

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
APRIL 12, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Justin Augustine, III
Eugene J. Green, Jr
Todd O. McDonald
Eric Strachan

Walter C. Flower, III
Edith G. Jones
Alan H. Philipson
Jeffrey Schwartz

Susan P. Good
Kyle Jones
Darrel J. Saizan, Jr.
C. David Thompson

Absent:

Laura H. Brown

Troy A. Carter, Sr.

Theodore Sanders, III

Also Present:

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

Guests:

Benjamin Mabee, ERM Landscape Arch. & Planning
Eric McQuiston, ERM Landscape Arch. & Planning
Stanley McDaniel, The McDaniel Group
Josh Zuckerman, Scurlock Entertainment
Todd Shapiro, Scurlock Entertainment
Katherine Sayre, NOLA/Times-Picayune
Robin Shannon, New Orleans City Business
Jessica Williams, The Advocate
Jay Dykes, TPC-NOLA (Jazzland)
Tonya Pope, TPC-NOLA (Jazzland)
Cliff Robinson, NOLAEAST.COM
Arthur Bushell, Community Legion
Edward L. Blouin, Village de L'Est
Lee Longstreet, Scurlock Entertainment
Kevin Western, Scurlock Entertainment
Angela Carrillo, Scurlock Entertainment
Ryan Ashley, Scurlock Entertainment
Stephen Stuart, Bureau of Governmental Research
Emanuel Mitchel, CSRC
Dennis Cambre, SMW 214
Jeb Bruneau, Advantous Consulting, LLC
Cain Burdeau, Associated Press
Ian Cockburn, John Anthony Realty
Frank Scurlock, Scurlock Entertainment

Derrick Francis, Mayor's Office
Deborah Rothasid, Scurlock Entertainment
Sheridan Tanner, Merrill Lynch
Fred Magenheimer, Scurlock Entertainment
Maurice C. Baird, City Council, District E
Lisa Ross, Orleans Assessor's Office
Drew Ward, Carrollton Trust
Derrick O. Martin, Algiers Economic Development Foundation
Barbara Lacen Keller, City Council, Office of Stacy Head
Ernest Gethers, City of New Orleans, Office of the Mayor
Louis David, NOLABA
Brenda Canada, NOLABA
Courtney Stuckwisch, City of New Orleans, Office of the Mayor
Rebecca Conwell, City of New Orleans, Office of the Mayor
Hayne Rainey, City of New Orleans, Office of the Mayor
Leigh Ferguson, Downtown Development District
Tangee Wall, Friends of Joe Brown Park
Erin Burns, City of New Orleans, Office of the Mayor

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. Eugene Green, Jr. with a second from Mr. C. David Thompson, the Board voted unanimously for approval of the Board minutes of March 8, 2016 meeting.

The President began with an overview of the agenda, advising of time limits on presentations to be made, including a 10-minute update presentation limit by developers and a 3-minute public commentary limit allowed prior to any matter requiring a vote of the board.

TRANSFORMATION VILLAGE

Mr. Frank Scurlock, respondent to the IDB's RFP for redevelopment of the former Six Flags site, was recognized. Mr. Scurlock began with a video presentation depicting the proposed full development of the site to include hotel resort, arena, park, and more. The video was followed by an update rendered by Mr. Josh Zuckerman, working in affiliation with Mr. Scurlock. He noted that several entities are interested in participating in the Transformation Village proposal which included companies such as Merlin Entertainment, Costa Maya, Peabody Hotel Group, Credit Suisse, International Gallagher, and other companies located in Japan and elsewhere. The project, he stated, is estimated to have a \$1,020M budget: \$12M (restoration), \$33M (new rides), \$15M (working capital), and \$20M (contingency capital). Sources would be a \$25M construction loan, \$10M equipment, \$15M private equity, and \$40M-\$50M in EB5 program funds. Mr. Scurlock interjected that he has been forging a relationship with Gulf Coast Regional Commission for EB5 funding in an effort to locate 50 EB5 interested participants. Meanwhile, he continues to invest personal funds in the project. This, in his interpretation, is a "community driven" project involving the IDB, the City, investors, etc. The project is a risk and each entity would share the risk in this public/private venture. At the end of his presentation, he stated that the park would be named "Festival Park – "The Spirit of Louisiana". He expressed concerns about his inability to attract investors and the inability to bring the project to fruition because of his lack of control of the site, asking the Board for a commitment to control the property for furtherance of his efforts to attract investors.

The President thanked Mr. Scurlock for his presentation. Mr. Philipson added that the presentation did not include what the Board expected which was an update on written commitments by financial institutions or investors to provide the financing of the proposed redevelopment of the site.

Mr. Scurlock informed that he has personally invested over \$200K in the proposal to-date. He acknowledged that he does not have any written commitments at this time.

