



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

**NOVEMBER 13, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine, III
Farrell J. Chatelain, Jr.
Walter C. Flower, III
George V. Perez, Jr.

Ronald G. Baptiste, Jr
Susan P. Good
Dr. Ronald French
Darrel J. Saizan, Jr.

Laura Brown
Elijah M. Feinstein
Alan H. Philipson

Absent:

Helen LeBourgeois
C. David Thompson

Allison B. Randolph, III

Theodore Sanders

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
O. Ray Cornelius, Bond Counsel - Adams and Reese

Guests:

Kyle France, Poydras Properties
Terri Baptiste-Franklin, Regions Bank
Ben Myers, City Business
Ted Kirn, Assessor's Office
Roy Blossman, Carver Darden Firm
LaSwanda Green, Downtown Development District
Derrick M. J. Francis, Mayor's Office
Max Vorhoff, New Orleans Business Alliance
Wayne J. Neveu, Foley & Judell
Maximum A. Perdomo, Insulators & Allied LU#53
Ernest G. Gethers, City of New Orleans

President, Walter C. Flower III called the meeting to order at 12:35 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan H. Philipson and seconded by Mr. Justin T. Augustine, III, the Board voted unanimously to approve the minutes of the August 22, 2012 Board meeting.

CRESCENT CROWN DISTRIBUTING

Bond counsel, Ray Cornelius, advised that the purpose of today's presentation is for Board approval of a document that provides for an assumption and which adds another party to the Lease Agreement. He confirmed that all original parties remain responsible to the Board. After the motion offered by Mr. George V. Perez, Jr. and seconded by Mr. Augustine, the Board voted unanimously to allow the assumption and addition of the new party with the understanding that all original parties will remain responsible to the IDB in connection with this bond issuance.

SIX FLAGS

Mr. Flower provided an explanation of the current expenses in connection with the gate repairs at Six Flags, as well as the necessity to hire security during the pre-Halloween and Halloween night dates. The grass growth and need for new signs were also addressed.

Mr. Flower continued advising that there is a possibility of a \$30M back-lot proposal for the Six Flags site. The application may come before the Board at its December meeting.

FINANCIAL REPORT

Mrs. Susan Good, Secretary-Treasurer, presented the August and September reports. She reminded the Board of its vote to approve an additional allocation for the Crescent City Job Match Program but added that the vote to amend the budget had not been taken. By motion of Susan Good and seconded by Mr. Philipson, the Board voted unanimously to amend the 2012 Budget to include an additional amount up to \$20K for the CCJM Program.

ADMINISTRATOR'S REPORT

Ms. Sharon Martin, Administrator, reported handling and vetting more than 10 inquiries from companies and individuals wanting access to the Six Flags site for filming or photography. She further reported working with the Mayor's Office in getting the property across from the Halpern's manufacturing plant on So. Jeff Davis cleaned. She also researched, assisted and interceded on behalf of Mr. Alvin Halpern as to his inquiry into the ownership/properties involved in the PILOT granted the Halpern's project in its bond issuance. (The Assessor's Office had not included all parcels involved in the PILOT and had increased property taxes on certain parcels that should have been tax exempt). Work continues in assisting and securing documents and information for both consultants, Keith Eleuterius and Stan McDaniel, in their monitoring of claw backs. Ms. Martin prepared the update of the 2012 annual administrative fees to be invoiced. The results show potential increases in administrative fees to be collected on a number of IDB projects. The 2012 invoice list has been sent to Beth Zeigler of Whitney/Hancock Trust for invoicing. Additionally, letters have been sent to both the Board member and their respective council member advising of their pending appointment terminations. She is working on clearing up a PILOT issue in the 521 Tchoupitoulas project, noting that said PILOT is a full-PILOT payment (maximum PILOT). Therefore, full payment of taxes are due. Notice was issued to the Developer of the increased payments for years 2009-2013. Further, she coordinated repair of the wrought iron gate and security at Six Flags. Total cost of gate repairs is \$1,250.00 and security costs totaled \$1,080. She attended a pre-IDB board meeting with City officials in re South Market Project and assisted in an inquiry by New Savoy Phase II developer regarding recent taxing of property involved in its project. A Crescent City Job Match piece was created for inclusion on the IDB website. She succeeded in acquiring two employers, L&R Security (currently accepting applications for hundreds of

