



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

JANUARY 13, 2015 AT 12:30 PM
45TH FLOOR CONFERENCE ROOM
701 POYDRAS, ONE SHELL SQUARE
LAW OFFICES OF ADAMS AND REESE

Present:

<u>Laura H. Brown</u>	<u>Walter C. Flower, III</u>	<u>Susan P. Good</u>
<u>Eugene J. Green, Jr.</u>	<u>Edith G. Jones</u>	<u>Alan H. Philipson</u>
<u>Darrel J. Saizan, Jr.</u>	<u>Theodore Sanders</u>	<u>C. David Thompson</u>

Absent:

<u>Justin Augustine, III</u>	<u>Dr. Ronald French</u>	<u>M. Cleland Powell</u>
<u>Allison B. Randolph, III</u>	<u>Eric Strachan</u>	

Also Present:

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

Guests:

Robert McClendon, NOLA.Com
Deirdre Lewis, Women in Politics/Justice & Beyond
Lisa Ross, Orleans Parish Assessor's Office
Carroll Morton, City of New Orleans, Film Department
Katie Williams, City of New Orleans, Film Department
Abhay Patel, New Orleans Business Alliance
Melissa Ehlinger, New Orleans Business Alliance
Alice Allen, New Orleans Business Alliance
Ernest Gethers, City of New Orleans, Office of Economic Development
Leigh Ferguson, Downtown Development District
Don Allison, Advantous Consulting
Tonya Pope, Jazzland
Steven Kennedy, REO, LLC
Annie Cambria, Recovery School District
Ron Bordelon, Recovery School District
Jaquetta White, The Advocate

Sombra Williams, Recovery School District
King Logan, Starlight Studios/Logan
Bill McDonnell, The McDonnell Group
Scott Niemeyer, Deep South Studios
Rebecca Dietz, Office of the Mayor
Robin Shannon, City Business
Stephen Stuart, Bureau of Governmental Affairs

President, Alan H. Philipson, called the meeting to order at 12:40 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held prior to the opening. By motion of Mr. Walter Flower and seconded by Mrs. Laura Brown, the Board voted unanimously for approval of the board minutes of December 2, 2014.

RECOVERY SCHOOL DISTRICT – DREW ELEMENTARY

Bond Counsel, David Wolf, provided an overview and reminded the Board that this matter was briefly discussed at the December 2, 2014 board meeting, adding that to date, it has involved the input of the City and the New Orleans Business Alliance. As a result of those meetings, a PILOT arrangement has been reached which now requires Board approval. He advised that in each member’s folder were copies of an Executive Summary, a Flow Chart and a letter from Ms. Annie Cambria of the RSD. The letter explains the RSD’s position on DBE and local hire practices as compared to those requirements of the IDB and the City. This application is one of several that the RSD plans to submit to the IDB. In explanation, he added that the use of funds from FEMA allows the RSD to leverage the funds through tax credit incentives in the amount of approximately \$3M. To qualify for this incentive, the RSD must engage a “for profit” U.S. Banc Corp. As everyone knows, public schools are already not listed on the tax rolls. However, with U. S. Banc Corp assuming ownership for the next five years, the property is slated to roll over on to the tax rolls. Thus, the reason for the RSD’s request for a PILOT of 10 years is that they are not sure how the matter will roll out after the first 5-years. At this point, the property will go back into the hands of the RSD. If the property ceases as a public facility, the PILOT will no longer exist. Further, the RSD is unable to meet the 40% goals for local hiring, as well as the 25% use of DBE and MBE. This application is like no other the IDB has received in the past and is closer in aspects to the HANO projects. There is not much in economic development. It is not currently giving up any taxes. At this point, Mr. Wolf deferred questions to Ms. Cambria and Mr. Ron Bordelon, representatives of the Developer, The Recovery School District.

Mr. Flower stated that clearly the RSD has strong ties to the City but he hoped there was a proper explanation as to why the RSD cannot meet the IDB’s target of 40% local hire and 35% DBE participation. Mr. Bordelon addressed this question, advising that the RSD has gone from 0% to 25% over what the federal guidelines precludes. There are plans to ramp up these figures on the future projects.

Mr. Eugene Green expressed several concerns including but not limited to the IDB being asked to waive the need for the Cost/Benefit and But/For Analyses (CBA and BFA) which he stated could set a precedence. He added that the Board has been criticized for granting PILOTs. Circumventing policies and practices could create a problem for the IDB should the waiver be granted. He added that he did not think the waiver should be granted. Additionally, the waiving the 40% local hire requirement and the DBE participation target does not set a good precedent. Considering this is the first of five (5) projects the RSD will be seeking a PILOT; he believed the IDB would be taking the wrong position. He added that the CBA and the BFA would provide more detailed information on how the money flows in the project, including the insurance proceeds which is in the millions, not counting leasing fees, and federal tax credit gains.

Mr. Philipson advised that the CBA and BFA were waived by the City’s Administration who asked to set each subsequent application on the same track since this project did not deal with commerce. Mr. Wolf

then advised that the RSD asked for a waiver because this was not a commercial project which is what the IDB deals with more often. To grant a waiver is a policy change for the IDB; however, the matter was addressed with Mayor Landrieu and Andy Koplin, who decided there was no point in doing either since there was no economic benefit to the City.

Mr. Green stated that he disagreed in light of the fact that the property was being transferred into the name of a private entity who will get historic tax credits; that those tax credits are worth millions; and that he does not consider it “immaterial” to waive the need for the CBA and a BFA. In fact, he stated, it is quite the opposite. How would the money be reinvested? Where is it written? And, there will be rent revenues.

Mr. Bordelon stated that funds to revenue are part of the School Board and the RSD’s Master plan. It is all a part of the revitalization process of the schools in need of reconstruction. This project, considering the Master Plan of 2010, the IRS guidelines adapted from State tax credits, will bring an additional \$3M for further use in redeveloping schools. He agreed that there are private level components. With taking advantage of the federal tax credits, the RSD is able to leverage an additional \$3M to offset future projects. Mr. Green then added that he takes umbrage to a statement made that the economic development value of the project is “immaterial”. Ms. Cambria reiterated that the private entity is only a part of the equation to help take advantage of the historic tax credits; the utility of the tax credits are negated. Mr. Green countered by stating that as he understood what he read, the facility at the end of construction would roll into the name of the private investor who would be leasing the building to a charter school. Who will the leasing fees go to? Drew Elementary, LLC? Which would pay for the loan from Orleans Parish School Board to the entity created by U. S. Banc Corp? Why is a 10-year PILOT being requested?

Mr. C. David Thompson stated that as he understands it, at the end of the 5-year compliance period, even though the PILOT is being requested for 10 years, the deal will unravel and the property goes back to the RSD. Mr. Green then commented that the ten-year period is probably not needed and there is no “but-for” to provide an explanation. At this point, Ms. Cambria stated that the RSD is unsure how this matter will unwind after the five-year period and is, therefore, requesting the 10-year period. Mr. Flower then stated that the property would not be on the tax rolls if it remained a public school even during that period. Mr. Green added that for the record, he is not willing to forego the CBA and the BFA because there is nothing “immaterial” about the project. Ms. Cambria stated that the RSD would reinvest the \$2.9M in Developer’s Fees back into the planned future projects of the RSD.

In an effort to support his belief, Mr. Thompson stated that he understood Mr. Green’s concerns and that his initial impression was of curiosity, concern and reservation. He understood that Drew, as a school, is automatically exempt. However, after getting an explanation that by engaging the private entity into the project allowed the RSD to get an additional \$3M which serves to offset the costs of future projects. Knowing this, he changed his position, realizing this would be a benefit to the children. This is the only legal way for the RSD to get back monies and to reinvest. Mr. Green stated that he appreciated Mr. Thompson’s perception and appreciation. However, he stated there is a lot of money on the table in this project with no way to require the IDB’s goal for 40% local hire. Mr. Thompson interjected that Mr. Green is correct but the RSD cannot impose IDB requisites and targets under federal law which requires no targets imposed locally. Mr. Flower interjected that he could not understand how the City could accept such a mandate which it has as one of its own mandated targets and that the IDB struggled so hard to get these targets accepted and approved. Mr. Saizan stated that he had the same concern as Mr. Green.

Mr. Philipson then stated that he would take a different stand. “We may be missing the 40% local hire which I don’t want to let go but this is an exception. Why? We know there are shortfalls in our education system. Finally, thanks to RSD and its efforts, the shortage is building to educate. How many applicants/corporation do we know that are trying to move their companies to New Orleans. A key factor for getting jobs is education which we want for the children. The City agreed to the exception in this case.

We're not trying to set any precedent; we have an obligation to the community to make education better in order to bring commerce to the city. Mr. Green stated, with all due respect, having held seats on a number of boards, he knows the importance of education and the benefit to the children. He does not see, however, why the CBA and the BFA should be waived and this is the first of a possible additional five projects to come before the board. For one thing, he does not see why revenues do not exist in this project and the maintenance fee seems unreasonably high; not counting the almost \$3M going directly to the RSD, adding that the request for the PILOT is twice the amount of time it takes before getting the property reverted back into the hands of the RSD. Mr. Philipson asked that the Board to bear in mind that any money earned by the RSD will be put back into the education pool, stating he hated to use the chair to disagree but the IDB would not be setting a precedent for profit in this instance. Mr. Green stated that he would like to see that in writing and know what the budget will be for the schools.

