immediately; further explaining that they would have to have it in the bank even before the project could be started.

Mr. Matherne next went over the costs for Option #2, being the purchase of the Wal-Mart building; first going over “absolute costs”, being lower and figured right under \$1 million. Mr. Matherne then listed the line items used to determine the amounts; such as the purchase of the building, plus the closing costs, additional restrooms, the make up of the new Council desk and chambers, to professionally cleaning the floors, electrical and security upgrades, and eventually the demolition of the Barrios building. He said that the demolition has to be accounted for because they could not leave it as it was if they decided to buy the Wal-Mart building, in that they would have to do something with the property. Mr. Matherne stated that they were open to suggestions, but they felt that it would be difficult to sell it in its current condition. He said that the purpose of the current presentation, they felt that tearing it down and selling the land was probably the best option; therefore factoring the amount as an absolute cost, needing to be considered if they choose to buy said building.

Mr. Matherne then went over the “potential costs” for the purchase of the Wal-Mart building; saying that was where it started to get a bit higher; with it going well over \$1.2 million. He explained that it did include all the variables that have been noted, including roof repairs and interior renovations; in that it was not figured as absolute costs because it was something that they could do over time. Mr. Matherne said that the roof may not be done at the current time, and the other factor was that they may not have to replace the entire roof, that it may be just one layer, significantly reducing that cost. He then listed new A/C units; saying that they were working fine, having issues with just one or two; but they would eventually all need to be replaced, more than likely within the next five to ten years. Mr. Matherne also listed the purchase of a generator at \$50,000; stating that Ms. Gretchen Caillouet (Director of Grants and Economic Development) had actually worked and secured a grant for the Barrios building; in which they were hoping to get it transferred to the current building, if they do indeed decide to buy it. He added that they have to consider it as a possible cost, until they would know if it could be transferred or not.

Mr. Matherne stated that the total for absolute and potential costs, shown and explained, was right about \$2.2 million. He requested they remember, as he had mentioned, that they get only 81% of FEMA’s estimate, of what they have left after insurances were taken off; being slightly less than \$60,000. Mr. Matherne stated that when FEMA and insurance were factored in that the total estimate costs would be a little over \$1 million.

Mr. Matherne continued the presentation; showing Council factors as a “Side by Side Comparison”; being the equations that they were just presented with. He explained the different costs and such factors. He then went on, showing several other facts to consider, as another side by side comparison; one being the size (square footage). Mr. Matherne explained that at the Barrios building it was almost 23,000 square feet and at the Wal-Mart building it was well over 54,000 square feet. He said that the utility costs were currently about \$530 more at the Wal-Mart building; but with electrical upgrades and once the Parish would make some changes they may be able to potentially bring said costs down; especially after the areas would be divided, being able to turn off electrical items. Ultimately for the year, they were not looking at a whole lot more, that they may be looking at \$6,300 a year in utility costs, which may be shaven down, but for a building more than twice the size. Mr. Matherne went on to explain that parking was a big issue at the Barrios building, being very limited; having ample parking at the Wal-Mart building. He then reiterated that the repairs at the Barrios building have to be done all at once, having to come up with over \$1 million to even start that project. Whereas, at the Wal-Mart building the repairs could be spread over time.

Mr. Matherne explained that the last slide shown was of a very quickly done drawing, based on the plat from the property they would be getting. He described that the green was obviously the grass, and the red was the outline of the property in which the Parish would be purchasing, all the way up to the road side.

Mr. Matherne stated his presentation was concluded; passing out the comparison handout as previously mentioned (*see Exhibit "B"*), and then briefly explained such comparisons. He said the third page was actually itemized items, which were additional projected building costs that would not be covered by FEMA, that were based on Duplantis' and FEMA's reports, and to specifically why that cost was so high, being over \$500,000. Mr. Matherne requested that they compare the two; concluding his report.

