

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
NOVEMBER 10, 2015 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Troy A. Carter	Walter C. Flower, III	Susan P. Good
Edith G. Jones	Kyle Jones	Todd O. McDonald
Alan H. Philipson	Darrel J. Saizan, Jr.	Theodore Sanders, III
Jeffrey Schwartz	Eric Strachan	C. David Thompson

Absent:

Justin Augustine, III	Laura H. Brown	Eugene J. Green, Jr.
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Also Present:

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

Guests:

Frank Scurlock
Robin Shannon, City Business
Annie Cambria, Recovery School District
Sombra Williams, Recovery School District
Rebecca Conwell, Mayor's Office
Ernest Gethers, Mayor's Office
Ron Bordelon, Recovery School District
Stephen Daste, FFC Capital

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. Walter C. Flower, III and seconded by Mr. Darrel J. Saizan, Jr, the Board voted unanimously for approval of the Board minutes of August 25, 2015.

RECOVERY SCHOOL DISTRICT

Mr. Ron Bordelon of the Recovery School District (RSD) presented the RSD application for the renovation/rehabilitation of Sophie B. Wright Charter School, seeking a 10-year PILOT. He advised that the RSD has also applied for historic tax credits (both State and Federal). The request in this proposal is consistent with the approval received in connection with the rehabilitation of Drew Elementary. Further, the RSD plans to submit, in advance of the IDB's January meeting, an application for the renovation of Fortier Sr. High School. In an effort to comply and meet IDB guidelines regarding the use of disadvantage business enterprises (DBEs) and the hiring of the locals, the RSD has established a 25% DBE goal. As of this date, the RSD has gone beyond that target and has reached 26% use of DBEs in the Sophie B. Wright

project. Questions on these matters were deferred to the Director of Strategic Planning, Annie Cambria and to the Director of DBE, Sombra Williams.

Mr. C. David Thompson recalled that the process followed by the RSD is a vehicle created to assist in receiving FEMA funds which requires the participation of a private entity. He then asked for a time line on the Fortier Sr. High School project. Mr. Bordelon informed the Board that the renovation of Fortier would be an Orleans Parish School Board project, not an RSD project.

Mrs. Edith Jones understands that the RSD intends to extend its goal to 35% DBE use. She asked if it would be possible to meet the IDB's 40% local hire guidelines. In response, Mr. Bordelon advised that the Sophie Wright project is ongoing and that all efforts are being made to hire locally in spite of FEMA guidelines and restrictions. The percentage of local hires during operation will be greater than 40%. Mrs. Jones questioned further if Fortier would be operating before construction started and that as she understands it, the construction is half completed. If this is the case, she would like to see the RSD come as close to the local hire and DBE goals as set by the IDB. Mr. Bordelon made assurances that the RSD would make every effort to meet those goals.

Mr. Flower stated that he would like to see the 40% goal met as it is a part of the IDB/City guidelines. He inquired as to why FEMA prevents the IDB/City from mandating its requirement. Ms. Cambria explained that FEMA prevents geographic preferences and advised that a copy of the guidelines was submitted to the IDB for review by the Board. Ms. Sharon Martin, IDB Administrator, advised that a copy of the referred document was emailed to all Board members in advance of the meeting and that a hardcopy is located in every board member's packet.

Mr. Saizan inquired as to outreach efforts. Ms. Williams advised that CORE has been exemplary in outreach efforts, having conducted numerous job fairs. Hiring has been done through subcontractors. Mr. Saizan stated that he understands there remains schools still in need of renovation, namely, Lusher, John McDonogh and Tubman on the west bank. He asked if the contractors understand or will understand the need to hire locals. Ms. Williams then advised that John McDonogh, through CORE JOB, has a 35% DBE goal and is in position to place more stringent stipulations. This project uses Job1 [Sophie B. Wright] and is attempting to create internships. It was confirmed that Tubman was still in design and a contractor not yet selected.

In connection with the local hire issue, Mr. Troy Carter opined that in his appreciation of the matter, it is difficult to tie local hiring to zip codes as a means of monitoring. Mr. Thompson interjected that his understanding is that such streaming is impossible because of FEMA restrictions. He added that according to the application, the total number of jobs to be created for the Sophie B. Wright project is 350 during construction and that during operation 81% of the jobs will be held by minorities and 91% Orleans Parish residents. Ms. Cambria confirmed these numbers. Ms. Williams advised that as of today, 62 out of 280 hired are Orleans Parish residents on the S. B. Wright project, representing 22%. Mr. David Wolf reminded the Board that the reason for the structure of this application is to assist the RSD in taking advantage of the tax credits available (\$1.6 million). To further access these funds, it was necessary for the RSD to include a private entity who would own the improvements for five years. He reminded the Board that RSD and OPSB projects are not like other commercial projects seeking a PILOT. The school is already tax exempt. In the Sophie B. Wright project, the RSD agreed to pay a closing fee equal to 1/10 of 1% of the amount of the project (\$33.4M). In return, the IDB would waive the annual administrative fee. The terms of this project are the same as those worked out with the City Administration in the Drew Elementary project.