Mr. Bordelon noted that this project is in cooperation with the Orleans Parish School Board which passed its furtherance with a unanimous vote, and, the State Bond Commission also passed the project unanimously; the project has passed all levels of scrutiny; approval of the exemptions and the granting of a PILOT are the last pieces to the puzzle. The redevelopment of the school is a benefit to the City.

Mrs. Edith Jones reminded the Board that Dr. Ronald French, at the IDB's November board meeting, requested that the IDB establish policy(ies) addressing projects such as this one and that has not been done yet. She added that it would be prudent to have these policies set by the IDB first, especially in light of the request for the waiver of the already established policies (i.e., CBA and BFA). She, too, expressed interest in knowing the benefit that will be derived by the private investor and the RSD. She reminded the Board that the voter, the citizens of New Orleans, have no input how the RSD operates. This is a very different approach as to how the IDB has viewed previous projects. She, too, stated that she is not ready to turn over school facilities and other benefits to a private entity. Mr. Thompson sought clarity on the phrase "benefit to private investor", adding the benefit is the \$3.1M to the public school system. Mr. Bordelon stated that Mr. Thompson's understanding was correct. The school system, as a State agency, must find streams. This is one vehicle. The project for Federal aid, requires the engagement of a private investor. Mrs. Jones stated that she does not believe that a private investor invests in any project based on the goodness of its heart; that there must be some other gain. Mr. Bordelon stated that this project is not typical but as a state agency this part is necessary.

Mr. Wolf suggested that Mr. Bordelon address the Drew Elementary, LLC relationship/partnership, which is wholly owned by the Finance Foundation which is not a private business, making money on this project. Mr. Wolf stated that he understands and appreciates the purpose as the LLC is not a money-making entity. Ms. Cambria added that U. S. Banc Corp is the named private investor. They get no fees only tax credits as they enter as a partner. U. S. Banc Corp is buying the tax credits only. U. S. Banc Corp is not involved in the management of Drew.

Mr. Flower again asked for clarification as to why the RSD could not meet the 40% local hire guideline and stated that this part of the proposal is particularly disturbing to him since the Board fought so hard to get this approved. Why would the Feds say you cannot impose a local requirement? Ms. Cambria stated that FEMA funds are involved which precludes any targets on local hire and DBE participation, adding that the RSD and the Orleans Parish School Board tried to put in target language but it did not work. Mr. Thompson stated that he believes such a requirement is to stem graft or corruption.

Mr. Wolf then addressed Mrs. Jones question re "policy waivers". He provided background information which reminded the Board of the IDB guidelines how they were hammered out with the City, resulting in the 40% local hire goal and the 35% DBE good faith effort participation. He further reminded the Board, there are different projects that come before the IDB; there is no cookie cutter, while schools are not commercial enterprises, as are most of the IDB-related applications which are submitted by privately owned

businesses, those type projects are not subject to the same Federal guidelines as entities such as the RSD. Because of the Federal dollars involved, Federal guidelines preclude imposing these targets. This is an example of one of those deviations from the norm. He added that he is not attempting to be an advocate of the issue at hand. It is solely up to the IDB Board. The documents, he stated, are ready for consideration, a copy of which is included in each member's folder.

Mr. Ray Cornelius, bond counsel also with Adams and Reese, added that from an observation standpoint, and as background, when the Board created the policies such as the production of the CBA and the BFA and the local hire and DBE requirements, no one contemplated any public being submitted. The IDB was only looking at private developers and how they took advantage of the lower costs, lower interest rates, etc. to promote economic development in New Orleans. Properties that are acquired by the IDB are transferred into the name of the IDB so the property can have tax exempt status. He mentioned that both Darrell Saizan and Eugene Green have been a part of these evolutions as either long-time board members and/or their involvement in the City's stand on economic development. Now the Board is seeing a public request and may see more. The State Bond Commission and the City has their own responsibility. The question, therefore is, "Do you want to apply the same procedures on public entities as you do on private, handling with the same restrictions?" In answer to a question regarding HANO as the first public entity, Mr. Cornelius responded, that with housing, there is a much clearer private developer, created to take advantage of the tax laws. As compared to the current situation, this is not comparing "apples to apples but rather, apples to oranges". He added that he, as counsel, could not express his personal opinion. He is not trying to influence Board decision.

Mr. Saizan stated that he would like to see a letter from the Urban League that provides evidence of what is being done to reach out to DBEs here in the City. There is a lot of work out there (construction related) and it seems to be going to businesses outside of the City. Mr. Bordelon stated that they could add the DBE Directory.

Ms. Sombra Williams was then introduced. Specifically, she stated that the Urban League, Orleans Parish School Board, Bright Moments etc., meet weekly. They share the list of DBE businesses created by the City, Sewerage and Water Board, the Airport. The Urban League provides information to the RSD. There are currently two sub-prime contractors that have contracts in excess of a \$2M. This project has been going on for 2 ½ years. A lot has been going on. Everyone is welcome to the meeting being held on January 31 at Xavier University at 10AM.

With no other Board questions or concerns being addressed, the President opened the floor to public comment. Mr. Steven Kennedy was then recognized. He stated that he appreciated the discussions that were had but was troubled when talk of economic development excluded this project. The Federal government offers the best tax credits. The Board should be aware of the benefits of the tax credits, especially when a project is using various tax credits. He was curious as to why the RSD did not use the State's tax credits of 26% along with the Feds 20%? His second question was with regards to construction. This project appears to be a 40-year loan from the Orleans Parish School Board to the U. S. Banc non-profit that was created, at a 1% interest rate. The interest is tax deductible. When you look at the financial structure, they don't pay anything. He stated he would hope and suggest that the vote be deferred until further understood. He believed the Board should not set a precedence on the issues raised by Mr. Flowers and Mrs. Jones i.e., the 40% local hire and DBE participation targets. As a DBE, himself, with a real estate advisory/consulting firm, he hopes there will also be required participation at the back end of these deals where businesses like his could possibly benefit. He again asked for deferment of the vote.

Mr. Philipson asked Mr. Wolf to respond. Mr. Wolf stated that over the years, the IDB never interjected into the financing of a project or on how these entities arrange their financing. In this instant case, the RSD is trying to leverage their financing by using federal tax credits to get \$3M. As a requirement by the Feds,

the property has to be owned by a private entity. Financial structure, interest rates, etc. are not an IDB involvement. Those concerns should be addressed by the School Board. Ms. Cambria added that this project will take advantage of State tax credits; and that, with regards to local hiring, the end tenant will have 80% of its employees living in Orleans Parish. Mr. Kennedy added that the RSD Pro Forma doesn't show State tax credits being applied for and questioned why it is not shown. (Mr. Philipson then recognized disturbance being created by one of the attendees, having asked the guest to sit with the rest of the guests for the second time, requesting her to discontinue or maligning of the presenters). Mr. Kennedy stated that the IDB is a public forum and again questioned why the RSD Pro Forma did not reflect its use of State tax credits. Mr. Wolf then suggested that he take up his concerns with the RSD.

The Developer was then asked to provide the Board with a breakdown on its current DBE participation, i.e., who, (African American, Latinos, Female, etc.).

Mr. Philipson asked for further questions or discussions. The guest who had been creating some disturbance, identified as Deirdre Lewis, interjected that such Charter Schools are not in white neighborhoods where there are white children. She stated that such schools are being built in black neighborhoods. How is this RSD project servicing the children? She identified the project and the RSD as a flimflam.

After Ms. Lewis' commentaries and there being no further comments from the public, Mr. Philipson requested a motion for approval of the waiver of the CBA and the BFA for RSD Projects and approval of the PILOT requested for the current project. By vote, there were 6 yeas (one with comment), 2 nays and 1 abstention. The vote passed. The comment added to the vote was by Mr. Saizan who stated that he would vote this time but he was not clear on how the RSD was recruiting. He requested that it be broken down by the RSD and the Urban League.

STARLIGHT STUDIOS

Mr. Wolf advised that the Developer requested to defer this matter on the agenda until the next IDB Board meeting.

DEEP SOUTH STUDIOS

This matter was addressed by Mr. Wolf, who provided as background that last year, Deep South Studios made a presentation before the Board of its proposed project which would be located on the West bank in Algiers. The Developer comes before the Board now with a Lease Agreement which helps to construct the \$63M project. Mr. Wolf advised that the PILOT proposal is similar to that which was approved in the Starlight matter (a project for a studio on a smaller scale). The PILOT is for a ten-year PILOT with increased payments each year which is similar to the Domain projects. The Deep South Studios proposal includes the 40% local hire requirement with penalty if the Developer fails to reach the goal; and, it includes the 35% DBE best-effort participation. He explained that the project will not close immediately. The Developer wished to nail down the approved PILOT which would aid in the financing of the project with potential EB-5 participants.

Mr. Scott Niemeyer approached the podium for questions and comments by the Board. There were none. Mr. Philipson then offered the matter for public comment. There was none.

