

**MINUTES OF THE BOARD MEETING  
OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
CITY OF NEW ORLEANS, LA, INC.  
FEBRUARY 14, 2017 AT 12:30 PM  
21<sup>ST</sup> FLOOR CONFERENCE ROOM  
1340 POYDRAS, ORLEANS TOWER**

**Present:**

Justin Augustine, III  
Eugene J. Green, Jr  
Darrel J. Saizan, Jr.  
C. David Thompson

Mindy Brickman  
Edith G. Jones  
Theodore Sanders, III

Susan P. Good  
Alan H. Philipson  
Jeffrey Schwartz

**Absent:**

Walter C. Flower  
Todd O. McDonald

Troy A. Carter  
Eric Strachan

Kyle Jones

**Also Present:**

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

**Guests:**

Brandon Blevins, Resurrection Entertainment  
Bill Hoffman, Woodward Interests  
Brett Catlin, Audubon Capital Partners  
Leigh Ferguson, Downtown Development District  
Matt Schwartz, Domain Cos/South Market District-The Odeon  
Lance Houpt, Dreamlanding  
Danny Rogers, Dreamlanding  
Christian Brierre, Domain Cos.  
Newton Blanchard, IUEC Local 16  
Tonya Pope, Jazzland  
Bear Cheezem, Woodward Interests  
Steve Wise, Audubon Capital Partners  
Jeb Bruneau, Advantous Consulting  
Ryan Crosley, Dreamlanding/Transformation Village  
Drew Ward, Dreamlanding/Transformation Village  
Frank Scurlock, Transformation Village\  
Toni Weiss, Tulane University  
Andrew Valenti, City Business  
Stanley McDaniel, The McDaniel Group  
Steven Kennedy, Citizen  
Stephen Stuart, Bureau of Governmental Research  
Maximus A. Perdomo, Building & Trades Construction/Insulators

Rebecca Conwell, Mayor's Office  
Ernest Gethers, CMD, Mayor's Office  
Courtney M. Thomas, Mayor's Office  
Courtney Stuckwisch, Mayor's Office  
Maurice c. Baird, Office of District E, City Council  
Avery Foret, Sherman Strategies  
Lisa Ross, Office of the Assessor  
Jessica Williams, The Advocate\  
Sheridan Tanner, Merrill Lynch  
Henry Klein, 30-90 Development  
Richard Briscoe, Gulf South Engineering  
Morris Kahn  
Curtis Doucette, Jr., Iris Development

President, Alan H. Philipson, called the meeting to order at 12:41 PM. An introduction of guests was held. A roll call was conducted and a quorum was confirmed. By motion of Mr. C. David Thompson, with a second by Mr. Justin Augustine, the Board voted unanimously for approval of the December 13, 2016 Board meeting minutes.

#### **SOUTH MARKET DISTRICT – THE ODEON**

By motion of Mr. Thompson, and seconded by Mr. Darrel Saizan, the Board voted unanimously to defer this matter until the March board meeting per the request of Mr. Matt Schwartz, representative for South Market District.

#### **WOODWARD AUDUBON, LLC a/k/a 730 JULIA STREET**

Mr. William Hoffman, Developer representative, provided an overview of the project, advising of the scope of the project and the challenges it has faced with the City planning commission and the Historic District Landmark Commission regarding the construction of this 200-unit apartment complex with 179 parking spaces and retail on a historic site. These issues, however, are working out smoothly he advised. He further informed that zoning for this project does not require parking but stated that off-street parking will be provided for not only tenants but for retail customers, as well. He added that once completed, the project will be a great addition to the developing area from Julia to Loyola.

Mr. Brett Catlin was then introduced by Mr. Hoffman who provided an overview of the financing of the project. He advised that the Developer is proposing a 12-year PILOT (2 years during construction wherein the taxes would remain at current assessment with a 10-year PILOT starting thereafter). He then explained the benefits to the City: 1) 260 job during construction; 12 permanent jobs for the complex and 65 for the retail portion; \$2M in payroll; the site will have 5% affordable housing at 40% of the AMI; and 40% Orleans Parish residents in hiring. Once opened and operating, the site is estimated to generate \$1M in retail sales taxes. The Developer is seeking a PILOT for stability for their lenders. Current taxes on the parcels involved are \$60K per year. When the PILOT period expires, taxes generated at the site will be in the area \$600K per year, 10 times the current taxes.

