



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

**DECEMBER 11, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Ronald G. Baptiste, Jr
Elijah M. Feinstein
Helen LeBourgeois
Allison B. Randolph, III

Laura Brown
Walter C. Flower, III
George V. Perez, Jr.
Darrel J. Saizan, Jr.

Susan P. Good
Dr. Ronald French
Alan H. Philipson
C. David Thompson

Absent:

Justin Augustine, III

Farrell J. Chatelain, Jr.

Theodore Sanders

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB

Guests:

John Anderson, Starlight Studios
Jimmy Baugnon, Starlight Studios
Billy Burk, Starlight Studios
Richard W. Hye, Jr. Starlight Studios
Kevin Murphy, Starlight Studios
Matt Schwartz, Domain Companies
Stephen Daste, FFC Capital
Damon Burns, Morgan Keegan
Max Vorhoff, New Orleans Business Alliance
Derrick Francis, Mayor's Office, City of New Orleans
Melissa Ehlinger, New Orleans Business Alliance
Jeb Bruneau, Advantous Consulting
LaSwanda Green, Downtown Development District
Kara Johnson, City Council
Aimee Quirk, City of New Orleans, Economic Development
Ernest Gethers, City of New Orleans, Economic Development
Stephen Stuart, Bureau of Governmental Research
Stanley McDaniel, The McDaniel Group

President, Walter C. Flower III, called the meeting to order at 12:35 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan H. Philipson and seconded by Mr. Allison B. Randolph, III, the Board voted unanimously to approve the minutes of the November 13, 2012 Board meeting.

STARLIGHT STUDIOS

The President advised that representatives of the project were in attendance to provide its proposal for a back-lot film studio. He added that it was understood that no vote will be taken after the presentation. He further noted that the application had not yet been received by the IDB.

As an aside, Mr. Flower addressed the IDB's requirement for 18 copies of the application for Board distribution and file. After explanation of the onus and cost to the Developer to meet this requirement, he asked for discussion on the change of this requirement to 5 - 6 copies including a disk copy for Board distribution. After discussion, by motion of Mrs. Laura Brown and seconded by Mr. Philipson, the Board voted unanimously to change IDB requirement of 18 copies of an application to 5 - 6 copies including a copy upon filing of any application.

Mr. King Logan, a Developer representative, provided a brief overview of the proposed project, distributing a hard copy of the presentation. The studio will be located on Old Gentilly Road. Mr. Logan then turned the presentation over to Mr. Billy Burks who informed the Board that the Developers propose to erect a back-lot film studio and production center on 32 acres of land in New Orleans East near the NASA plant on Old Gentilly Road, strictly for feature filming. It will be a \$28 million project resulting in a permanent staff of 8 - 10 employees. At optimum, it is anticipated that the site will hire up to 500 crew and industry employees with 90% or more as local hires when filming contracts are secured. It is further anticipated that the studio will generate over \$25M in annual payroll. The Developer is seeking \$10M in bonds and a 10-year PILOT. The site will offer tenant space to industry-related vendors and companies. Other representatives of the Developer provided insight, including Mr. Kevin Murphy, who opined that Starlight Studios will have the ability to compete with other studios around the state by offering 4 sound stages and film-related services located on site. Further, the studio will take up 16 of the 32 acres, leaving the remaining 16 acres undeveloped. The property is currently assessed at \$35,300 and valued at \$235,000. The anticipated completion of the project is in 2014. After Board discussion and questions, the Board was advised that the application should be received by the end of the week.

SOUTH MARKET DISTRICT

Mr. Flower explained that the Developer had to re-do financing in this project and that HUD is now providing the financial assistance needed to move this project forward. As a result of HUD involvement, a re-configuration of the project was required that increases the number of apartment units, therefore, reducing the number of retail outlets. HUD has required more "work/live" space, i.e., a situation that creates space where the retailer may live in the space as well as offer services or sell product. The net-net effect, he explained, is that there is little change in the cost/benefit to the City; that the IDB, the City and NOBA have been meeting to discuss the PILOT, which the Board already approved, determining that conditions remain in effect. The City is comfortable with the final numbers. Mr. Matthew Schwartz, Developer representative, informed the Board that they are now waiting on a letter from HUD which they hope to receive by year end. It is anticipated that financing will be secured for closing at or near April or May 2013.

FINANCIAL REPORT

Mrs. Susan Good, Secretary-Treasurer, presented the October and November reports.