By motion of Mr. Green and seconded by Mr. Theodore Sanders, the Board voted unanimously to grant the PILOT as proposed. (See copy of proposal and lease language attached as part of these minutes.)

Mr. Green asked if there were any other matters upon which a Board vote was required as he had to leave for another meeting that he had scheduled. Mr. Philipson agreed revamp the agenda to accommodate.

BUDGET

Mrs. Susan Good presented the proposed 2015 Budget, advising there was one small change. The employer contribution to the health insurance cost increased by an approximate \$64 per month for a total of \$764 for the year, increasing the line item from \$3,266 to \$3,967. She further advised that employees' salaries were increased by the 1.7% CPI adjustment approved by the Board and that the authorization to implement same was given to Payroll RX, effective the first of the year. Also, she advised there may be an increase in rent. She then placed the matter to the Board for questions. There were none.

By motion of Mr. Thompson and seconded by Mr. Saizan, the Board voted unanimously to approve the Budget as presented.

ELECTIONS

Mr. Thompson opened by stating he appreciated "continuity" and having said that, he nominated the re-election of the current Board officers, i.e., Alan Philipson as President, Allison Randolph as Vice President and Susan Good as Secretary Treasurer. There were no other nominees. By motion of Mr. Thompson, seconded by Mrs. Laura Brown, the Board voted unanimously for re-election of all officers.

Mr. Philipson stated he was glad to work with the 13 qualified members of the Board. He is committed to moving forward for the future of the children of New Orleans as it is a "win-win". The children of New Orleans deserve better schools. He then commended the Board for its vote for the RSD today. Mr. Green added that he, too, looked forward to working and serving on the Board but with regrets he had to leave.

FINANCIALS

Mrs. Good then presented the November 2015 financials. She advised that year-end figures are not in yet. The December report would be presented, along with the year-end report, at the next meeting.

ADMINISTRATIVE REPORT

Ms. Sharon Martin, IDB Administrator, advised that a copy her report was included in each Board member's folder and could be read when convenient.

There being no new or old business, a motion was offered by Mrs. Jones and seconded by Mr. Sanders, for adjournment. The meeting adjourned at 2:03 P.M.

Susan P. Good, Secretary/Treasurer



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Flower and seconded by Mrs. Laura Brown, the Board voted unanimously for approval of the board minutes of December 2, 2014.

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Mr. C. David Thompson stated that as he understands it, at the end of the 5 year compliance period, even though the PILOT is being requested for 10 years, the deal will unravel and the property goes back to the RSD. Mr. Green then commented that the ten year period is probably not needed and there is no "but for" to provide an explanation. At this point, Ms. Cambria stated that the RSD is unsure how this matter will unwind after the five year period and is, therefore, requesting the 10 year period. Mr. Flower then stated that the property would not be on the tax rolls if it remained a public school even during that period. Mr. Green added that for the record, he is not willing to forego the CBA and the BFA because there is nothing "immaterial" about the project. Ms. Cambria stated that the RSD would reinvest the \$2.9M in Developer's Fees back into the planned future projects of the RSD.

In an effort to support his belief, Mr. Thompson stated that he understood Mr. Green's concerns and that his initial impression was of curiosity, concern and reservation. He understood that Drew, as a school, is automatically exempt. However, after getting an explanation that by engaging the private entity into the project allowed the RSD to get an additional \$3M which serves to offset the costs of future projects. Knowing this, he changed his position, realizing this would be a benefit to the children. This is the only legal way for the RSD to get back monies and to reinvest. Mr. Green stated that he appreciated Mr. Thompson's perception and appreciation. However, he stated there is a lot of money on the table in this project with no way to require the IDB's goal for 40% local hire. Mr. Thompson interjected that Mr. Green is correct but the RSD cannot impose IDB requisites and targets under federal law which requires no targets imposed locally. Mr. Flower interjected that he could not understand how the City could accept such a mandate which it has as one of its own mandated targets and that the IDB struggled so hard to get these targets accepted and approved. Mr. Saizan stated that he had the same concern as Mr. Green.

Mr. Philipson then stated that he would take a different stand. "We may be missing the 40% local hire which I don't want to let go but this is an exception. Why? We know there are shortfalls in our education system. Finally, thanks to RSD and its efforts, the shortage is building to educate. How many applicants/corporation do we know that are trying to move their companies to New Orleans. A key factor for getting jobs is education which we want for the children. The City agreed to the exception in this case. We're not trying to set any precedent; we have an obligation to the community to make education better in order to bring commerce to the city. Mr. Green stated, with all due respect, having held seats on a number of boards, he knows the importance of education and the benefit to the children. He does not see, however, why the CBA and the BFA should be waived and this is the first of a possible additional five projects to come before the board. For one thing, he does not see why revenues do not exist in this project and the maintenance fee seems unreasonably high; not counting the almost \$3M going directly to the RSD, adding that the request for the PILOT is twice the amount of time it takes before getting the property reverted back into the hands of the RSD. Mr. Philipson asked that the Board to bear in mind that any money earned by the RSD will be put back into the education pool, stating he hated to use the chair to disagree but the IDB

would not be setting a precedent for profit in this instance. Mr. Green stated that he would like to see that in writing and know what the budget will be for the schools.

Mr. Bordelon noted that this project is in cooperation with the Orleans Parish School Board which passed its furtherance with a unanimous vote, and, the State Bond Commission also passed the project unanimously; the project has passed all levels of scrutiny; approval of the exemptions and the granting of a PILOT are the last pieces to the puzzle. The redevelopment of the school is a benefit to the City.

Mrs. Edith Jones reminded the Board that Dr. Ronald French, at the IDB's November board meeting, requested that the IDB establish policy(ies) addressing projects such as this one and that has not been done yet. She added that it would be prudent to have these policies set by the IDB first, especially in light of the request for the waiver of the already established policies (i.e., CBA and BFA). She, too, expressed interest in knowing the benefit that will be derived by the private investor and the RSD. She reminded the Board that the voter, the citizens of New Orleans, have no input how the RSD operates. This is a very different approach as to how the IDB has viewed previous projects. She, too, stated that she is not ready to turn over school facilities and other benefits to a private entity. Mr. Thompson sought clarity on the phrase "benefit to private investor", adding the benefit is the \$3.1M to the public school system. Mr. Bordelon stated that Mr. Thompson's understanding was correct. The school system, as a State agency, must find streams. This is one vehicle. The project for Federal aid, requires the engagement of a private investor. Mrs. Jones stated that she does not believe that a private investor invests in any project based on the goodness of its heart; that there must be some other gain. Mr. Bordelon stated that this project is not typical but as a state agency this part is necessary.

Mr. Wolf suggested that Mr. Bordelon address the Drew Elementary, LLC relationship/partnership, which is wholly owned by the Finance Foundation which is not a private business, making money on this project. Mr. Wolf stated that he understands and appreciates the purpose as the LLC is not a money making entity. Ms. Cambria added that U. S. Banc Corp is the named private investor. They get no fees only tax credits as they enter as a partner. U. S. Banc Corp is buying the tax credits only. U. S. Banc Corp is not involved in the management of Drew.

Mr. Flower again asked for clarification as to why the RSD could not meet the 40% local hire guideline and stated that this part of the proposal is particularly disturbing to him since the Board fought so hard to get this approved. Why would the Feds say you cannot impose a local requirement? Ms. Cambria stated that FEMA funds are involved which precludes any targets on local hire and DBE participation, adding that the RSD and the Orleans Parish School Board tried to put in target language but it did not work. Mr. Thompson stated that he believes such a requirement is to stem graft or corruption.

Mr. Wolf then addressed Mrs. Jones question re "policy waivers". He provided background information which reminded the Board of the IDB guidelines how they were hammered out with the City, resulting in the 40% local hire goal and the 35% DBE good faith effort participation. He further reminded the Board, there are different projects that come before the IDB; there is no cookie cutter, while schools are not commercial enterprises, as are most of the IDB related applications which are submitted by privately owned businesses, those type projects are not subject to the same Federal guidelines as entities such as the RSD. Because of the Federal dollars involved, Federal guidelines preclude imposing these targets. This is an example of one of those deviations from the norm. He added that he is not attempting to be an advocate of the issue at hand. It is solely up to the IDB Board. The documents, he stated, are ready for consideration, a copy of which is included in the each member's folder.

Mr. Ray Cornelius, bond counsel also with Adams and Reese, added that from an observation standpoint, and as background, when the Board created the policies such as the production of the CBA and the BFA and the local hire and DBE requirements, no one contemplated any public being submitted. The IDB was

only looking at private developers and how they took advantage of the lower costs, lower interest rates, etc. to promote economic development in New Orleans. Properties that are acquired by the IDB are transferred into the name of the IDB so the property can have tax exempt status. He mentioned that both Darrell Saizan and Eugene Green have been a part of these evolutions as either long time board members and/or their involvement in the City's stand on economic development. Now the Board is seeing a public request and may see more. The State Bond Commission and the City has their own responsibility. The question, therefore is, "Do you want to apply the same procedures on public entities as you do on private, handling with the same restrictions?" In answer to a question regarding HANO as the first public entity, Mr. Cornelius responded, that with housing, there is a much clearer private developer, created to take advantage of the tax laws. As compared to the current situation, this is not comparing "apples to apples but rather, apples to oranges". He added that he, as counsel, could not express his personal opinion. He is not trying to influence Board decision.