Mr. Thompson questioned if the theme park would be celebrating festivals of Louisiana or recreating other festivals in and around Louisiana. He further inquired as to the kind of feedback he [Scurlock] has received from those who have expressed interest and an explanation of the relationship held with Credit Suisse. Mr. Scurlock advised that he has developed relationships with sources in Asia, having just attended the Asian/Pacific Conference on Economic Outlook at which conference many attendees were looking for projects similar to EB5 investments. Feedback consists mainly of the question: Where is the commitment from the City of New Orleans? He expressed that he would like to have the same control given to DAG/Provident. Mr. Thompson explained that DAG/Provident was a totally different economic development proposal concept and project compared to the current response to an RFP as in Mr. Scurlock's case.

Mr. Justin Augustine thanked Mr. Scurlock for his presentation. He stated that based on the comments of board members regarding the firm commitment by financial institutions in his project, that it is not the IDB's position to take a risk in this project. The presentation, while very graphic and eye appealing, did not provide details of any financial support or commitments like that presented by the DAG/Provident developers who did provide financial support data for their project. Mr. Augustine suggested to Mr. Scurlock that he seek the services of an advisor who would aid in putting such a package together that would add impetus to his solicitation campaign. Mr. Scurlock stated that he understood the advice, but that in spite of their [DAG/PROVIDENT] financial support, the project still did not happen. Mr. Augustine added that commitment from financial institutions is what is required by the IDB at this time and the Board would not be giving any type of commitment until such time that is secured. Mr. Philipson resolved that no action would be taken on this matter today.

Mr. Zuckerman appealed to the Board asking what level of commitment would the IDB be willing to review in order to give Transformation Village control of the site. Mr. Philipson reiterated that the IDB would be looking for a firm commitment from a financial institution in the form of a letter of credit for example from Credit Suisse. Mr. Scurlock advised that he has appealed to these institutions but they, in turn, stated they needed a commitment from the IDB. Mr. Philipson again stated that such a commitment from the IDB would not be forthcoming absent firm financial commitments from the developer.

JAZZLAND/TONYA POPE

Mr. Philipson, opened the floor for the spokesperson presenting the financial update in this matter. Mr. Jay Dykes was recognized, who advised that he represented The Padia Co/TPC Nola wherein Ms. Tonya Pope served as the main principal. He stated that as in Mr. Scurlock's case, he did not come with financial commitments. Mr. Dykes provided background information regarding the Jazzland proposal concept, adding that Ms. Pope has been working on this concept for some eight years now, and that she has worked on three responses to RFPs to try to satisfy the requirements of the IDB and the City. He added that last year, a site visit was conducted wherein potential investors from Orlando were present. They, too, (as in the Scurlock case), were looking for documents showing that Ms. Pope had control of the site. Ms. Pope was then recognized who advised that finance is the issue. She has had local investors interested in seeing the project come to life. She stated that her plan for redevelopment was mixed-use and could possibly include participation by Kimble Development Company of Baton Rouge. They would be responsible for the retail sector of the development. She stated that Jazzland is currently in the process of finalizing a purchase agreement to present to the IDB. She reiterated that retail is ready and Jazzland is ready to purchase the site and wishes to begin negotiations so they can own the property. She then proposed a yearly lease of \$200K with a 10% cap up to \$2.5M for 200 acres, subleasing 3 acres. Mr. Philipson advised that the IDB, at this time, was not in position to sell, absent an appraisal of the property

which will be discussed by the Board pursuant to the agenda. Mrs. Edith Jones thanked Ms. Pope for her presentation and her continued pursuit of redeveloping the site. As with Transformation Village, the developer was advised that no action would be taken today.

DREW WARD

Mr. Philipson informed the Board that Mr. Drew Ward wished to discuss Six Flags and a possible proposal to renovate and/or remove certain items and fixtures. He [Ward] advised that he would not recommend redevelopment of the site, especially based on available information regarding water management, etc. As a result of his site visit conducted with Ms. Sharon Martin, Administrator of the IDB, he had the opportunity to assess structures, fixtures, and other items on the property. Some of the buildings on the site would not be restorable as the wiring and other fixtures in the buildings have been removed, leaving the buildings gutted. Others assessed, however, showed quite a number of buildings which were well built with high quality, very expensive materials. Mr. Ward distributed a set of photos of some of the areas in the park (copies attached). Local parks and other public facilities, he stated, could possibly use some of the items inventoried. If not reusable, many of these items may have some salvage value. He then distributed two maps (attached as part of these minutes) one with color, one without which divided the buildings that can be repaired or left. Many of the buildings, if donated, can be unassembled, while others need to be demolished. There needs to be way to determine highest and best use of the site and anything of value in the park. Sale and use of these items is a means of recouping something from the park.

Mr. Thompson inquired as to who Mr. Ward represented and what exactly was he looking for from the IDB. Mr. Ward advised that his purpose, with volunteer help, is to see what structures are salvageable and can be removed and relocated to other public facilities/parks in the city. As background information on himself, he informed that, by profession, he is a linguist and business consultant. He also serves as a member of the Carrollton Trust New Orleans, with experience in construction and as a contractor. His purpose was only to provide information on a good-will basis and possibly help the City reuse some of its property.