Mrs. Good then commented on the earnings of Ms. Martin, the IDB administrator, advising that it was increased by 2% last year with the addition of health insurance. Ms. Martin informed the Board at this time that a letter was recently received from the City advising that the cost of employee health insurance has increased. Before Mrs. Good completed her presentation, Mrs. LeBourgeois suggested that matters such as employee salaries, etc., be taken up in an Executive Session. After discussion, the Board voted to meet at 11:45 on January 8, 2013, just ahead of the regular Board meeting.

The President then commented that Ms. Martin's workload has increased in light of the two separate monitoring processes that are ongoing and suggested that she be given a bonus/supplemental pay. After discussion, and by motion of Mr. Darrel Saizan, and seconded by Mrs. Brown, the Board voted with all in agreement, except Mrs. LeBourgeois who abstained. The issuance of the bonus/supplemental pay is subject to discussion by Mr. Flower with legal counsel.

ADMINISTRATOR'S REPORT

Ms. Sharon Martin, Administrator, presented her report, noting in particular, the continued calls relating to Six Flags and use of the site. Work continues with Ray Cornelius concerning Fox Productions' use of the site, and work continues with both the consultants, Stan McDaniel and Keith Eleuterius in their respective monitoring of claw backs. The list of annual administrative fee invoice data has been transmitted to Whitney/Hancock. Per Mr. Augustine's request, she has intervened in his discussions with DOTD concerning the availability of barricades for the Six Flags site. She has received approval from the DOTD that barricades are available but must be picked up and delivered to the Six Flags site by the IDB. A request for assistance has been made with the City. (Mr. Flower asked Mr. Ernest Gethers of the City for a status update and was informed that he had nothing new to report at this time.). A presentation for a Crescent City Job Match ad in BreakThru magazine was made and the Board declined recommending that it's advertising be more targeted.

UPDATES

Six Flags

Mr. Flower informed that the Developers (DAG/Provident) are currently doing due diligence in pursuit of their project. Mr. Cornelius is working with both DAG/Provident and Fox Louisiana Productions (who has requested use of the site for filming of both Percy Jackson 2 and Apes) to ensure there are no conflicts with regards to the site's use. Ms. Martin interjected that she obtained quotes from Ramelli's, the company that has been doing the grass cutting. Currently, the cost proposed is \$650 for the cutting of the grass along Michoud from W. Cavalier to Adventure including spraying, with \$500 for an every two-month cutting, depending on the weather. By motion of Mr. Ronald Baptiste and seconded by Mr. Saizan, the Board voted unanimously for acceptance of the quote for the initial cutting at \$650 and subsequent cutting at \$500 every two-three months.

Employment Monitoring

Mr. McDaniel presented final monitoring reports on B. W. Cooper, Lafitte Phase I (Blocks 1 - 3) and Lafitte Phase II (Blocks 5 - 7). The B. W. Cooper is in compliance with the terms and conditions of the Lease Agreement having met the 40% local hire.

Lafitte Phase I has not complied with the strict interpretation of the Lease Agreement in achieving 25% local economic impacts related to vertical construction through either hiring a local general contractor or through subcontracting. It is a little ambiguous, but in light of the fact that the aggregate dollars spent by the Developer towards subcontracting to include suppliers, contracting fees and infrastructure improvement, the Developer's total local spending, excluding soft costs, was approximately \$9.425M, the percent of which produces a local economic impact of approximately 44%. This is significantly above what was required and/or anticipated under the terms of the agreement.

Lafitte Phase II did not fully comply with the conditions of the Agreement with respect to achieving the stated 40% local economic impacts related to vertical construction through employment. After all research and consideration, it was determined that the Developer would be responsible for an additional PILOT payment equal to approximately \$23,350, representing a 3% shortfall of the stated goals. Ms. Martin reminded the Board that it agreed to take into consideration minimal shortfalls. She also advised she has received calls from the Developers seeking copies of these reports which she feels is in order, and asked for concurrence in sending them out respectively. There was no objection to sending copies to the respective developers.

In an aside, Ms. Aimee Quirk, the Mayor's Advisor on Economic Development, suggested that the IDB partner with Job1 in advertising the Crescent City Job Match (CCJM) program. Mr. Flower stated that he will follow up with Job1 and Delgado on the CCJM program.

The meeting was adjourned at 1:58 PM.

Susan P. Good, Secretary/Treasurer