



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

**NOVEMBER 11, 2013 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin Augustine, III
Eugene J. Green, Jr.
Marshall Cleland Powell
Theodore Sanders

Walter C. Flower, III
Edith G. Jones
Allison B. Randolph, III
Eric B. Strachan

Susan P. Good
Alan H. Philipson
Darrel J. Saizan, Jr.
C. David Thompson

Absent:

Laura H. Brown

Dr. Ronald French

Also Present:

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

Guests:

Tia Harrison, Urban Strategies
Tonya Pope, Jazzland Theme Park
Katherine Sayre, Times Picayune
Leigh Ferguson, Downtown Development District
Jaquetta White, New Orleans Advocate
Ted Kirn, Office of Assessor Erroll Williams
Maurice C. Baird, Office of City Council, District E
Renee Landrieu, Landrieu Concrete
Lauren Marshall, Woodward Design and Build
Lane Louque, Woodward Design and Build
Steven Kennedy
Terri Jordan, Urban Strategies
Stephen Stuart, Bureau of Governmental Research
LaSwanda Green, Downtown Development District
Josh Collen, HRI
Sidney Barthelemy, HRI
Stanley McDaniel, The McDaniel Group
Ernest Gethers, City of New Orleans
Colette Tippy, Stand With Dignity
Alan Fisher, Almaron, LLC
Frank Scurlock, Scurlock Development Group
Melissa Ehlinger, New Orleans Business Alliance
Keith Pinkston, Baker Donelson

President, Alan H. Philipson, 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. Eugene Green and seconded by Mr. Walter Flower, the Board voted unanimously for approval of the minutes of the August 29, 2013 Board meeting.

IBERVILLE

Mr. Josh Collen of HRI presented the Board with a progress report. He stated that HRI is preparing for the closing of Phase I & II and that Woodward has begun foundation work on the main portion of the project. Drafts of the closing documents are currently being distributed. It is anticipated that the closing will take place within the next couple of weeks but possibly in December.

He then added that Woodward (WDB) has been working on the DBE inclusion with staff and Urban Strategies. Ms. Lauren Marshall of WDB advised that they have strengthened its DBE requirements and guidelines in making sure the commitment is met. Outreach started in July with the instruction for the bid process that included 120 subcontractors, the Development Council, and the Alliance of Mechanical Contractors. This invitation was placed in the Times Picayune. All the goals and reporting requirements and instructions were distributed at that meeting and the bid invite was then mailed out. Personal calls by staff were made to those who did not respond to ensure that everyone had the bid information. A number of competitive bids were received. HRI also worked with the City's Office of Supplier Diversity (OSD) and will be submitting monthly DBE reports to OSD. HRI has also partnered with Urban Strategies to ensure that the Section 3 target is met, which will help them in meeting the IDB's 40% local hire requirement. Mr. Collen interjected that HRI and Woodward achieved the local hire target in the 313 Carondelet Complex project and planned to do the same in this project.

Ms. Sarah Jordan, a workforce specialist with Urban Strategies, advised that workforce strategies include construction training and customer service training programs to ensure job placement. Their program also includes case management in dealing with barriers. She added that in an attempt to upgrade the program, they are adding certification that includes CPR, OSHA, and Fork Lift Operation. Mr. Lane Louque of Woodward added, in response to a board inquiry, that both phases of the project creates a total of 350 positions as relates to Section 3 requirements.

Mr. Philipson commended all for the work that has been completed to date and acknowledged that the developer was off to a good start. Mr. Green thanked the Board for implementing a more solid DBE program.

Mr. Flower then asked for clarity with regards to the issue of local supply purchasing and business participation. Mr. Louque informed the Board that HRI went through a local suppliers list to ensure they were reaching out to the right companies, seeking quotes. IDB bond counsel assured the Board that the DBE 35% applied to the total construction costs. There was no distinction between labor and materials.

Ms. Colette Tippy of Stand with Dignity was recognized and stated that with all the training, which seems to be occurring, there is no certified pre-apprenticeship program established to build careers. Every program seems to be for that one job or project. Mr. Flower responded saying that the IDB's Job Match Program is trying to place young workers, and principally those in the Central City area, into entry level jobs that strive towards full-time employment. He added that the IDB is in discussions now with Delgado and other universities to help provide more advanced training in preparation for greater opportunities. Ms. Tippy stated that Delgado has a similar program already in progress.

On this topic Mr. Louque added that HRI has internal discussions underway that also takes into consideration pre-apprentice training. Through Pontchartrain Mechanical Company, which has a successful track record looking for candidates, certification could be earned through fields such as mechanical plumbing and dry wall skills.

DBE POLICY

Mr. Allison Randolph, Chair of the DBE Committee, asked the Board for approval in making the DBE language used in the Iberville On-Site Lease Agreement the standard IDB DBE language for all future lease agreements for developers who seek a PILOT. Mrs. Susan Good asked that bond counsel provide the Administrator with a copy of the language so that it can be included in the minutes for the vote. The DBE language is to also include the "tier structure" concept.