Mr. Saizan stated that he would like to see a letter from the Urban League that provides evidence of what is being done to reach out to DBEs here in the City. There is a lot of work out there (construction related) and it seems to be going to businesses outside of the City. Mr. Bordelon stated that they could add the DBE Directory.

Ms. Sombra Williams was then introduced. Specifically, she stated that the Urban League, Orleans Parish School Board, Bright Moments etc., meet weekly. They share the list of DBE businesses created by the City, Sewerage and Water Board, the Airport. The Urban League provides information to the RSD. There are currently two sub prime contractors that have contracts in excess of a \$2M. This project has been going on for 2 ½ years. A lot has been going on. Everyone is welcome to the meeting being held on January 31 at Xavier University at 10AM.

With no other Board questions or concerns being addressed, the President opened the floor to public comment. Mr. Steven Kennedy was then recognized. He stated that he appreciated the discussions that were had but was troubled when talk of economic development excluded this project. The Federal government offers the best tax credits. The Board should be aware of the benefits of the tax credits, especially when a project is using various tax credits. He was curious as to why the RSD did not use the State's tax credits of 26% along with the Feds 20%? His second question was with regards to construction. This project appears to be a 40 year loan from the Orleans Parish School Board to the U. S. Banc non profit that was created, at a 1% interest rate. The interest is tax deductible. When you look at the financial structure, they don't pay anything. He stated he would hope and suggest that the vote be deferred until further understood. He believed the Board should not set a precedence on the issues raised by Mr. Flowers and Mrs. Jones i.e., the 40% local hire and DBE participation targets. As a DBE, himself, with a real estate advisory/consulting firm, he hopes there will also be required participation at the back end of these deals where businesses like his could possibly benefit. He again asked for deferment of the vote.

Mr. Philipson asked Mr. Wolf to respond. Mr. Wolf stated that over the years, the IDB never interjected into the financing of a project or on how these entities arrange their financing. In this instant case, the RSD is trying to leverage their financing by using federal tax credits to get \$3M. As a requirement by the Feds, the property has to be owned by a private entity. Financial structure, interest rates, etc. are not an IDB involvement. Those concerns should be addressed by the School Board. Ms. Cambria added that this project will take advantage of State tax credits; and that, with regards to local hiring, the end tenant will have 80% of its employees living in Orleans Parish. Mr. Kennedy added that the RSD Pro Forma doesn't show State tax credits being applied for and questioned why it is not shown. (Mr. Philipson then recognized disturbance being created by one of the attendees, having asked the guest to sit with the rest of the guests for the second time, requesting her to discontinue or maligning of the presenters). Mr. Kennedy stated that the IDB is a public forum and again questioned why the RSD Pro Forma did not reflect its use of State tax credits. Mr. Wolf then suggested that he take up his concerns with the RSD.

~~The Developer was then asked to provide the Board with a breakdown on its current DBE participation, i.e., who, (African American, Latinos, Female, etc.).~~

~~Mr. Philipson asked for further questions or discussions. The guest who had been creating some disturbance, identified as Deirdre Lewis, interjected that such Charter Schools are not in white neighborhoods where there are white children. She stated that such schools are being built in black neighborhoods. How is this RSD project servicing the children? She identified the project and the RSD as a flimflam.~~

~~After Ms. Lewis' commentaries and there being no further comments from the public, Mr. Philipson requested a motion for approval of the waiver of the CBA and the BFA for RSD Projects and approval of the PILOT requested for the current project. By vote, there were 6 yeas (one with comment), 2 nays and 1 abstention. The vote passed. The comment added to the vote was by Mr. Saizan who stated that he would vote this time but he was not clear on how the RSD was recruiting. He requested that it be broken down by the RSD and the Urban League.~~

STARLIGHT STUDIOS

~~Mr. Wolf advised that the Developer requested to defer this matter on the agenda until the next IDB Board meeting.~~

DEEP SOUTH STUDIOS

~~This matter was addressed by Mr. Wolf, who provided as background that last year, Deep South Studios made a presentation before the Board of its proposed project which would be located on the West bank in Algiers. The Developer comes before the Board now with a Lease Agreement which helps to construct the \$63M project. Mr. Wolf advised that the PILOT proposal is similar to that which was approved in the Starlight matter (a project for a studio on a smaller scale). The PILOT is for a ten year PILOT with increased payments each year which is similar to the Domain projects. The Deep South Studios proposal includes the 40% local hire requirement with penalty if the Developer fails to reach the goal; and, it includes the 35% DBE best effort participation. He explained that the project will not close immediately. The Developer wished to nail down the approved PILOT which would aid in the financing of the project with potential EB-5 participants.~~

~~Mr. Scott Niemeyer approached the podium for questions and comments by the Board. There were none. Mr. Philipson then offered the matter for public comment. There was none.~~

~~By motion of Mr. Green and seconded by Mr. Theodore Sanders, the Board voted unanimously to grant the PILOT as proposed. (See copy of proposal and lease language attached as part of these minutes.)~~

~~Mr. Green asked if there were any other matters upon which a Board vote was required as he had to leave for another meeting that he had scheduled. Mr. Philipson agreed to revamp the agenda to accommodate.~~

BUDGET

~~Mrs. Susan Good presented the proposed 2015 Budget, advising there was one small change. The employer contribution to the health insurance cost increased by an approximate \$64 per month for a total of \$764 for the year, increasing the line item from \$3,266 to \$3,967. She further advised that employees' salaries were increased by the 1.7% CPI adjustment approved by the Board and that the authorization to implement same~~

~~was given to Payroll RX, effective the first of the year. Also she advised there may be an increase in rent. She then placed the matter to the Board for questions. There were none.~~

~~By motion of Mr. Thompson and seconded by Mr. Saizan, the Board voted unanimously to approve the Budget as presented.~~

~~ELECTIONS~~

~~Mr. Thompson opened by stating he appreciated “continuity” and having said that, he nominated the re-election of the current Board officers, i.e., Alan Philipson as President, Allison Randolph as Vice President and Susan Good as Secretary Treasurer. There were no other nominees. By motion of Mr. Thompson, seconded by Mrs. Laura Brown, the Board voted unanimously for re-election of all officers.~~

~~Mr. Philipson stated he was glad to work with the 13 qualified members of the Board. He is committed to moving forward for the future of the children of New Orleans as it is a “win-win”. The children of New Orleans deserve better schools. He then commended the Board for its vote for the RSD today. Mr. Green added that he, too, looked forward to working and serving on the Board but with regrets he had to leave.~~

~~FINANCIALS~~

~~Mrs. Good then presented the November 2015 financials. She advised that year end figures are not in yet. The December report would be presented, along with the year end report, at the next meeting.~~

~~ADMINISTRATIVE REPORT~~

~~Ms. Sharon Martin, IDB Administrator, advised that a copy her report was included in each Board member’s folder and could be read when convenient.~~

~~There being no new or old business, a motion was offered by Mrs. Jones and seconded by Mr. Sanders, for adjournment. The meeting adjourned at 2:03 P.M.~~

~~Susan P. Good, Secretary/Treasurer~~

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, FEBRUARY 10, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

February 9, 2015

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

**MARCH 10, 2015 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Todd O. McDonald
Darrel J. Saizan, Jr.
Eric Strachan

Alan H. Philipson
Theodore Sanders, III
C. David Thompson

M. Cleland Powell
Jeffrey Schwartz

Absent:

Justin Augustine, III
Edith G. Jones
Allison B. Randolph, III

Laura H. Brown
Walter C. Flower, III

Eugene J. Green, Jr.
Susan P. Good

Also Present:

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

Guests:

Tonya Pope, Jazzland
Erica Mahorney, Deep South Studios
Steven Kennedy
Billy Perez, Starlight Studios
Michelle Conway, Office of the Mayor/New Orleans
Stephen Stuart, Bureau of Governmental Research
Robin Shannon, City Business
Juan D. Cousin, Office of the Assessor/New Orleans
Ernest Gethers, Dept. of Economic Development/New Orleans

President, Alan H. Philipson, called the meeting to order at 12:37 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests was held. By motion of Mr. C David Thompson and seconded by Mr. Eric Strachan, the Board voted unanimously for approval of the board minutes of January 13, 2015.

Bond Counsel, David Wolf, advised that three new members have been added to the IDB Board: Todd McDonald, Jeffrey Schwartz, and Troy Carter (unable to attend due to conflict in schedule). He advised that oaths of office would be filed on each with the Secretary of State and each member would be provided a copy of the Board orientation binder.

STARLIGHT STUDIOS

Mr. Wolf reminded the Board that the Developer filed an application in May of 2013, seeking a PILOT in connection with the construction of a film studio. The Board approved (along with the Mayor's Office), a ten-year PILOT. The PILOT has built-in annual increases up to the tenth year, after which the Developer would pay full taxes. He advised that the Developer now seeks approval of the language of Lease Agreement which includes use of DBEs (Disadvantage Business Enterprises), the preference for use of local contractors and suppliers, and the IDB 40% local hire requirement. The Board was advised that the financing of the project would close within the next 90 days.