## DISCUSSIONS

The next item (2) on the agenda was a discussion regarding the Barrios Building and the Wal-Mart Building. Detailed discussion and debate ensued, with comments and concerns being stated and expressed, on various items of probabilities and possibilities.

## ADJOURNMENT

On **motion** by Mr. Delatte and seconded by Mr. Doucet, and with no further business, the Lafourche Parish Council Meeting of *Special Meeting* of **May 5, 2009 adjourned 5:45 p.m.**

JERRY JONES, CHAIRMAN  
LAFOURCHE PARISH COUNCIL

CARLEEN B. BABIN, COUNCIL CLERK  
LAFOURCHE PARISH COUNCIL



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# **Barrios Building**

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*Repair Option & Alternative*

Brennan Matherne

*Director of Parks, Recreation & Public Facilities*

# Primary Funding Sources

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**Insurance Settlement: \$600,000**  
*(at least)*

## **FEMA**

- Repair Estimate: \$1,310,189
- Repair Barrios: FEMA contributes 90% of leftover costs after insurance
- Alternate Project: FEMA contributes 81% of leftover costs after insurance

# Two Viable Options

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## OPTION #1:

**Repair the Barrios Building**

## OPTION #2:

**Purchase the Wal-Mart Building  
& make renovations**

# OPTION #1: Repair Barrios Bldg

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## **Absolute Costs: \$1,946,171**

- Mold Remediation: \$329,530
- Storm-Related Repairs: \$980,659
- Repairs Not Covered by FEMA: \$569,960
- De-Humidifiers (3 months): \$17,022
- Temp. Bldg. Rental: \$24,000
- Moving Costs: \$25,000

# OPTION #1: Repair Barrios Bldg

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## **Potential Costs: \$405,000**

- Purchase OEP Bldg: \$180,000
- Hidden Non-Storm Damage: \$150,000
- Hidden Storm Damage: \$25,000
- Purchase Property for Parking: \$50,000

# OPTION #1: Repair Barrios Bldg

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**Absolute Costs: \$1,946,171**

**Potential Costs: \$405,000**

**TOTAL COST: \$2,351,171**

**FEMA/Insurance: -\$1,239,170**

**TOTAL ESTIMATED COST**

**TO PARISH: \$1,112,001**

# OPTION #2: Wal-Mart Building

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## **Absolute Costs: \$977,500**

- Purchase Building: \$765,000
- Additional Restrooms: \$60,000
- Council Desk/Chamber: \$50,000
- Clean Floors: \$25,000
- Electrical Upgrades: \$20,000
- Security Upgrades: \$7,500
- Demolition of Barrios Building: \$50,000

# OPTION #2: Wal-Mart Building

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## **Potential Costs: \$1,275,000**

- New Roof: \$750,000
- Interior Renovations: \$250,000
- New A/C Units: \$225,000
- Purchase Generator: \$50,000

# OPTION #2: Wal-Mart Building

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**Absolute Costs: \$977,500**

**Potential Costs: \$1,275,000**

**TOTAL COST: \$2,252,500**

**Sale of Barrios Land: ~~-\$175,000~~**

**FEMA/Insurance: ~~-\$1,175,253~~**

**TOTAL ESTIMATED COST**

**TO PARISH: \$902,247**

# Side By Side Comparison

## Barrios Bldg

Absolute: \$1,946,171

Potential: \$405,000

TOTAL: \$2,351,171

FEMA/Ins: -\$1,239,170

TOTAL COST TO PARISH:

