

**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.
Alan H. Philipson
Theodore Sanders, III

Troy A. Carter
Edith G. Jones
Darrel J. Saizan, Jr.
Jeffrey Schwartz

Susan P. Good
Kyle J. Jones
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, Adams & Reese, 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 recent death 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. David Wolf, IDB bond counsel, provided an overview of the project, advising that the Developer proposes to construct a CVS Pharmacy in the 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. Darrel Saizan asked if there was a CVS proto-type that vends grocery items including fresh fruits and vegetables. Mr. Mike Sherman, the Developer representative, responded 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 are 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. Pete Sanchez advised that the lower 9th ward was slowly progressing. 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. Troy 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 of employment opportunities. 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 however 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 hopes 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 an overview of this matter, advising that the issues before the Board are basically technical. One document, the Sub-Sub Lease Agreement references a date in January 2005 which pre-dates the Ground Lease. The second document requiring changes is one in which the Board owns the project. He reminded everyone that 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. 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 returning for approval on additional projects similar to the Drew Elementary School project which the Board approved several months ago. This matter was deferred until the next IDB meeting.

ELECTION OF VICE CHAIR

The President opened the floor for nominations to fill the vacant seat of Vice President. Mr. Carter offered into nomination the name of Mr. Darrel Saizan. The nomination was seconded by Mr. Green. There being no other nominations, the Board voted unanimously for Mr. Saizan as Vice President.

REPORTS

FINANCIALS

Mrs. Good presented the May financial 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 a recent article in Wired magazine presented the Six Flags site as a backlot studio in a most attractive manner. It added 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. 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, continuing through May 2016.

Mr. Saizan questioned if any improvements 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 and Mr. Kyle Jones as the IDB's newest members of the Board. He also congratulated the newly elected Vice President, Mr. Darrel Saizan.

Mr. Steven Kennedy was recognized and stated that he wished to address issues of concern relating 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 which provide tangible and other professional services. His small,

minority-owned business offers outreach, urban planning services, and real estate services. He hopes with future projects the Board will consider to have such businesses included on the front end and not just 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, at which 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 principles. 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 have a vested interest in such furtherance. Mrs. Jones stated that the IDB and the City should not only look at qualified businesses but include in its effort a program to help "qualifiable" 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 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 a representative from 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.

Mr. Cornelius advised that Mr. Wayne Neveu is bond counsel in this matter. He is the person to whom these questions should be addressed. 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 owns.

There being no further new or old business, 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