



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

**APRIL 9, 2013 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Laura H. Brown
Elijah M. Feinstein
Alan H. Philipson
Darrel J. Saizan, Jr.
C. David Thompson

Susan P. Good
Walter C. Flower, III
Marshall Cleland Powell
Theodore Sanders

Eugene J. Green, Jr.
George V. Perez, Jr.
Allison B. Randolph, III
Eric B. Strachan

Absent:

Justin Augustine, III

Dr. Ronald French

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Adams & Reese, Bond Counsel

Guests:

Casey Ferrand, WDSU TV
Ryan Thornburg, WDSU TV
Keith Pinkson, Baker Donelson
Ben Myers, City Business
Michell Strickland, City of New Orleans
Andrew Vanacove, Times-Picayune
Maggie Merrill, HANO
Tonya Pope, Paidia
Frank Scurlock, Scurlock Development Group
Sidney Barthelemy, HRI Properties
Stan McDaniel, The McDaniel Group
Carey Slocum, HRI Properties
Josh Collen, HRI Properties
Norma Jane Sabiston, Sabiston Consultants
Joy C. Willig, HRI Properties
Wayne J. Neveu, Foley & Judell
Stephen Stuart, Bureau of Governmental Research
LaSwanda Green, Downtown Development District
Maurice C. Baird, City Council-District E
Ernest Gethers, City of New Orleans, Dept. of Econ. Dev.
Edith Jones, Pyramid Properties

Aimee Quirk, City of New Orleans, Dept. of Econ. Development
Brigid DeLoach, Urban Strategies
Tiger Hammond, GNO AFL-CIO
Melissa Ehlinger, New Orleans Business Alliance
Maria Julianne Auzenne, Auzenne & Associates, LLC
Maria Mercedes Tio, City Council-District E
Roz Peychaud, OCD/DRU
Colette Tippy, Stand with Dignity
Alfred Marshall, Stand with Dignity
LaToya Lewis, Stand with Dignity
James A. Gray, II, Councilman District E

President, Alan H. Philipson, called the meeting to order at 12:36 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. C. David Thompson and seconded by Mr. Walter C. Flower, the Board voted unanimously to approve the minutes of the March 2013 Board meeting.

IBERVILLE ON-SITE

Mr. Josh Collen, HRI Properties and Iberville On-Site representative, presented the overview of the application, advising that the re-development of the Iberville Housing Development will be a joint venture among HRI, the City of New Orleans, and the Housing Authority of New Orleans. As background, he provided that under a federal program, Choice Neighborhood Grant, the City and HANO were, collectively, the first of five grantees under the program. Urban Strategies will also be involved providing training and outreach. The development will comprise 880 mixed-income apartment units on a 23 acre site, with 565 of affordable units and 315 market-rate units. Of the 880 units, 304 will be replacement units for those qualified to receive public housing assistance. Developers are seeking from the IDB a 40-year PILOT with a base PILOT fee of \$100 per market rate unit and \$1.00 per affordable unit. The project will be completed in three phases; however, the developers are seeking a one-time PILOT process to cover all phases. The total budget for the project is approximately \$41.5M with \$15M in other resources, including the HUD grant in the Choice Neighborhood Projects. Sixteen (16) of the current buildings will be rehabilitated/redeveloped. The remaining 58 buildings will be new construction. The Developer fee is \$5M plus on all three phases. Mr. Collen noted that HRI has been working on this project for 4 years. He further explained that HRI is the long-term owner, with a 99-year land lease from HANO. HRI Management will manage the property pursuant to a management contract. Other amenities include a visitor's bureau, in light of the development's proximity to the St. Louis Cemeteries, green space and playgrounds. Tax credit investors have not, as of this date, been identified or secured.

By motion of Mr. Allison Randolph, seconded by Mr. Darrel Saizan, the Board voted unanimously to grant preliminary approval of the application, noting that such approval did not include the approval of the PILOT request. The Developer was informed that both a cost/benefit analysis and a "but for" analysis would have to be completed, the cost of which will be borne by the developer before the PILOT is approved.

Bond counsel David Wolf then informed the Board that no bonds will be issued in this project and the financial structure used would be much like that utilized in the 313 Carondelet project. The Board was

further informed that currently there are no taxes on this property as it is owned by HANO. Because this is a HANO-related project, the Administrator, Ms. Sharon Martin, asked whether or not this application will be handled as past HANO-related projects, i.e., the split legal work on HANO-related projects between Wayne Neveu (as bond counsel) of Foley and Judell and Ray Cornelius/David Wolf of Adams and Reese (as issuer counsel). Mr. Wolf explained that since there will be no bond issuance, there will be no need to implement this practice.