After discussion, the President accepted a motion to approve the language of the Lease Agreement as offered by Mr. Darrel Saizan, Jr. and seconded by Mr. Thompson. The vote passed unanimously.

930 POYDRAS GARAGE/RETAIL

Mr. Wolf then provided as background information that this project was approved several years ago by the Board and it included a 15-year PILOT. The 930 Poydras project was a two-part financing issue. The lower half of the project involved the construction of a garage and retail, and the upper included apartments. The bottom portion of the project used New Market Tax Credits (NMTC) and the top area (the apartments) used a HUD loan. The current PILOT payment is approximately \$45K per year. The lower part that used NMTC included a seven-year compliance period. Since the NMTC compliance period has ended, several parts of the original financing structure will be terminated/unwound and some technical amendments will be necessary to the remaining documents (Lease, Indenture). The PILOT, however, will remain in effect until its expiration. There is no change to the bonds or bond amount. The Board is now being asked to approve the amendments to the Lease.

After all discussions and inquiries, the President accepted a motion to approve the request which was offered by Mr. Thompson and seconded by Mr. Cleland Powell

C G MULTI-FAMILY, LLC (THE SAULET)

Mr. Wolf advised that this project involved a \$65M loan for the construction of The Saulet Apartments in the Riverview area on Annunciation Street. The loan balance is being paid off, and therefore the project rolls onto the tax rolls for full assessment and payment. Approval for the officers to sign off on documents is being requested.

By motion of Mr. Thompson and seconded by Mr. Theodore Sanders, the Board voted unanimously to give the officers authority to sign the required documents.

REPORTS

FINANCIALS

In Mrs. Good's absence, the Board was advised that a copy of the financials were included in their Board packets.

ADMINISTRATIVE REPORT

Ms. Sharon Martin, IDB Administrator, advised that a copy the Administrator's report was included in each Board member's folder and could be read when convenient.

PUBLIC COMMENT(s)

Mrs. Tonya Pope, the applicant who submitted a response to the IDB/City RFP for redevelopment of the Six Flags site, requested a status on the responses to the RFP. She advised that she submitted what she considered a firm financial commitment as requested by the IDB but as of this date, she has not heard from the IDB in that regard. Mr. Wolf advised that counsel, Ray Cornelius, was spearheading the Six Flags RFP matter but he [Wolf] knows that the IDB and the City do not feel that the financial commitment was adequate enough to move forward. The process is still open and other prospects have expressed interest as well. Mrs. Pope then advised that she submitted a firm offer back in November and her investors are willing to come to New Orleans to meet with the IDB and the City to discuss its commitment. Mr. Wolf responded that what was received was not a commitment but rather a statement of their financial strength, with no deposit. He advised that he was not able to discuss anything substantive at this point. Mrs. Pope then asked for a meeting to which Mr. Wolf said he would be happy to help arrange with the receipt of a letter requesting same.

There being no new or old business, a motion was offered by Mr. Saizan and seconded by Mr. Thompson, for adjournment. The meeting adjourned at 1:04 P.M.

Susan P. Good, Secretary/Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, APRIL 14, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

MARCH 31, 2015

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, MAY 12, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

MAY 1, 2015

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, JUNE 9, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

June 5, 2015

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, JULY 14, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

June 9, 2015

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

**JULY 23, 2015 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Todd O. McDonald
Eugene J. Green, Jr.
Todd O. McDonald
Theodore Sanders, III

Troy A. Carter
Edith G. Jones
Alan H. Philipson
Jeffrey Schwartz

Susan P. Good
Kyle J. Jones
Darrel J. Saizan, Jr.
Eric Strachan

Absent:

Justin Augustine, III
C. David Thompson

Laura H. Brown

M. Cleland Powell

Also Present:

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

Guests:

Thomas M. Beh, Elkins, LLC
Steven Kennedy, REO, LLC
Jacquelyn Frick, Office of the Assessor of Orleans Parish
Kevin Oufnac, Housing Authority of New Orleans
Courtney Stuckwisch, Office of Economic Development, City of New Orleans
Rebecca C. Conwell, Mayor's Office of Economic Development
Melissa Ehlinger, New Orleans Business Alliance
Christian Weiler, Weiler & Rees
Mike Sherman, Sherman Strategies, LLC
Robin Shannon, City Business
Katherine Sayre, nola.com/Times-Picayune
Andrew "Pete" Sanchez, Lower Ninth Ward
Josh Collen, HRI Properties
Stephen Stuart, Bureau of Governmental Research
Hayne Rainey, City of New Orleans
Sidney Barthelemy, HRI Properties
Maurice C. Baird, Office of Councilman James Andrews

President, Alan H. Philipson, called the meeting to order at 12:40 PM. At the opening of the meeting, the President, acknowledged the absence of Mr. Allison Randolph, the IDB's former Vice President, and asked for a moment of silence in respect.

A roll call was conducted and a quorum confirmed. Prior to the introduction of guests, the President welcomed the Mayor's new senior advisor on economic development, Ms. Rebecca Conwell. Introductions by all guests was held. By motion of Mr. Eugene Green and seconded by Mr. Jeffrey Schwartz, the Board voted unanimously for approval of the Board minutes of March 10, 2015.

FIRST HARTFORD CORPORATION d/b/a CVS HEALTH LOWER NINTH WARD

Mr. Wolf, IDB bond counsel, provided an overview of the project, advising that the Developer proposes to construction a CVS Pharmacy in 5000 block of N. Claiborne in the lower 9th ward and seeks a 10-year PILOT to aid with financing the project. The project would incorporate the entire square block. A copy of the resolution for preliminary approval has been placed in each member's meeting folder. He advised the Developer that once preliminary approval was granted, a cost/benefit analysis and a "but for" analysis would have to be conducted, the cost of which is borne by the Developer. He advised that Ms. Martin, the IDB Administrator, would obtain quotes for the cost of each and would provide the Developer with same. He opened the floor for questions and comments by the Board.

Mr. Saizan asked if there was a CVA proto-type that vends grocery items including fresh fruits and fresh vegetables. Mr. Sherman, the Developer representative, responded to Mr. Saizan's query, advising that he was not aware of such a design prototype. He stated, however, that the Developer did include input from the community and that while the CVS will retail some grocery items, which is much needed, he did not have a specific list of items that will be sold. He will attempt to obtain a level of details of items to be sold.

Mr. Sanchez, a member of the community of the Lower 9th Ward, advised that the lower 9th ward was slowly progressing along. With the opening of the Martin Luther King High School, the new fire station, The Sanchez Center and now with the opening of the CVS, growth seemed promising for the area. Mr. Carter then asked about outreach in terms of jobs. Mr. Sherman advised that the community has been invited to meetings and many in the community are aware that there are those who will not be contractors or employed. However, he added, some in the community are already employed by CVS at other locations and efforts will be underway to have those who are residents of the lower 9th ward moved to that CVS location. A pharmacist has not yet been employed. Mr. Sherman was then informed that Xavier University has one of the best schools of pharmacology in the U. S. He then stated they will be working with Xavier University to select a pharmacist. Mrs. Edith Jones asked if the Developer is willing to accept the DBE and local hire requirements of the IDB. Mr. Sherman advised that the Developer is aware and will be reaching out to the community.

Mr. Sherman then informed the Board that key lots on which the CVS will sit have been tied up in a succession but, he understands that the succession concluded about 10 days ago. The Developer should have clear title soon and hope to conduct a groundbreaking in the very near future. Total construction should take about 6 months.

A motion to grant preliminary approval was offered by Mr. Green and seconded by Mr. Theodore Sanders. By unanimous vote of the Board, the Developer was granted preliminary approval.

FISCHER III

Mr. Ray Cornelius, bond counsel, provided overview of this matter, advising that the issues before the Board are basically technical, i.e., one document, the Sub-Sub Lease Agreement references a date in January 2005 that pre-dates the Ground Lease. The second document requiring changes is one in which the Board owns the project. He reminded everyone the Board does not pay taxes, and that the changes to these documents are purely technical. He reiterated that the Sub-Sub Lease needed to be dated after the Ground Lease.

After all discussions and inquiries, the President accepted a motion to approve the technical changes to the Lease Agreements which was offered by Mr. Green and seconded by Mr. Darrel Saizan. The vote passed unanimously.

RECOVERY SCHOOL DISTRICT

Mr. Wolf advised that RSD representative, Annie Cambria, would not be in attendance today. He informed the Board that the RSD has plans of coming back before the Board for approval on additional projects similar to the Drew Elementary School project the Board approved several months ago. This matter was deferred until the next IDB board meeting.

ELECTION OF VICE CHAIR

The President opened the floor for nominations to fill the vacant seat of Vice President. Mr. Troy Carter offered into nomination the name of Mr. Darrel Saizan. The nomination was seconded by Mr. Eugene Green. There being no other nominations, the Board voted unanimously for Mr. Saizan as Vice President. Mrs. Good interjected that she had a copy of Mr. Randolph's obituary. For those who were not able to attend the funeral services and wanted a copy, she would share it. A copy would be given to staff for those who wished a copy.