The President thanked the Developer representatives and opened the floor for questions and comments by the Board. Mr. Thompson asked if the 65-foot height limit required rezoning. Mr. Hoffman advised that the structure was being designed so as not to need a variance. As part of the overview, Mr. Catlin interjected that there would be two large courtyards. Mr. Jeffrey Schwartz commended the Developer for volunteering a 5% affordable housing component at the development and further asked how that

percentage was calculated. Mr. Catlin advised that it was a trade-off with net operations vs the project costs.

After questions, responses and discussions regarding details of the project, the President reminded the Board that the Developers were here today for the sole purpose of obtaining preliminary approval of their project. He then asked for a motion for approval of same. Prior to the motion, in response to an inquiry by Mr. Eugene Green, the Board was advised that a copy of a letter of support from Councilmember LaToya Cantrell was included in their board meeting folders. Mr. Green also asked if there were any comments by the Mayor. He was advised there were none. Mr. Wolf reminded the Board of the Committee that would be reviewing the application, the cost/benefit analysis, the "but for" analysis once completed. This Committee would determine if a PILOT is warranted and negotiate a PILOT subject to approval by the Board at a future meeting. Mr. Augustine asked that all steps of the PILOT be detailed. By motion of Mr. Thompson, with a second by Mr. Schwartz, the Board voted unanimously to give preliminary approval of the project.

### **SIX FLAGS - Update**

Mr. Wolf provided the update in this matter, reminding the Board that just prior to the start of last month's meeting, Mrs. Tonya Pope of the Jazzland project submitted an offer to purchase the Six Flags site. Further, that since then, the IDB now anticipates additional offers to come in (at this point 2 are expected). These offers would need to be submitted by standard offer to purchase commercial property. He reminded the Board that an appraisal of the site was completed and same has been posted on the IDB's website, along with the copy of the environmental study. He emphasized that the site has not been formally listed "for sale". The current offer to purchase and those that are anticipated are unsolicited offers.

The President then reminded the Board that Mrs. Pope and Mr. Scurlock submitted their proposals for redevelopment of the site pursuant to the RFP. That at the last board meeting, it was suggested that the Request for Proposal (RFP) for redevelopment of the site, (which had an evergreen clause as indicated by Mr. Wolf), and in light of the fact that not one proposal produced a financially able developer, the RFP should be pulled. The Board decided not to without further evaluation. Mr. Wolf then suggested that with having received one offer to purchase and the anticipation of one or two more, that the IDB place a public notice in the newspapers illustrating that the IDB is accepting offers to purchase the property. He stressed that placing such a notice does not suggest that the IDB will not be obligated to make a decision to accept any purchase offer if it does not fit the requisites.

Considering the aspects of discussion, a motion by Mr. Green was made to pull the RFP for redevelopment. Same was seconded by Mrs. Susan Good. The President then placed the matter on the floor for discussion and presentations.

### **Mrs. Tonya Pope/Jazzland**

Mrs. Tonya Pope of the Jazzland response to the RFP was recognized. She informed the Board that prior to the last board meeting, she submitted a "revised" purchase offer. (See copy of same in Board member meeting folder). Her offer included a request for access to the site for a visit by a civil and an environmental engineer some time prior to May 15 to evaluate the standing water situation on the site. She stated she is ready to present a due diligence fee today if the IDB was willing to accept her \$3.26M offer. She reminded all that the area was devastated again last week and that no repairs have taken place on the site in 11 years.

### **Frank Scurlock/Transformation Village**

Mr. Scurlock, was recognized. He reminded the Board of the response prepared by his group, Transformation Village. He then provided a brief overview of that project. He has come today in a joint effort between Transformation Village and Dreamlanding (Lance Houpt and Danny Rogers) to make a cash offer today of \$4.55M. He presented a letter covering the proof of funding from Gulf Coast Bank. The partnership has the commitments to move forward. A financing plan is created that will bring the park back in a “phased growth”, making it ready for the 2018 Louisiana Tri-centennial. All due diligence has been completed on this joint plan.

