



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

**MAY 13, 2014 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin Augustine, III
Dr. Ronald French
Edith G. Jones
Allison B. Randolph, III
C. David Thompson

Laura H. Brown
Susan P. Good
Alan H. Philipson
Darrel J. Saizan, Jr.

Walter C. Flower, III
Eugene J. Green, Jr.
M. Cleland Powell
Theodore Sanders

Absent:

Eric B. Strachan

Also Present:

Sharon Martin, Administrator, IDB
Joyce Matthews, Administrative Assistant, IDB
David Wolf, Adams & Reese, Bond Counsel

Guests:

Steven Kennedy
Ted Kirn, Office of Assessor Erroll Williams
Stephanie Ferry, Raymond James
Lee Bressler, Raymond James
Jaquetta White, The New Orleans Advocate
Katherine Sayre, NOLA.com/Times Picayune
Tonya Pope, Jazzland Theme Park
Heather A. Tank, TLC
Conor S. Gaffney, City of New Orleans
Carroll Morton, City of New Orleans
Kirk Lee, Cement Mason 567, AFL-CIO
LaSwanda Green, Downtown Development District
Janet Hays
Freddie King, Office of Council District C
Maurice Baird, Office of Councilman James Gray
Kenneth Abney, Gunter, Zunga, Abney
Stan McDaniel, The McDaniel Group
Sidney Barthelemy, HRI Properties
Stephen Daste, FFC Capital
Stepen Stuart, Bureau of Governmental Research
David Wilthew, Scurlock Development
Frank Scurlock, Transformation Village
Leigh Ferguson, Downtown Development District
Eric McQuiston, Transformation Village

Ernest Gethers, City of New Orleans
Richard Cortizas, Jones, Walker
Aimee Quirk, City of New Orleans

President, Alan H. Philipson, called the meeting to order at 12:34 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Justin Augustine and seconded by Mrs. Edith Jones, the Board voted unanimously for approval of the board minutes of January 14, 2014.

IBERVILLE

The Board was provided a copy of the Iberville’s DBE and Job Training Report of March 6, 2014, as well as an update of May 12, 2014. The Board was informed that a representative could not be available for the Board meeting due to a Job Fair being held at the Treme Rec Center today.

SIX FLAGS

The President informed the Board that the Committee is still accepting responses to the RFP. Interested parties should continue to submit proposals and, no selection has been made as yet. He further advised that to-date, the two groups (The Jazzland Theme Park and Transformation Village) have made presentations with regard to their proposals. Each are to report back to the Committee with updates on their financing progress. Ms. Martin will issue notices accordingly when a meeting date has been set.

FEDERAL CITY – NEW ORLEANS FEDERAL ALLIANCE

The matter was deferred to David Wolf, IDB bond counsel. He provided a brief history, advising that the issue closed in January of 2008. Currently \$21M of the original \$25M remains outstanding at a rate of interest between 4.75 – 6.5% with a maturity date of August 2028. The debt is being paid by the State. The Developer now seeks to secure a lower, fixed interest rate. This will save the State money. Mr. Wolf then introduced Traci Morganti, attorney with the law firm of Adams and Reese, LLP, Baton Rouge. She presented a resolution authorizing the refinancing within certain parameters set forth in the resolution, for acceptance by the Board. Ms. Morganti informed the Board that the resolution provides for a one-time approval of the refunding and authorizes the President of the Board to approve the final terms, within the parameters contained in the resolution, at such time as the State determines to sell the Bonds. All parties are the same as in the original transaction, i.e., Trustee, Underwriter and, further, there are no costs to the Board. As in the first closing, there is no PILOT.

The resolution was then placed on the floor for discussion.

Mr. Lee Bressler of Raymond James, formerly Morgan Keegan, (the original underwriter), explained that because interest rates are now so low, the difference will ease the burden of meeting the debt service and create a savings for the State. He then explained that certain portions of the bonds at issue are callable (those from 2019 – 2028, approximately \$17M). The remainder of the \$21M are short term bonds and are non-callable. The refunding monies are strictly for re-financing, and the debt is not being extended. He further advised that the proceeds of the refunding bonds would be placed in escrow to pay debt service on the refunded bonds through their first allowable prepayment date, in a structure known as an "advance refunding".