REPORTS **FINANCIALS**

Mrs. Good presented the May financial report, (the latest report), advising that Income is over budget and Expenses are under budget. She further reported that the IDB's 2014 audit was accepted by the Louisiana Legislative Auditors. A copy will be posted on the IDB's website.

By inquiry of Mr. Saizan, the Board was informed that the Six Flags site is being maintained. Mrs. Good added that any expenses for maintenance is deducted from Six Flags funds and not the IDB's operating account.

Mr. Cornelius continued to respond to Six Flags questions, advising that recent article in Wired magazine presented the Six Flags site as a backlot studio in a most attractive manner, adding that the site is not only attractive because of the depth and breadth of the parking lot for set construction and film shooting including the amusement area but it is even more attractive by the mere fact that is located within minutes from the City's downtown area. He further advised that the site is currently being leased through the end of October by a major film production company. That discussions are currently underway with a second major film company wishing to use, concurrently, another section of the site, separate from that being used by the current Lessee, through end of October, continuing through next May, 2016.

In response to a question by Mr. Saizan concerning any improvements that might have been made to the site, Mr. Cornelius informed the Board that the current Lessee will be leaving some attractive improvements which are more permanent, including electrical and water access. He reminded the Board that Entergy has the right to use the site in case of a hurricane. And 1/3 of the lot has been set aside for such an event. They

will access the site on demand. He added that the Six Flags site as a backlot studio has contributed tremendously to the economy of the City in terms of what crews spend on housing, catering, and materials.

ADMINISTRATIVE REPORT

Ms. Sharon Martin, IDB Administrator, advised that a copy the Administrator's report was included in each Board member's folder and could be read when convenient.

OTHER BUSINESS

Mr. Philipson then officially "welcomed" Mr. Troy Carter or Mr. Kyle Jones as the IDB's newest members of the Board. He also commented that the newly elected Vice President, Mr. Darrel Saizan, was one of the IDB's oldest members other than Mr. Dave Thompson.

Mr. Steven Kennedy was then recognized. He stated that he wished to address issues of concern related to economic parity. He stated that the Data Center of New Orleans/Greater New Orleans Data Center issued a report just this morning concerning expanding opportunities to minority businesses and the need for economic parity for those businesses that provide tangible and other professional services. He, for instance, is a small, minority-owned business that offers outreach, urban planning services, and real estate services. He is in need of the type of economic parity addressed in these reports. He hoped with the future projects that come before the IDB, such as those to be proposed by the RSD, that the IDB will consider to have such businesses included on the front end and not only during construction. Because of his and other similarly situation businesses, they are not included in such projects during construction.

Mr. Philipson stated that the IDB does everything it can to assure economic parity. However, the IDB is not and has not been historically included in a developer's project at the front end. The IDB does not get involved until the application is submitted and by the time, the developer has made certain selections. The IDB has been very instrumental in assuring economic parity by way of policies it has implemented, and it will continue to abide by these principals. Mr. Carter echoed the President's comments adding that the Board will look at inclusion not just during construction but also after construction and that where possible, it will continue to provide evidence of qualified businesses. The IDB and the City has a vested interest in such furtherance. Mrs. Edith Jones stated that the IDB and the City should not be only look at qualified businesses but include in its effort a program to help "quali-fiable" businesses – in other words, help to get "qualifiable" businesses to the table through mentoring programs, encouraging "protégé programs".

Mr. Saizan added that the World Trade Redevelopment Center has a prototype. Mr. Todd McDonald, advised that his bank is working with the World Trade Redevelopment Center to create programs that will help in the mentoring of "qualifiable" businesses.

PUBLIC COMMENT(s)

Mr. Christian Weiler of the Housing Authority of New Orleans raised a question concerning the Fischer III matter, advising that Fischer sued the Assessor for assessing taxes on a property that was to be exempt; the matter went before Judge Cates who reasoned that Fischer, not the IDB, was the owner of the improvements. The facts are in dispute because there are two versions of the sub-lease and the lease agreement between the IDB and HANO. He stated that he understands the date issue and the amending of the ownership language.

Mr. Cornelius stated that regardless of the court's findings, when the Board issues a PILOT, it is pre-supposed that ownership will be in the name of the IDB, making the project tax exempt. Some language may be debatable and that he is aware of the debated language between the Developer and the Assessor.

When the IDB issues a PILOT, however, it has every intention to own it. It is part of the process in issuing a PILOT. Otherwise the PILOT is useless. The Fischer issue requires clarification. It is purely a technical matter in which the Board has approved. The Board does not make anything retroactive. Ms. Jacqueline Frick of the Assessor's Office stated that the root of the issue is that the Assessor's office and Judge Cates' office had two versions of the agreement. Someone asked for clarification.

Mr. Cornelius advised that Mr. Wayne Neveu is bond counsel in the matter. He is the person to whom these questions should be addressed. The question was then raised as to whether or not the property was empty when the improvements were made. Mr. Cornelius advised that in 2005, when this project was approved, usually the project was approved before the old housing development was torn down. Ms. Frick stated that it is the ownership of the improvements that are in question. Mr. Cornelius stated that typically, a PILOT could be issued on both the land and the improvements. In this case, however, it is the building that the IDB takes ownership of. With a hotel, both types of taxes could be considered. In this case, the Board assumed it was acquiring the improvements to give a tax break.

There being no new or old business or further business to discuss, a motion was offered by Mr. Green and seconded by Mrs. Good, for adjournment. The meeting adjourned at 1:28 P.M.

Susan P. Good, Secretary/Treasurer

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

**AUGUST 25, 2015 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III
Edith G. Jones
Darrel J. Saizan, Jr.
Jeffrey Schwartz

Susan P. Good
Todd O. McDonald
Eric Strachan
C. David Thompson

Eugene J. Green, Jr.
Alan H. Philipson
Theodore Sanders, III

Absent:

Justin Augustine, III
Kyle J. Jones

Laura H. Brown

Troy A. Carter

Also Present:

Sharon Martin, Administrator, IDB
Joyce Matthews, Administrative Assistant, IDB
O. Ray Cornelius, Adams & Reese, Bond Counsel

Guests:

Steven Kennedy, REO, LLC
Richard Briscoe, Gulf South Engineering
Michael Kaufmann, IUPAT DC80
Dennis Cambre, SMW214
Chip Fleetwood, UPAT DC#80
Margaret Montgomery Richard, DMM
Norman Jane Sabiston, Sabiston Consultants
Gary Gutierrez, HRI Properties
Tom Leonhard, HRI Properties
Lane Louque, Woodward Design Build
Cody Marshal, HANO/HRI
Dione Heusel, HRI Properties
Sidney Barthelemy, HRI Properties
Josh Collen, HRI Properties
Lauren Jardell, Sabiston Consultants
Stephen Stuart, Bureau of Governmental Affairs
Lauren Marshall, Woodward Design Build
Lisa Ross, Orleans Parish Assessor's Office
Derrick Francis, Office of the Mayor of the City of New Orleans
LaSwanda Green, Downtown Development District
Scott Murphy, Ironworkers #58
James L. Moffett, III, Adams & Reese, LLP

Darren Mire, Orleans Parish Assessor's Office
Mai Dan, Urban Strategies
Courtney Stuckwisch, Mayor's Office of Economic Development
Rebecca Conwell, Mayor's Office of Economic Development
Annie Cambria, Recovery School District
Stephen Daste, FFC Capital

President, Alan H. Philipson, called the meeting to order at 12:40 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. Eric Strachan and seconded by Mrs. Edith Jones, the Board voted unanimously for approval of the Board minutes of July 23, 2015.

RAMPART STREET MIXED USE, LLC d/b/a/ RAMPART STREET HOMEWOOD SUITES

Iberville Update

Mr. Josh Collen of HRI, initiated this presentation with an overview of the status of the DBE and local hire goals of the Iberville, a development located across Rampart Street from the proposed Homewood Suites project and a part of the Choice Neighborhood Act. He introduced Mr. Cody Marshall, who would assist in the presentation of the Homewood Suites project once the Iberville update was concluded.

Mr. Collen informed the board that HRI was wrapping up construction on Phase I and Phase II of the Iberville which included construction of 227 apartment units. A groundbreaking ceremony is scheduled for Friday, August 28 at 2PM with HUD Secretary, Julian Castro, and other dignitaries in attendance. Fifty units are ready for leasing to workforce, affordable and market rate tenants. Phase III will have 400 square feet of retail space. The Basin Street complex is scheduled to be completed in April 2016. Preparations are underway to close on Phase IV with permit application already in process.

He advised further that HRI has been successful in obtaining tax credits for Phase V and VI which include 130 units. This phase is expected to be completed by the first quarter 2016.

Mr. Collen introduced Lauren Marshall of Woodward Design Build who advised that to-date, the 35% DBE target has been met and the project has been maintaining that pace, with a total of 13 DBE companies included in their portfolio, with Orleans Parish hiring at 40.06% and the metro area at 45.32%. Additionally, Orleans Parish hiring is expected to increase in August.