### **Henry Klein/30-90 Management**

Mr. Klein gave an overview of the achievements of his 30-90 Management company. He stated that he was familiar with New Orleans East and was prepared today to offer \$5.5M and, within twenty (20) days he would be ready to make proposal with all development needs and feasibility reports working through Liberty Bank. He named a Charlotte Burnett with whom he would be working.

After the presentations by those who stated they have or would be submitting an offer to purchase Six Flags, the President suggested that an Executive Committee convene to review all purchase offers once received. He added that all purchase offers are to be submitted to Ms. Sharon Martin as Administrator for the IDB and the date and time decided. The Committee would create guidelines on what would be considered in each offer bringing the Committee’s assessment back to the board for the March meeting. Mr. Augustine stated the process should include the process of the presentation of the offer, as well as how it should be received. Mr. Philipson assured the Board the Committee would create, in writing, etc., full details to be followed. It is hoped that the Committee will complete review of all offers and make such recommendations to the Board at the March meeting. Mr. Philipson added that the IDB will have the option of rejecting any proposal it deemed. Mr. Wolf stated that any proposal would have to be in legal form to be reviewed.

### **Financials**

Mrs. Good advised that the current report was a year-end report; that there was nothing out of the ordinary with the exception of a small increase of \$11 per month due to an employer’s increase in employee health care insurance. She provided further that the Six Flags accounts were being depleted and, thus far, the IDB has expended some \$164K for 24-hour security at the site. The current cash balance for Six Flags is approximately \$293K. Additionally, it is anticipated that the IDB will spend \$210K in expenses this year.

By motion of Mrs. Good and same seconded by Mr. Saizan, the Board voted unanimously for acceptance of the financial report as submitted by Mrs. Good.

A Mr. Danny Rogers asked to be recognized who asked to speak about the Six Flags site and his team’s efforts and attempts at due diligence to bring the park back to live. He came at this time in a joint partnership with Frank Scurlock and the others who wished to revive the park in a plan that he and Lance Houpt created. This plan of bringing from blight a site could create 2,000 jobs. In an earnest please, he asked that at the next board meeting the IDB put an end to the redevelopment of the site with the acceptance of proposals once and for all – bring the Six Flags matter for redevelopment to an end.

Mr. Green interjected that the Board will and does take seriously its responsibility to have the site redevelopment but that what is being proposed must be realistically achieved and financed and this is what the Board will vote on. Pursuit of a developer or the redevelopment of the site is not just about

money. It's this board's responsibility. Mr. Philipson stated that the Committee reviewing the proposals when received will aid in bringing this matter to a conclusion.

Mr. Rogers stated that he has been in the amusement park/circus industry all of his life and the problem in this instance is politics. Mr. Augustine spoke, giving respect to Mr. Rogers' concern about bringing the redevelopment requests to a close, but added, [emphatically], that as a resident of that area and New Orleans East, any proposed deal must be "do-able". He added that the IDB Board has an obligation to take redevelopment of Six Flags seriously. There should be no more pontification on the matter.

Mr. Drew Ward was then recognized who stated that his presentation at one of the IDB's board meetings last year he suggested dismantling of the site and deemed most of its appurtenances "unsalvageable". He stated that he has spoken with each group present today. Their plan for redevelopment, along with a tour, made him realize a different vision. Their plan is grounded. These groups are intimately involved and are ready to put back into commerce the park. They've taken a new look at that skyline. I'm sold that what they are proposing could bring the chance to rebuild.

Mr. Philipson ensured that all proposal will be reviewed and assessed based on their merits and their financial ability to bring it to fruition.

Mr. Steven Kennedy was then recognized. He inquired as to whether there had been conversations on how smaller deals could be involved that could include younger and older folk; or how smaller deals could be structured to participate and be used as a redevelopment tool in the process.

Mr. Philipson advised that the IDB would entertain any size deal.

### **Elections**

Mr. Thompson nominated for re-election the current Board executives, i.e., Alan Philipson, President; Darrel Saizan, Vice President; and Susan Good, Secretary Treasurer. Same was seconded by Mr. Augustine. The Board voted unanimously for the re-election of the current Executives of the Board.

### **Adjournment**

By motion of Mrs. Good, and seconded by Mrs. Edith Jones, the Board voted unanimously for adjournment. The meeting adjourned at 1:34PM.

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Susan P. Good, Secretary-Treasurer