He advised that Mrs. Susan Good and Mr. Jeffrey Schwartz will recuse themselves from the vote. Additionally, the Developers will enter into a Lease Agreement for an issuance of bonds not to exceed \$33.4 million. Mrs. Jones inquired whether any efforts had been taken to shop for local banks to serve as the private partner; as was done in the Drew case wherein U. S. Bancorp was the private entity partner

which is neither New Orleans or Louisiana based. Mr. Bordelon advised that efforts had been taken to reach out to local banks but the best benefit came from U. S. Bancorp. Mr. Todd McDonald asked if the private partner gets the developer fees itemized in the projections. Mr. Bordelon advised that the developer's fee goes back into the City's Master Plan for future redevelopments of schools.

After these discussions, Mr. Philipson commented that he and Mr. Saizan attended the Drew Elementary Ribbon Cutting which was impressive. He cited that the IDB does all it can to get DBE participation goals met and that it is imperative that we, as a Board, not overlook that these renovations are for the children who attend these schools. There is an opportunity for the IDB to make a contribution by participating in these projects, he stated. Mr. Saizan added in talking with the principal at Drew he found out how thrilled the teachers are with what is being and has been done for the students. Mrs. Jones and Mr. Carter both expressed the fact that we should have both good schools and job opportunities for our citizens. Mr. Philipson assured the Board that this is the IDB's objective. Mr. Flower interjected that the IDB is and has been strong on its requirement of a 40% local hire target and its DBE guidelines. The IDB has a real commitment to its citizens and wish to ensure that training opportunities are available to the youth of the community. He reminded the Board of its efforts to accomplish this through the Job Match program which the Board helped to create. Unfortunately, the program has since unraveled. He added that he and Mr. Philipson made an effort on behalf of the IDB to create a process for training opportunities through improving the Job Match program only to have been left out of the final process.

Mr. Kyle Jones, added his concerns regarding the hiring of locals in the all IDB projects. He stated that the IDB should make good on the back end and the front end of these projects even if we have to slow it down. Mr. Carter interjected that we do not want to slow it down to meet objectives, however we should try to make improvements at each step as we go along. He feels that the RSD has been making good faith efforts to be full partners and we cannot afford to defer or slow down. The RSD will continue to report on how it is addressing these legitimate concerns and deal with them accordingly.

After all discussions were had, Mr. Philipson ask for a vote on the approval of the PILOT as represented in the Resolution provided by counsel. By motion of Mr. Saizan and seconded by Mr. Theodore Sanders, the Board voted unanimously to grant approval of the PILOT, with two recusals – Mrs. Good and Mr. Schwartz.

Mr. Philipson congratulated the RSD on the approval and wished it continued success on future projects. Mr. Bordelon thanked the board for its support and concerns, offering an open invitation to tour any school.

REPORTS

FINANCIALS

Mrs. Good presented the September 2015 financial report, advising that the IDB was over budget due to intake of revenue from Six Flags rental. An inquiry was made as to whether or not the IDB continues to secure, insure and maintain the site. Ms. Martin advised that while film companies lease the site, there is 24-hour security. Maintaining the site is also part and parcel of the agreement to lease. The IDB maintains grass cutting along Michoud Boulevard. She further advised that insurance on the site becomes due in December. Mrs. Good continued the financial presentation advising that while "Expenses" appear to be over budget for the month, the fee charged by the auditors is annualized. She stated that the IDB's rent to the City for office space has yet been paid. Ms. Martin advised that several follow ups had been made to get a copy of the lease agreement but to date, same has not been delivered. The Board asked Ms. Rebecca Conwell of the Mayor's Office to intercede and she agreed. Mr. Schwartz asked why the annual fee was over budget. Ms. Martin advised that certain additional closings created additional administrative fees that were not anticipated. After the presentation of the September financials, the Board accepted the same as presented.

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.

Mr. Philipson opened the floor for any further discussion. There was no input or questions from the attendees.

There being no further new or old business, a motion was offered by Mr. Saizan and it was seconded for adjournment of the meeting at 1:36 P.M.

Susan P. Good, Secretary/Treasurer