Ms. Mai Dang of Urban Strategies, reported that Section IV hiring in Phase I & II is currently at 40.4% which surpasses HUD's 30% requirement. The training goal is 25%. In terms of Phase II, the current training percentage is 62.5%. A customer service training class will be hosted in September. More women have been participating in this type program. Mr. Darrel Saizan inquired as to the number of workforce units in the 130 units to be leased. Mr. Collen advised there are 227 units, including market rate, workforce & public units and the average rents range from \$650 - \$850, without subsidy. Fifty of the units do not receive subsidy. Phase III and Phase IV will have 73 workforce units.

After the update, Mrs. Jones commended the Developer on its exemplary performance in attaining DBE and local hire targets adding that it sets a precedent.

RAMPART STREET MIXED USE, LLC d/b/a/ RAMPART STREET HOMEWOOD SUITES

Mr. Collen advised that the Developer now has site control of the property and is prepared to construct the proposed 207 Homewood suites as a Hilton brand. The people component of the project includes 1) a living wage of \$10.55 per hour as approved by the City Council; 2) training and job placement during construction

and operation; 3) a Project Labor Agreement with trade unions with a focus to comply with the 35% DBE participation and 40% local hire during construction with high quality construction jobs. In terms of permanent jobs, the hotel will train applicants for hospitality jobs, creating a career path for those who are hired for current and future jobs in customer service, lodging and touring. HRI Lodging Company will train for long term jobs in the Hilton brand. Once construction has been completed, the Hotel will offer 96 permanent jobs.

Mr. Philipson then recognized Ms. Rebecca Conwell of the Mayor's Office of Economic Development. Ms. Conwell advised that the Mayor supports the PILOT requested for this project, with this being the 10th Anniversary after Hurricane Katrina. She spoke of the drastic growth in the downtown area and commended the IDB for its role in the comeback of the City. However, she stated that as the City continues to rebuild, it is imperative that everyone be mindful in the allocation of time and resources as there are other areas in the City that are of need.

Mr. C. David Thompson commended HRI on its "forward thinking" as relates to the training and job placement components of the program, as well as for the project labor agreement (PLA) and the redevelopment of the area. His concern, however, was the 35% DBE target in relationship to the PLA. Does the PLA satisfy any portion of the DBE target or is it separate? Mr. Collen advised that the union has agreed to assist with the 35% DBE requirement and that the commitments are separate. He continued by advising that for the IDB, the Developer will have to show its achievements. DBE outreach will be conducted by DMM, at which point he acknowledged Mrs. Margaret Montgomery Richard. The Developer is confident it will meet the IDB targets. Mr. Thompson then asked if the entry level \$10.55 living wage applied to any jobs offered in the PLA and whether the workforce goal of 40% with the local unions were Orleans Parish. Mr. Collen advised that 35% was approved by the union in the agreement. Mr. Saizan stated that he hoped there will be a preference to try to get Orleans Parish residents employed. He then commented on the work by Urban Strategies for Section 6 and 7 and that he would gladly share some additional approaches he thought important in the outreach and employment process.

The Board was advised that the timeline included the purchase of the property by Friday, August 28 and that permits have been applied for, with financing and closing to take place in the fourth quarter of this year.

There being no other issues of discussion, the President sought a motion for approval of the Homewood Suites PILOT as presented (see attached resolution). Same was offered by Mr. Saizan and seconded by Mr. Theodore Sanders. The Board approved same unanimously.

RECOVERY SCHOOL DISTRICT

Mr. Philipson opened the discussion of this matter with the reading a letter received from Mr. Ronald Bordelon, Chief Facilities Officer of the Louisiana Recovery School District to the Board. The letter thanked the IDB for its support of the Drew Elementary project and invited the Board to visit the school. In addition, the letter reminded the Board that the RSD would be submitting applications for additional projects for its consideration. Currently, the RSD is renovating Sophie B. Wright and the Orleans Parish School Board is renovating Fortier High. Through the support of the IDB, these two schools will generate approximately \$10 million federal tax credits which it proposes will benefit the children of Orleans Parish. These two projects are currently on track to have at least 25% of their contract value performed by DBE firms. Plans are to bring these two projects to the Board for consideration of a PILOT. Mr. Philipson then interjected that he was present at the ribbon-cutting ceremony for Drew, along with Mr. Saizan, and each expressed how impressed they were with the school and the students. Mr. Philipson then acknowledged Ms. Annie Cambria's presence, who was available to answer any questions concerning the two applications that are to be submitted for consideration.

Mrs. Jones expressed her concern of the waiver of the IDB's DBE & local hire targets. The Board was reminded by Mr. Philipson that both the RSD and the OPSB's hands were tied because of federal regulations which prevented them from doing a set aside for local hire and DBE use. However, he reminded the Board that according to the letter from the RSD, the current projects were at 25% of the local DBE and local hire targets. Mrs. Jones countered that she wants children to have the best in education, but that she also wants to ensure that their parents are offered employment but there is no enforcement to hire locals. Mr. Eugene Green, echoed Mrs. Jones' concerns, stating he is for new schools and education but that waiving the IDB requirements set a different precedent. He stated that he would like to know what exactly the Federal regulations state and looked forward to the presentation by the RSD and OPSB.

Ms. Cambria extended an invitation to the rest of the Board to visit Rise Academy at Drew Elementary and Sophie B. Wright. She will presenting both applications at the September meeting.

REPORTS

FINANCIALS

Mrs. Good presented the June financial report, advising that all line items are on target including the collection of the Annual Administrative Fees. She further advised that the IDB changed its operating account from Chase to Whitney which charges no fees and gives a minimal interest on any balance in the account. The Board voted unanimously for the acceptance of the June financials as presented.

Six Flags Revenue

Mr. Cornelius provided an updated and an account of the current state of lease of the former Six Flags site, advising that the current Lessee, Lionsgate, has requested an extension after the expiration of its August 31 contract. The extension would cover the period September 1st – October 31st and possibly the month of November. He informed the Board that Lionsgate has invested several hundred thousand dollars of improvements at the site. These improvements include: the enclosure of the parking lot with a chain link fence; water lines to the water main which were not there prior to this lease agreement; and access to electricity. This was done with the cooperation of Entergy, who also has a lease with the IDB which allows them use of a certain portion of the parking lot in the case of inclement weather (hurricanes). Mr. Cornelius further advised that prior to the current lease, the IDB charged \$250 per day when the company was not filming. The fee is \$700 per day when shooting or not shooting. Lionsgate has asked that those amenities that have been added to site be considered when determining a fee for the extension. He then reminded the Board that the President, some time ago, was entrusted with the power of managing the site, its upkeep and leasing. Mr. Philipson added that the fencing alone is more than the rent that could be sought for the extension. Mr. Cornelius added that during the period of extension, there will be 24-hour security maintained which is a great expense.

ADMINISTRATIVE REPORT

Ms. Sharon Martin, IDB Administrator, advised that a copy the Administrator's report was included in each Board member's folder and could be read when convenient.

OTHER BUSINESS

Public Comment

Mr. Philipson opened the floor to/for public comment. Mr. Steven Kennedy addressed his concern that public commentary was not offered until after the Board had voted on a matter. He suggested that as a public agency, the IDB should offer the public an opportunity to comment prior to a board vote. He then stated that he reached out to the RSD in December of last year and never got a response until yesterday, eight months after his initial inquiry, as to how his business could offer its services. His attempt was to be

on the front end of the RSD's upcoming projects as an independent DBE. He wished to know the RSD's outreach process and efforts to include DBE's since they are receiving benefits so as to ensure economic inclusion. Mr. Philipson stated that he was sure the RSD would do everything it can to ensure economic inclusion and outreach but that the IDB cannot tell them who to reach out to. Mr. Green then interjected that he has appreciated the way Mr. Philipson has operated and run each board meeting and suggested that, in light of Mr. Kennedy's concern, and as it is customary, that the public comment be allowed prior to Board approval of a project, with a two-minute time limit. Mr. Philipson said he understood and acknowledged the suggestion, offering an apology to Mr. Kennedy.

Board Business

Mr. Philipson informed the Board that its next meeting was scheduled for the day after Labor Day and suggested for approval that the meeting date be changed from the previously rescheduled date of Tuesday, September 17 to Tuesday, September 22. Mrs. Jones commented that she appreciated the reason for the change of date but suggested that all future scheduled board meeting dates remain in place going forward. Mr. Philipson then asked for a Board vote on the change of date from September 17 to September 22.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mr. Jeffrey Schwartz for adjournment. The meeting adjourned at 1:45 P.M.