**\$1,112,001**

## Wal-Mart

Absolute: \$977,500

Potential: \$1,275,000

TOTAL: \$2,252,500

FEMA/Ins/Sale: -\$1,350,253

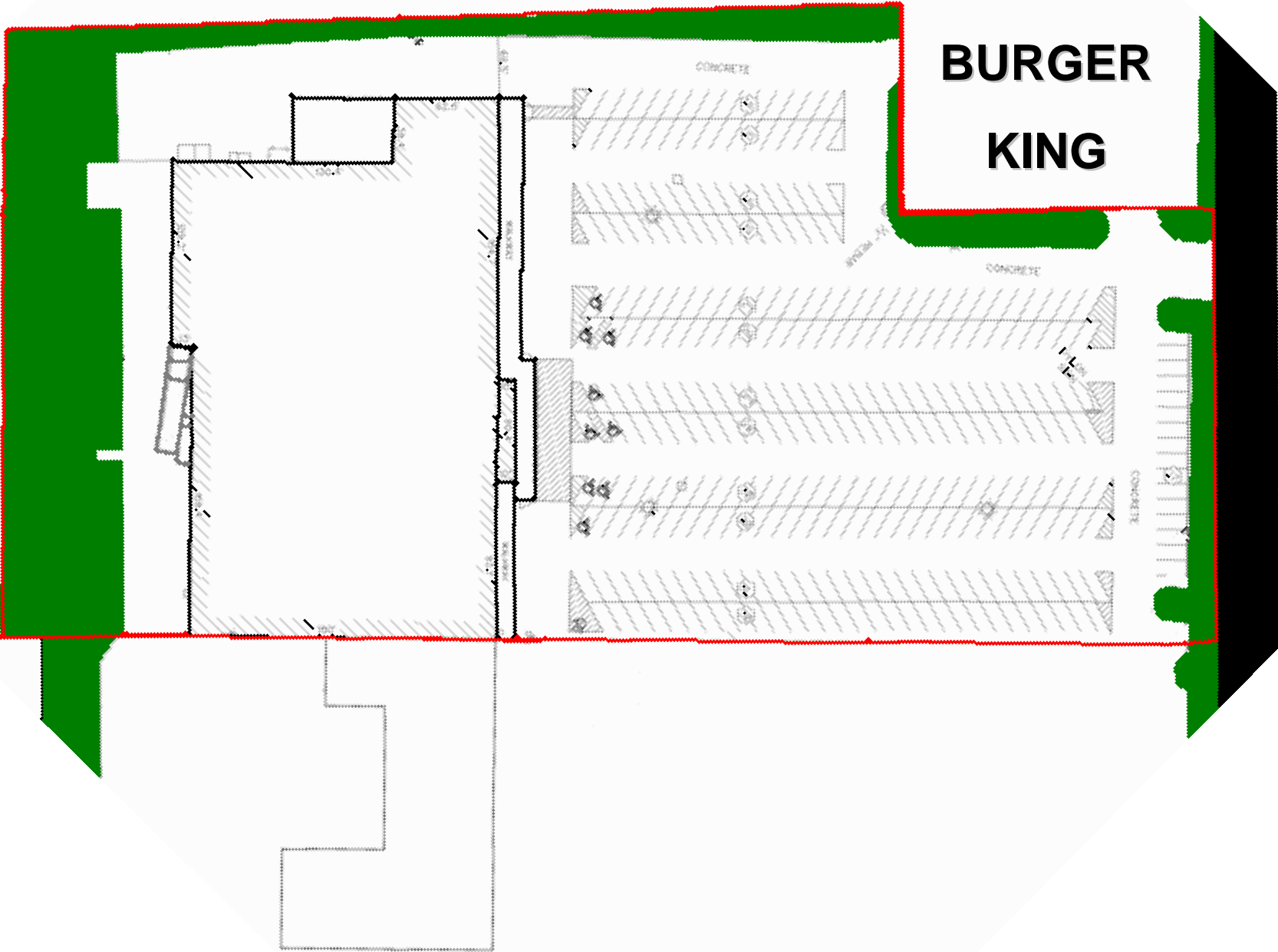
TOTAL COST TO PARISH:

**\$902,247**

# Side By Side Comparison

	<b>Barrios Bldg</b>	<b>Wal-Mart</b>
<b>Size (sq. ft.)</b>	22,840	54,223
<b>Utility Costs</b>	\$3,730/mo.	\$4,262/mo.
<b>Parking</b>	Limited	Ample
<b>Repairs</b>	Done All at Once	Spread Over Time