STARLIGHT STUDIOS

This agenda item was deferred until the cost/benefit analysis and "but for" analysis have been completed.

FINANCIAL REPORT

Mrs. Susan Good, Secretary-Treasurer, advised that because of the timing of the meeting and the delivery and receipt of bank statements, no March report would be presented at this meeting. She further advised that two new bank accounts, in the amounts of \$100,000 and \$150,000, were opened at Crescent Bank and Trust. Additionally, an account was opened at Gulf Coast Bank and Trust in the amount \$160,000. This is the amount tendered by the Hyatt for not meeting employment targets as set forth in the Lease Agreement between the IDB and Poydras Properties (the Hyatt). These funds, as explained, are being held in a separate account until such time that Stan McDaniel can verify the employment compliance. Once determined, these funds, as a supplemental PILOT payment, will be transferred to the City.

ADMINISTRATOR'S REPORT

Ms. Sharon Martin, Administrator, presented her monthly report, highlighting, in particular, that all administrative fees have been collected with the exception of the two New Savoy project. New Savoy is currently in litigation with the Assessor's Office, contesting that taxes are not due since there is a PILOT. The Developer has paid over \$350K in taxes in protest. An internal IDB decision was made to postpone collection until after the court's ruling. The matter is placed on follow up for June. Barricades have been placed at Six Flags and the damaged fence has been repaired at the cost of the film company. Ms. Martin received and responded to several calls for use of the Six Flags site including Ebb Tide (Universal Studios), Reed Street Productions and Operations Black Sheep - two denials were sent out, the Ebb Tide request is pending. The IDB is now registered with the Louisiana Legislative Office as required. She advised the Board that enclosed in the Board packet is a copy of the Tier 2.1 Financial Disclosure Form to be submitted to the Louisiana Board of Ethics by May 15, 2013. She attended related IDB meetings and met with a potential applicant, Mr. Joe Butler. She and Ms. Joy Matthews, IDB Administrative Assistant, attended the Grand Opening of the 313 Carondelet Tower.

UPDATES

Six Flags

Mr. Ernest Gethers was asked to provide an update on the Six Flags site with the selected developer. He stated that he had the opportunity to sit and discuss the project with Councilman James Gray who was concerned about the proposed project and its current status. Mr. Philipson interjected that the project has not been placed on the scratched list and that DAG/Provident, the Developer, has not yet scratched the project. It is currently on hold as it is hopeful that the project will come to fruition pending possible discussions with the Hughes Corporation. Mr. Eli Feinstein asked if there was any consideration for an alternate use of the property. Mr. Wolf asked that the discussion be deferred until such time that Mr. Ray Cornelius is able to respond since he has been the contact in the project. It is assumed that if the proposed project is abandoned, the Developer would have to come back to the City and the Board to

discuss any amendments to its proposal. He [Wolf] reminded the Board that the Developer does have a 2-year agreement. Ms. Aimee Quirk then interjected that the RFP is a procurement process and that the project may require a reissuance of the RFP.

At this time, Mr. Philipson acknowledged the presence of Councilman James Gray. Councilman Gray then introduced his new appointment to the Board, Mrs. Edith Jones. She was then welcomed by the Board.

Discussions continued concerning the Six Flags site. Mrs. Good reminded that the Developer is to present a progress report to the Board within six months of the signing of the Agreement, assuming it was signed in December, the report would be due by June. The Board was assured that pursuant to the Concession Agreement between the Developer and the IDB, the IDB was protected. The same applies to the agreement with Fox Louisiana Productions.

Also as a Six Flags matter, Mr. Philipson informed the Board that he received a letter from Colonel Sneed, seeking to use the Six Flags site for military exercises next week in preparation of deployment to Afghanistan. The matter is being reviewed and evaluated.

Staff Salaries

Mr. Philipson stated this matter would be taken up in an Executive Session.

IDB Annual Administrative Fee

Mr. Philipson appointed a committee to review the current formula relating to the administrative fee, with the charge of recommending a "flat fee" formula. Committee members include Mrs. Susan Good, Chair, Mr. Darrel Saizan and Mr. Dave Thompson. Ms. Martin was directed to assist in coordinating meetings.

City DBE Regulations/IDB Application

Mr. Philipson appointed a committee to review the IDB's current application in an effort to include the City Ordinance language to related DBE participation. Committee members include Mr. Allison Randolph, Chair, Mr. Walter Flower and Mrs. Laura Brown. Recommendations are to be presented to the Board at a future meeting.

Office Space

Mrs. Good asked Mr. Gethers if there was an update regarding the re-leasing of space at the Amoco Building. Mr. Gethers reported that he had nothing new at this time.

The meeting adjourned at 1:37PM.

Susan P. Good, Secretary/Treasurer