job openings from January thru April) and BreakThru magazine (for positions of account executives), to post their jobs to the CCJM site. Per conversation with Ms. Jenkins, the CCJM administrator, postings are being made and applications are being taken. Ms. Martin worked with Max Vorhoff (NOBA) and Ernest Gethers (City) on obtaining new property tax revenue figures in light of the project reconfiguration presented in the South Market District apartment/retail project. She reported the results of inquiries into insurance coverage that shows insurers are not eager to provide insurance on the Six Flags property.

UPDATES

Mr. Cornelius updated the Board on the status of the redevelopment of the Six Flags site, advising that the Developer has begun its due diligence and that the Concession Agreement is being worked on and should be signed soon. He reported that within the first six months, the Developer should be able to provide a report on its findings. By the end of the year, they should have a plan, if the project is feasible. The entire review of determining whether the project is viable could take up to two (2) years during which time the Developer will be meeting certain targets set by its project and by the IDB/City. At the signing of the Concession Agreement, the Developer will agree to provide insurance for the property and pay to the IDB \$20K a year which will aid the IDB in its expenditures for maintenance and security of the property. Distribution of the \$20K will be paid on a monthly basis. The Developer does not wish to serve as a Lessee at this time.

Mr. Flower interjected that at this time, the IDB is maintaining the grass and security of the site. Mr. Gethers informed the Board that he had nothing new to report with regards to the City providing signage at the site.

Mr. Cornelius then suggested that the IDB place concrete barriers, like those used by DOTD, at the entrances to the Six Flags site to prevent any vehicular entry to the property. Mr. Augustine agreed to work with staff, stating he would check with DOTD on the availability and placement of the barriers. He [Cornelius] then recommended to the IDB that further inquiries be made to get insurance coverage on the property. Mr. Eli Feinstein then suggested that the Board have a back-up plan should the Developer back out of the outlet mall project. At this time, the Board ensued conversation concerning the IDB ownership of the Six Flags site. Mr. Augustine agreed to assist Ms. Martin with the following: 1) getting the City's input and participation in securing insurance of and signage on the site; and 2) procuring barricades for the site.

Mr. Flower then updated the Board on the status of the monitoring being done by Mr. Keith Eleuterius, advising that his review of the Domain Company projects, namely 750 So. Jeff Davis, The Preserve and The Crescent Club, has been successful, resulting in a finding that additional funds are to be recovered from this Developer as per our claw-back agreement. In response to an inquiry by Mr. Ronald Baptiste, Mr. Flower advised that the consultant doing the monitoring of the PILOT claw backs was recommended by Carr Riggs and Ingram, the IDB's auditors. He stated further that so far Mr. Eleuterius has done a good job and that he [Flower] would like to send him an additional project. The fee he [Eleuterius] has presented for monitoring is \$500 per project. It was further discussed that because of the amount of the fee (\$500 per project), there is no need to put out a RFP. Mr. Baptiste stated that as the IDB finds need select individuals/companies for work, it should also find ways to include others to participate. He added that the IDB can not ask Developers to meet certain standards and not meet them as well and others agreed.

At this time, by motion of Mr. Philipson, seconded by Mr. Darrel Saizan, the Board voted unanimously to allow for the \$500 per project fee of Mr. Eleuterius with a ceiling of \$8000.

On another matter regarding the Board's approval of PILOTs and claw backs, Mr. Cornelius requested consideration to simplify the process in which the Board evaluates PILOTs and the IDB annual administrative fees. He recommended that Board fees be considered based on the estimate of the cost of the project as presented by the Developer or based on the assessor's value. Additionally, he recommended that a modification be made as to how PILOT payments should be handled, suggesting that it be based on the lesser between the cost of the project when completed or the market rate value as assessed by the City assessor.

By motion of Mr. Farrell J. Chatelain, and seconded by Mr. Augustine, the Board voted unanimously to accept the new valuation process of PILOTs and IDB annual administrative fees as recommended by bond counsel.

The meeting was adjourned at 2:07 PM.

Susan P. Good, Secretary/Treasurer