# BURGER KING



## Purchase Wal-Mart Building

Insurance Settlement:	\$600,000
FEMA Share:	\$575,253
Sale of Raceland Property:	

**TOTAL DOLLARS GIVEN TO PARISH: \$1,175,253**

### Absolute Costs:

Purchase Wal-Mart Building:	\$765,000
Additional Restrooms	\$60,000
Council Desk & Chamber Construction:	\$50,000
Professionally Clean Floors:	\$25,000
Electrical Upgrades:	\$20,000
Security Upgrades:	\$7,500
Demolition of Barrios Building:	\$50,000
<b>TOTAL ABSOLUTE COSTS:</b>	<b>\$977,500</b>

**LEFTOVER FUNDS (after Absolute Costs): \$197,753**

### Other Potential Costs:

New Roof ( <i>design/construction estimate</i> ):	\$750,000
Interior Renovations/Construction: ( <i>estimated</i> ):	\$250,000
New A/C Units	\$225,000
Purchase Generator ( <i>if no grant \$\$ available</i> ):	\$50,000
<b>TOTAL POTENTIAL COSTS:</b>	<b>\$1,275,000</b>

**TOTAL POTENTIAL COST TO PARISH: \$1,077,247**

Exhibit "B"

## Repair Barrios Building

Insurance Settlement:	\$600,000
FEMA Share:	\$639,170

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**TOTAL DOLLARS GIVEN TO PARISH: \$1,239,170**

### Absolute Costs:

Mold Remediation	\$329,530
Storm-related Repairs	\$980,659
Additional Barrios Repairs ( <i>not covered by FEMA</i> ):	\$569,960
De-Humidifiers ( <i>est. 3 months before construction</i> ):	\$17,022
Temporary Bldg Rental ( <i>estimated one year</i> ):	\$24,000
Moving Costs:	\$25,000
<b>TOTAL ABSOLUTE COSTS:</b>	<b>\$1,946,171</b>

**TOTAL ABSOLUTE COST TO PARISH: \$707,001**

### Other Potential Costs:

Purchase OEP Bldg & make slight renovations	\$180,000
Hidden Non-Storm Damage ( <i>Est. \$150,000 total</i> )	\$150,000
Hidden Storm Damage ( <i>10% of est. \$250,000</i> )	\$25,000
Purchase Add'l Property for Parking	\$50,000
<b>TOTAL POTENTIAL COSTS:</b>	<b>\$405,000</b>

**TOTAL POTENTIAL COST TO PARISH: \$1,112,001**

"B"

**Additional Projected Barrios Building Costs**  
**NOT Covered By FEMA**

<u>Items:</u>	<u>Qty:</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Item Cost:</u>
Demolition of Remaining Roof:	15840	s.f.	\$1.50	\$23,760.00
Replace Metal Decking:	4420	s.f.	\$1.80	\$7,956.00
New lightweight concrete decking:	15840	s.f.	\$1.75	\$27,720.00
New Roof Deck Cover (Siplast)	15840	s.f.	\$8.50	\$134,640.00
Sheet Metal Flashing and Trim	595	l.f.	\$25.00	\$14,875.00
Paint Remaining Walls	25674	s.f.	\$1.00	\$25,674.00
Remove/Replace Remaing Rubber Base	1906	l.f.	\$3.65	\$6,956.90
Remove/Replace remaining SAT ceilings	9563	s.f.	\$6.00	\$57,378.00
New Carpet/Flooring	700	s.y.	\$30.00	\$21,000.00
Move/Adapt New Phone System	1	1	\$100,000.00	\$100,000.00
Mechanical/Electrical	1	1	\$150,000.00	\$150,000.00
				\$569,960
<b>TOTAL</b>				<b>\$569,960</b>

"B"