

SUBSTITUTE RESOLUTION
(LYING OVER)
(AS CORRECTED)
NO. R-11-382

CITY HALL: August 18, 2011

**BY: COUNCILMEMBERS CLARKSON, HEAD, FIELKOW, GISLESON PALMER,
GUIDRY, HEDGE-MORRELL AND JOHNSON**

Whereas, the New Orleans Industrial Development Board (IDB) was created by the New Orleans City Council to serves as a conduit for the issuance of private activity bonds to finance worthy economic development projects, and

Whereas, the tax abatements provided by IDB-approved bonds have made possible capital improvements that have significantly contributed to the City's economic recovery, and

Whereas, IDB also frequently takes title to the property under "lease-back" arrangements and allows developers to make reduced payments in lieu of taxes (PILOT) annually until the bonds are repaid, and

Whereas, the City cannot afford to forgo millions of dollars in tax revenue unless the subsidized developments provide significant benefits to the citizens who will bear the displaced tax burden, and

Whereas, while the unemployment rate statewide is 9.1% and 7.4% in Jefferson Parish, the priority of the City and IDB is job creation that benefits the taxpayers of New Orleans, where the unemployment rate is 9.7%, and

Whereas, the amount of abatement or reduction in net tax liability by the IDB through a PILOT is subject to negotiation and, upon determination of the desirability of the project, is principally evaluated on the basis of need and a comparison of the cost of the incentives to the net benefits resulting to the City, and

Whereas, the IDB, through its processes, established a minimum target employment threshold of forty percent City of New Orleans' residents, which are to be employed during construction of projects requesting a reduction of net property tax liability, in return for the negotiated reduced net City property tax or PILOT, unless it is clearly shown that other benefits of the development justify accommodation of a lesser employment number. Now Therefore,

Be it resolved by the Council of the City of New Orleans, that IDB's minimum target employment threshold for PILOT recipients is fully supported by this body, and when developers do not comply with the agreement, the Council supports the IDB's imposition of penalties, up to the property's assessed value, and the use by the IDB of such penalties to fund programs promoting City resident employment.

September 22, 2011


THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Clarkson, Fielkow, Gisleson Palmer, Guidry, Head, Hedge-Morrell, Johnson - 7

NAYS: 0

ABSENT: 0

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE TRUE AND CORRECT COPY

CLERK OF COUNCIL