A vote was then taken on the motion by Dr. French, seconded by Mr. Sanders, resulting in a unanimous vote by the Board.

FINANCIAL REPORT

Mrs. Good, Secretary-Treasurer, presented the March financial reports. Notes of interest were Annual Administrative Fees and closing costs were over budget for the year, expenses were under-budget, and monies for Six Flags have been placed in two separate accounts.

Mrs. Good then asked for a motion to accept. By motion of Dr. French and seconded by Mr. Augustine, for acceptance of the March financial statement a unanimous vote by the Board passed.

ADMINISTRATOR'S REPORT

Ms. Martin highlighted certain aspects of her report which included an update on: (1) the finalization of the 2013 Audit (2) the activity on the Six Flags site, (3) the collection of all annual administrative fees, (4) the posting of the IDB required signage at the Iberville redevelopment, and (5) the continuation of work on the website, as well as the annual report. A full copy of the report was included in the Board packet.

NEW BUSINESS

Mr. Philipson inquired if there was any new business for discussion. He then informed the Board that for the past few months Board meetings were canceled as a result of a lack of activity. He assured that everyone is working to bring economic development to New Orleans, including the City, the New Orleans Business Alliance, etc. Economic development as a charge to the IDB and its work with the City and other City agencies is still a priority. In the atmosphere of proactivity, he offered the suggestion that the IDB seek its own "rainmaker", that is, someone to assist with IDB proactivity. The City and the New Orleans Business Alliance are doing all they can but suggested that the IDB look into funding a consultant who would assist the Board to secure more commerce for the City. He reminded the Board that so often lately many deals have taken place in nearby states, i.e., Met Life to Charlotte, North Carolina and Air Bus manufacturing to Mobile. He described this person as someone who works or has knowledge of and contact with the rest of the country. Perhaps work could be on a percentage or a commission basis. However negotiated, the IDB should make a move now and we have the funds to afford such a suggestion. New Orleans is a "hot spot" and with its strides in education we should be further along in attracting major businesses. His suggestion was placed on the floor for discussion. Many members of the Board voiced acceptance of the proposal. Questions were also asked as to how it would be implemented, i.e., RFP, notice in national publications or other periodicals. Mr. Philipson advised that the idea would have to pass by counsel for advice in moving forward.

Mr. David Thompson stated that he has asked himself on several occasions, "Where is the 'industrial' in IDB?" He then said that we need to better understand another level of development. Mr. Allison Randolph asked if the IDB could do a stand-alone on securing such a consultant. Of course, incentives would need to be discussed and negotiated. Mr. Philipson stated that the IDB should become more proactive in its quest of economic development. Mr. Augustine's perception was that it should be done jointly with GNO and NOBA, especially in exploring how to make it work. Mr. Philipson stated that he appreciated the discussion and was most appreciative that the concept was acceptable by the Board. Further discussion with counsel will aid in determining how to implement. Mr. Darrel Saizan noted that we should be engaging with the Louisiana Economic Development commission. Mr. Sanders added that he attends LED meetings and suggested that contact be made so that everyone, all agencies, were working in all parts of the State. It was suggested that we begin with New Orleans East and Six Flags in light of the proposals that have been received to date and since it has a lot to offer. Mr. Randolph motioned that a committee be created to pursue bringing the concept to fruition. The motion was seconded by Mr. Saizan. He further suggested that rather than being appointed, that the Board ask for volunteers. Mr. Philipson asked David Thompson, Darrel Saizan, Allison Randolph and Cleland Powell to serve along with him on this committee.

After being seconded by Mr. Saizan, the motion to create a Committee to research the implementation of the IDB "Rainmaker" passed unanimously by board vote.

The Board meeting adjourned at 1:15PM for the convening of an Executive Session. All guests were asked to vacate the meeting room but were welcomed to return after adjournment of the Executive Session.

The Executive Session ended at 1:47PM. Upon reconvening the Board meeting, it was announced that the requested salary increase of 10% for IDB employees had been voted upon and unanimously approved by the Board. Also an Employee Review Committee would be created to review other employee suggestions.

With no additional new or old business, a motion was offered by Mr. Augustine and was seconded by Mrs. Good for adjournment.

The meeting adjourned at 2 PM.

Susan P. Good, Secretary/Treasurer