



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

**DECEMBER 15, 2009 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-AMOCO BUILDING
1340 POYDRAS STREET**

Present:

Justine T. Augustine	Ronald G. Baptiste, Jr.	Walter C. Flower III
Dr. Ronald J. French	Susan P. Good	Glenda Jones-Harris
Helen LeBourgeois	Alan H. Philipson	Darrel J. Saizan, Jr
Edwin M. Shorty, Jr.	C. David Thompson	

Absent:

Farrell J. Chatelain, Jr.	James Paul Johnson	John L. Koch
Allison P. Randolph, III		

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
O. Ray Cornelius, Bond Counsel-Adams and Reese

Guests:

Donald E. Dauzat, Bienville Chartres, LLC
C. Richard Gerage, Bienville Chartres, LLC
Jimmy A. Ledet, Bieville Chartres, LLC
Damion Jeanpierre, Rock Enterprises Construction
Bill Langkopp, Greater N. O. Hotel & Lodging Association
Stephen Stuart, Bureau of Governmental Research
Jeannie Tidy, Downtown Development District
Pam Hammond, Elkins, PLC
Karl Kehoe, Real Estate Tax Group
Yusef Freeman, McCormack, Baron, Salazar
Stanley McDaniel, McDaniel Group
Ernest Gethers, City of New Orleans-Dept. of Economic Development
Patrick Quinn
Terri Franklin, Regions Bank
Don Allison, Advantous Consulting
Damon Burns, Morgan Keegan
Monika McKay, Columbia Residential

The meeting was called to order at 12:35PM by the President, Mr. Walter Flower. An introduction of all guests was had. After roll call, a quorum was confirmed. By a motion of Dr. Ronald French, and seconded by Mr. Justin Augustine, and with a unanimous vote of the board, the minutes of the November 17, 2009 meeting were approved.

BIENVILLE CHARTRES, LLC

The President requested the representative of the Bienville Chartres project take the floor to explain the project. Mr. Donald Dauzat provided the Board with an overview of the project which, in part, included: Proposed plans to redevelop a great portion of Square No. 97 in the French Quarter into a multi-purpose, extended stay suite hotel with parking and retail; that Square is bounded by Bienville, Burgundy, Conti and N. Rampart Streets; to develop an extension of a current boutique hotel, The Dauzat House, which has a hotel license. The redevelopment will include 167 extended stay suites, retail and possibly 400 off-street parking spaces and an independent restaurant. It is anticipated that 40 – 80 permanent full-time jobs will be created with 285 jobs created during construction.

Mr. Ray Cornelius added that \$115M was being sought in GO Zone bonds; some portions of the project do not fit within the GO Zone guidelines and would be addressed before final approval. If the Board wished to move forward with a preliminary approval, the resolution for same was prepared and ready for signature.

Mr. Flower questioned the non-qualified portions of the application for GO Zone bonds, Mr. Cornelius advised that references to apartments did not qualify but there was no harm in giving the applicant preliminary approval, as only portions can be financed, confirming that when complete, the proposed development will not have apartments.

Pursuant to Board questions, Mr. Dauzat informed the Board:

1. That he has been in contact with the Vieux Carre Commission.
2. That the current license has been held by his family for decades;
3. That a meeting has been set up with the City Planning Office in order to provide a solution to any problems with the VCC. They will do what the VCC wants to move this project forward.

Mr. Cornelius confirmed that if the VCC or the City Planning Office were to decide to retain the apartments then that portion of the project would not qualify for Go Zone financing but the hotel could still possibly qualify.

After discussion, the President requested a motion from the Board for the granting of preliminary approval to this project. By motion of Dr. French and second by Mr. C. David Thompson, the Board voted without opposition for the granting of preliminary approval.

Mr. Dauzat further advised pursuant to additional discussion in the Bienville Chartres matter, that the license to be used in this project is the same license that was to be used in the Rampart Street project (which has since been withdrawn) and that there should be no problem with the Chartres project because the license is not being transferred. The physical location related to the

current license will be within the proposed project location. A moratorium on new hotels is in effect for the French Quarter but the proposed project will be an extension of a current boutique hotel which has a license to be used for the proposed project.