Mr. Philipson thanked Mr. Ward for his presentation and deferred the Six Flags update to Mr. David Wolf, IDB Counsel, who directed the Board to a document included in their folders which depicted a map of the site and which listed the five (5) parcels in the name of the IDB. The list shows the Assessor's valuations of the properties of the park as 140 acres, being assessed at \$51.6M. The total assessed valuation for the entire 227 acres totals \$54.5M. He further advised that since the IDB's last board meeting, trespassing ticked upward, with 23 arrests in one weekend. He also advised that 24/7 security was ordered for the Easter weekend and that as a result of the increase in trespassers, 24/7 security is still in effect. The cost of this service is approximately \$500 per day. Mr. Wolf continued, stating that security is necessary and needed but that the Board will need to vote to continue the 24-hour security. Mr. Wolf further advised that when film companies entered into a Concession Agreement with the IDB, the 24/7 security was a requirement which the film companies maintained. However, requests by film companies have ebbed.

By motion of Mr. Darrel Saizan and seconded by Mr. Walter Flower, the Board voted unanimously to continue the 24-hour security at the Six Flags site.

Mr. Wolf added that the Board discussion in the past has included the hiring of a professional management company to oversee management of the site, including maintenance and security. He added, however, that many calls are received by the IDB office for access to photograph and/or film the site but the IDB has shied away from many of these type calls because they seek to portray the site as blighted and/or abandoned. Ms. Martin added that since the State has re-assessed the film tax credit incentives we have received fewer, if any, calls for use of the site. The Board may wish to re-consider short-term rental

of the site in order to generate revenue. Mr. Thompson suggested the IDB issue an RFP covering the management of the site. Mr. Wolf stated that he would like to gather a list of real estate management companies for presentation by the next board meeting.

He then informed the Board that in accordance with its request to commission a real estate appraiser to appraise the site, two quotes were received, although three (3) companies were invited. Of the two received the quotes are: Thorns Consulting with a quote of \$22,000 and Truax & Robles with a quote for a total of \$30,000 performed in two phases. Those are the two proposals currently on the table for review and approval by the Board.

Mr. Wolf also reminded the Board of the suggestion to hire a national firm to evaluate and market the property.

Finally, he stated that in connection with the issues, he drafted a Resolution which has been distributed to each board member, and is included in the board folders, requiring review and approval. He reminded the Board that it has taken action on this issue and voted to continue 24/7 security. Consequently, to be discussed is the commissioning of the appraisal; property management; and the concept of hiring a national marketing firm to evaluate and market the property.

In response, Mrs. Jones suggested a delay in voting on a private property management firm until an appraisal has been conducted, adding that she recommends the Thorns firm to conduct the appraisal, and refrain on selecting both the management firm and the national marketing firm.

Discussions were held by the Board as to when these additional objectives should occur. Once the appraisal is received, it should serve as a guideline for the other objectives. The discussion resulted in Mr. Augustine making a motion that the resolution, as written, be deferred; with the exception that additional quotes from local appraisers be secured by the next board meeting and, for clarity, the 24/7 security of the Six Flags continued, as previously voted on by the Board.

Mr. Philipson opened the floor for public comment. Mr. Ian Cockburn, a representative of John Anthony Realty, counseled that an appraisal would be a waste of funds at this time. He suggested otherwise that a prospectus be secured showing highest and best use, not just as an entertainment site but showing multi-mixed use for the property. Mrs. Jones stated the IDB should also consider the concerns of people in New Orleans East, as well as input from District Councilman, James Gray. Mr. Todd McDonald asked that the Board make sure the scope of work is supplied when soliciting the additional appraisal.

After all Board discussion, the motion of Mr. Augustine, and seconded by Mr. Flower, was approved unanimously by the Board.

REPORTS

Financials

Mrs. Susan Good presented an overview of the February financials. Mrs. Good also informed the Board that Mrs. Toni Weiss, an IDB consultant, was receiving one of the highest teaching awards from Tulane University at this year's commencement exercises. Mrs. Jones suggested the IDB send an official congratulatory letter. Ms. Martin will construct same for presentation from the Board.

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.

PUBLIC COMMENTARY

Mrs. Tangee Wall was recognized by the President. She advised that she is a citizen and resident of New Orleans East and a member of the Friends of Joe Brown Park and that as such she was concerned about the economic development of the area, particularly Six Flags and its redevelopment. She stated she was happy to hear an appraisal will be conducted but that as a resident and citizen she is not in favor of the IDB selling the property.

Mr. Philipson thanked her for her comment. At this time, Ms. Pope asked if the appraisal would be completed by the next meeting. Mr. Philipson stated that he did not think it would be completed by that time.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mr. Saizan for adjournment of the meeting at 2:15 P.M.

Susan P. Good, Secretary/Treasurer