Susan P. Good, Secretary/Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, SEPTEMBER 22, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

SEPTEMBER 15, 2015

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, OCTOBER 13, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

October 6, 2015

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
NOVEMBER 10, 2015 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Troy A. Carter	Walter C. Flower, III	Susan P. Good
Edith G. Jones	Kyle Jones	Todd O. McDonald
Alan H. Philipson	Darrel J. Saizan, Jr.	Theodore Sanders, III
Jeffrey Schwartz	Eric Strachan	C. David Thompson

Absent:

Justin Augustine, III	Laura H. Brown	Eugene J. Green, Jr.
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Also Present:

Sharon Martin, Administrator, IDB
Joyce Matthews, Administrative Assistant, IDB
David Wolf, Adams & Reese, Bond Counsel
James L. Moffett III, Adams & Reese, Bond Counsel

Guests:

Frank Scurlock
Robin Shannon, City Business
Annie Cambria, Recovery School District
Sombra Williams, Recovery School District
Rebecca Conwell, Mayor's Office
Ernest Gethers, Mayor's Office
Ron Bordelon, Recovery School District
Stephen Daste, FFC Capital

President, Alan H. Philipson, called the meeting to order at 12:36 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. Walter C. Flower, III and seconded by Mr. Darrel J. Saizan, Jr, the Board voted unanimously for approval of the Board minutes of August 25, 2015.

RECOVERY SCHOOL DISTRICT

Mr. Ron Bordelon of the Recovery School District (RSD) presented the RSD application for the renovation/rehabilitation of Sophie B. Wright Charter School, seeking a 10-year PILOT. He advised that the RSD has also applied for historic tax credits (both State and Federal). The request in this proposal is consistent with the approval received in connection with the rehabilitation of Drew Elementary. Further, the RSD plans to submit, in advance of the IDB's January meeting, an application for the renovation of Fortier Sr. High School. In an effort to comply and meet IDB guidelines regarding the use of disadvantage business enterprises (DBEs) and the hiring of the locals, the RSD has established a 25% DBE goal. As of this date, the RSD has gone beyond that target and has reached 26% use of DBEs in the Sophie B. Wright

project. Questions on these matters were deferred to the Director of Strategic Planning, Annie Cambria and to the Director of DBE, Sombra Williams.

Mr. C. David Thompson recalled that the process followed by the RSD is a vehicle created to assist in receiving FEMA funds which requires the participation of a private entity. He then asked for a time line on the Fortier Sr. High School project. Mr. Bordelon informed the Board that the renovation of Fortier would be an Orleans Parish School Board project, not an RSD project.

Mrs. Edith Jones understands that the RSD intends to extend its goal to 35% DBE use. She asked if it would be possible to meet the IDB's 40% local hire guidelines. In response, Mr. Bordelon advised that the Sophie Wright project is ongoing and that all efforts are being made to hire locally in spite of FEMA guidelines and restrictions. The percentage of local hires during operation will be greater than 40%. Mrs. Jones questioned further if Fortier would be operating before construction started and that as she understands it, the construction is half completed. If this is the case, she would like to see the RSD come as close to the local hire and DBE goals as set by the IDB. Mr. Bordelon made assurances that the RSD would make every effort to meet those goals.

Mr. Flower stated that he would like to see the 40% goal met as it is a part of the IDB/City guidelines. He inquired as to why FEMA prevents the IDB/City from mandating its requirement. Ms. Cambria explained that FEMA prevents geographic preferences and advised that a copy of the guidelines was submitted to the IDB for review by the Board. Ms. Sharon Martin, IDB Administrator, advised that a copy of the referred document was emailed to all Board members in advance of the meeting and that a hardcopy is located in every board member's packet.

Mr. Saizan inquired as to outreach efforts. Ms. Williams advised that CORE has been exemplary in outreach efforts, having conducted numerous job fairs. Hiring has been done through subcontractors. Mr. Saizan stated that he understands there remains schools still in need of renovation, namely, Lusher, John McDonogh and Tubman on the west bank. He asked if the contractors understand or will understand the need to hire locals. Ms. Williams then advised that John McDonogh, through CORE JOB, has a 35% DBE goal and is in position to place more stringent stipulations. This project uses Job1 [Sophie B. Wright] and is attempting to create internships. It was confirmed that Tubman was still in design and a contractor not yet selected.

In connection with the local hire issue, Mr. Troy Carter opined that in his appreciation of the matter, it is difficult to tie local hiring to zip codes as a means of monitoring. Mr. Thompson interjected that his understanding is that such streaming is impossible because of FEMA restrictions. He added that according to the application, the total number of jobs to be created for the Sophie B. Wright project is 350 during construction and that during operation 81% of the jobs will be held by minorities and 91% Orleans Parish residents. Ms. Cambria confirmed these numbers. Ms. Williams advised that as of today, 62 out of 280 hired are Orleans Parish residents on the S. B. Wright project, representing 22%. Mr. David Wolf reminded the Board that the reason for the structure of this application is to assist the RSD in taking advantage of the tax credits available (\$1.6 million). To further access these funds, it was necessary for the RSD to include a private entity who would own the improvements for five years. He reminded the Board that RSD and OPSB projects are not like other commercial projects seeking a PILOT. The school is already tax exempt. In the Sophie B. Wright project, the RSD agreed to pay a closing fee equal to 1/10 of 1% of the amount of the project (\$33.4M). In return, the IDB would waive the annual administrative fee. The terms of this project are the same as those worked out with the City Administration in the Drew Elementary project.

He advised that Mrs. Susan Good and Mr. Jeffrey Schwartz will recuse themselves from the vote. Additionally, the Developers will enter into a Lease Agreement for an issuance of bonds not to exceed \$33.4 million. Mrs. Jones inquired whether any efforts had been taken to shop for local banks to serve as

the private partner; as was done in the Drew case wherein U. S. Bancorp was the private entity partner which is neither New Orleans or Louisiana based. Mr. Bordelon advised that efforts had been taken to reach out to local banks but the best benefit came from U. S. Bancorp. Mr. Todd McDonald asked if the private partner gets the developer fees itemized in the projections. Mr. Bordelon advised that the developer's fee goes back into the City's Master Plan for future redevelopments of schools.

After these discussions, Mr. Philipson commented that he and Mr. Saizan attended the Drew Elementary Ribbon Cutting which was impressive. He cited that the IDB does all it can to get DBE participation goals met and that it is imperative that we, as a Board, not overlook that these renovations are for the children who attend these schools. There is an opportunity for the IDB to make a contribution by participating in these projects, he stated. Mr. Saizan added in talking with the principal at Drew he found out how thrilled the teachers are with what is being and has been done for the students. Mrs. Jones and Mr. Carter both expressed the fact that we should have both good schools and job opportunities for our citizens. Mr. Philipson assured the Board that this is the IDB's objective. Mr. Flower interjected that the IDB is and has been strong on its requirement of a 40% local hire target and its DBE guidelines. The IDB has a real commitment to its citizens and wish to ensure that training opportunities are available to the youth of the community. He reminded the Board of its efforts to accomplish this through the Job Match program which the Board helped to create. Unfortunately, the program has since unraveled. He added that he and Mr. Philipson made an effort on behalf of the IDB to create a process for training opportunities through improving the Job Match program only to have been left out of the final process.

Mr. Kyle Jones, added his concerns regarding the hiring of locals in the all IDB projects. He stated that the IDB should make good on the back end and the front end of these projects even if we have to slow it down. Mr. Carter interjected that we do not want to slow it down to meet objectives, however we should try to make improvements at each step as we go along. He feels that the RSD has been making good faith efforts to be full partners and we cannot afford to defer or slow down. The RSD will continue to report on how it is addressing these legitimate concerns and deal with them accordingly.

After all discussions were had, Mr. Philipson ask for a vote on the approval of the PILOT as represented in the Resolution provided by counsel. By motion of Mr. Saizan and seconded by Mr. Theodore Sanders, the Board voted unanimously to grant approval of the PILOT, with two recusals – Mrs. Good and Mr. Schwartz.

Mr. Philipson congratulated the RSD on the approval and wished it continued success on future projects. Mr. Bordelon thanked the board for its support and concerns, offering an open invitation to tour any school.

REPORTS

FINANCIALS

Mrs. Good presented the September 2015 financial report, advising that the IDB was over budget due to intake of revenue from Six Flags rental. An inquiry was made as to whether or not the IDB continues to secure, insure and maintain the site. Ms. Martin advised that while film companies lease the site, there is 24-hour security. Maintaining the site is also part and parcel of the agreement to lease. The IDB maintains grass cutting along Michoud Boulevard. She further advised that insurance on the site becomes due in December. Mrs. Good continued the financial presentation advising that while "Expenses" appear to be over budget for the month, the fee charged by the auditors is annualized. She stated that the IDB's rent to the City for office space has yet been paid. Ms. Martin advised that several follow ups had been made to get a copy of the lease agreement but to date, same has not been delivered. The Board asked Ms. Rebecca Conwell of the Mayor's Office to intercede and she agreed. Mr. Schwartz asked why the annual fee was over budget. Ms. Martin advised that certain additional closings created additional administrative fees that were not anticipated. After the presentation of the September financials, the Board accepted the same as presented.

Administrator's Report

Ms. Martin advised that a copy of her report was included in the Board members' folder and could be reviewed at their leisure.

Mr. Philipson opened the floor for any further discussion. There was no input or questions from the attendees.

There being no further new or old business, a motion was offered by Mr. Saizan and it was seconded for adjournment of the meeting at 1:36 P.M.

Susan P. Good, Secretary/Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, DECEMBER 8, 2015 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

November 30, 2015