CHATEAU CARRE

This matter was tabled until next board meeting.

ZELIA

This matter was tabled until next board meeting.

STANLEY MCDANIEL – STATUS UPDATE RE HIRING AUDIT

Mr. Flower reminded the Board that Mr. McDaniel of the McDaniel Group was conducting the hiring audit on the C. J. Peete and St. Bernard projects and asked Mr. McDaniel to provide the Board with an update.

Mr. McDaniel presented that, as of this date, he continues to meet with and gather information from both developers, as well as HANO. He advised that his inquiry has proven a bit dismal as records that are submitted to HANO by the contractors and subs are not standardized thus each report differs depending on how the contractor maintains information; and that only paper records are kept. The result of the research which involves review of contracts, hiring practices, payroll and the purchasing of materials will show each project's economic impact on the local economy. The research will show if the developer is meeting the targets addressed by the Board. Right now, however, there is a slow down because the information has not been captured in the manner needed for the audit and has to be extracted page by page and formatted into a matrix which is to be created. Mr. McDaniel advised that HANO has agreed to send the last three months of payroll with employee's personal information "blacked out" as well as any and all proprietary information leaving only the name and zip code of each employee. He added that HANO does not have an electronic data base and thus one has to be created; that HANO is not requiring from the developer or the subs or contractors the information that he is seeking in a format. Ultimately, he will hire someone to extract the information and enter the data into the matrix. Suggestions were offered by the Board to Mr. McDaniel but Mr. McDaniel advised that he has attempted to get the information from other sources including the Dept. of Labor.

The Board suggested that Mr. McDaniel should provide Mr. Cornelius a list of the information he is requiring, and that Mr. Cornelius would prepare a letter to HANO advising that if the requested information is not provided as requested, this may create deterrent action and could impede the progress of any other HANO-related closings. The Board suggested that the matrix to be created in this audit process could provide the prototype of a standardized recordkeeping system for future audits. Mr. Edwin Shorty recommended that in the future the Board should spell out the details of any claw back agreement in the Lease Agreement.

Mr. Alan Philipson asked Mr. McDaniel if the zip code information is sufficient to determine if locals are being hired. Mr. McDaniel thought that it would not be but offered to move forward with the information provided. Mr. McDaniel then acknowledged Mr. Yusef Freeman of McCormack, Baron and Salazar, developers for the C. J. Peete, and informed the board that he

has been meeting with him. Mr. Flower informed the Board that efforts are underway to meet with the new senior members of HANO very soon. At that meeting, he stated, the issues being raised in these discussions, i.e., hiring of locals, reporting, past projects with HANO, etc. will be discussed. He invited any board members who wished to be a part of the meeting to let Ms. Martin know. Mr. Flower thanked Mr. McDaniel for his report.

NEW BUSINESS

Hancock: The Board was informed that Hancock Bank's contract for services as the trustee issuing invoices to developers for the annual administrative fee has been renegotiated. The new fee is \$3,000 per year. A new contract is being prepared.

2010 Board meeting dates: The January 19, 2010 board meeting date will stand until further notice. The February 16, 2010 and the December 21, 2010 meetings will be rescheduled at a later date.

OLD BUSINESS

Ms. Martin informed the board that all insurance matters have been completed. The IDB is now insured. Questions arose as to whether the IDB has director and officer's insurance. Ms. Martin advised that this was not included in the package but that she will double-check and will inform the Board accordingly. She also advised that with the help of Mr. Darrel Saizan and Mr. David Wolf, letters to Congress, the Governor, State Bond Commission, State Legislators, and State Department of Economic Development for their support of an extension of the GO Zone bond act and the Orleans Parish allocation, were mailed. No response, to date, has been received from any party. Ms. Martin then presented the Administrator's Report a copy of which is included in each Board members folder.

FINANCIAL REPORT

A copy of the September 2009 financials was included in each Board member's folder.

The budget for 2010 was presented and approved. A copy of the proposed budget was included in each Board member's folder.

The meeting adjourned at 2:30 PM.

Susan P. Good, Secretary Treasurer