Mr. Randolph further advised that standardizing the DBE language did not mean disbandment of the DBE committee as there are yet other issues to be resolved by the committee including concepts of assistance in capacity building and joint venturing in meeting goals. He stated that these final issues might call for amending the DBE standard language being sought for approval today.

By motion of Mr. Randolph, seconded by Mr. Augustine, and unanimously approved, the IDB adopted, as policy on all future PILOT projects, the local employment and DBE goals that were approved for the Iberville Onsite project. Specific language, as provided by bond counsel, is filed with the minutes of this meeting and will be posted on the IDB's website. Under this policy, each project beneficiary must address two separate goals:

1. An objective goal that 40% of construction workers be residents of Orleans Parish.
2. A "good faith efforts" goal that 35% of the construction contracts be awarded to DBEs, with an emphasis on Orleans Parish DBEs, then Metropolitan Area DBEs, and finally Louisiana DBEs.

In case the project beneficiary fails to meet either (or both) of the above goals, there is a one-time penalty payment, due upon project completion. The amount of the penalty depends on how close the beneficiary came to the meeting these goals. In a worst case scenario, the maximum penalty would not exceed the estimated full amount of taxes that would otherwise be payable on the project (which estimated taxes must be furnished by the beneficiary prior to closing). The penalty would be paid to the IDB and used by the IDB to support job-training or other programs aimed at developing greater DBE participation in Orleans Parish projects.

In the case of the DBE goals, the IDB will coordinate its oversight of the developer's good faith efforts with the City's Office of Supplier Diversity.

FINANCIAL REPORT

Mrs. Good, Secretary-Treasurer, advised that the \$401.52, as highlighted in Note 4, is the balance of the supplemental fee paid by the Hyatt (after disbursements of same to the City and payment to The McDaniel Group for the monitoring audit conducted). Ms. Sharon Martin, Administrator, added that the \$401.52 was suggested by bond counsel to serve as an administrative fee in handling of these transactions. Mrs. Good then moved to have the \$401.52 moved to "other income". The motion was seconded by Mr. Flower and voted upon unanimously by the Board.

Mrs. Good then advised that the 2014 draft of the budget would be distributed at the December board meeting for discussion, a copy of which would be distributed in advance of the meeting.

Mr. Randolph asked bond counsel for clarification of the ownership of funds held by the IDB. Mr. Wolf advised that funds held by the IDB are controlled by the IDB. Mr. Randolph then stated that it might be wise for the IDB to development guidelines on how the money is to be spent.

Mrs. Good stated that the IDB accumulated these funds but as time goes on, these fees will dwindle and, the IDB's income would therefore dwindle. Mr. David Thompson stated that the IDB has money now because of those projects that came through as a result of Katrina. Applications are not as plentiful now. Ms. Martin reminded the board that many of these projects, especially those with PILOTs, pay yearly administrative fees to the IDB and some last for the life of the bond issue. Mr. Philipson said that the board would come back to consider some of what has been broached at a later date.

ADMINISTRATOR'S REPORT

Ms. Martin informed the board that a copy of her report was included in their packets and could be reviewed at their convenience.

SIX FLAGS

Mr. Green asked if the Developer, DAG/Provident, submitted its engineering report. Mr. Philipson responded, advising that the agreement among the IDB, the City and DAG/Provident was dissolved and no longer in effect. Mr. Green responded that it is very important that something is developed as the property is in the heart of New Orleans East. Mr. Philipson assured the Board that plans were underway to entertain offers and that guidelines were being worked on for the issuance of a new RFP. In the meantime, the IDB has the authority to allow for other uses. Once issued, the IDB will be included in the evaluation of the responses. He further stated that there have been calls from parties interested in developing the property on a permanent basis.

Mr. Wolf added that there was list for getting the word out and suggested further discussions with Aimee Quirk. Mr. Cleland Powell asked why the Board has not considered listing the property with a commercial broker. Mr. Philipson interjected that the Board will wait to see what bond counsel advises in modifying the RFP that is to be issued. Mr. Augustine stated that with the global recognition New Orleans is getting there are large players considering New Orleans as an investment. He echoed Mr. Philipson's statement for patience.

Ms. Tonya Pope, of Jazzland Theme Park, and Mr. Frank Scurlock of the Scurlock Development Group both commented on their version of possible redevelopment of the site. Ms. Pope was asked about the Jazzland Theme Park name of her company, to which she advised that the "Jazzland Theme Park" trade name held by the previous company expired. Both Scurlock and Pope spoke of multiple uses of the property rather than a single use that included concepts of retail, an entertainment venue, studio back lot or waterpark.

There being no additional new or old business, a motion was offered and seconded for adjournment.

The meeting adjourned at 1:40 PM.

Susan P. Good, Secretary/Treasurer