

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

**AUGUST 25, 2015 AT 12:30 PM  
21<sup>ST</sup> FLOOR CONFERENCE ROOM  
1340 POYDRAS, ORLEANS TOWER**

**Present:**

Walter C. Flower, III  
Edith G. Jones  
Darrel J. Saizan, Jr.  
Jeffrey Schwartz

Susan P. Good  
Todd O. McDonald  
Eric Strachan  
C. David Thompson

Eugene J. Green, Jr.  
Alan H. Philipson  
Theodore Sanders, III

**Absent:**

Justin Augustine, III  
Kyle J. Jones

Laura H. Brown

Troy A. Carter

**Also Present:**

Sharon Martin, Administrator, IDB  
Joyce Matthews, Administrative Assistant, IDB  
O. Ray Cornelius, Adams & Reese, Bond Counsel

**Guests:**

Steven Kennedy, REO, LLC  
Richard Briscoe, Gulf South Engineering  
Michael Kaufmann, IUPAT DC80  
Dennis Cambre, SMW214  
Chip Fleetwood, UPAT DC#80  
Margaret Montgomery Richard, DMM  
Norman Jane Sabiston, Sabiston Consultants  
Gary Gutierrez, HRI Properties  
Tom Leonhard, HRI Properties  
Lane Louque, Woodward Design Build  
Cody Marshal, HANO/HRI  
Dione Heusel, HRI Properties  
Sidney Barthelemy, HRI Properties  
Josh Collen, HRI Properties  
Lauren Jardell, Sabiston Consultants  
Stephen Stuart, Bureau of Governmental Affairs  
Lauren Marshall, Woodward Design Build  
Lisa Ross, Orleans Parish Assessor's Office  
Derrick Francis, Office of the Mayor of the City of New Orleans  
LaSwanda Green, Downtown Development District  
Scott Murphy, Ironworkers #58  
James L. Moffett, III, Adams & Reese, LLP

Darren Mire, Orleans Parish Assessor's Office  
Mai Dan, Urban Strategies  
Courtney Stuckwisch, Mayor's Office of Economic Development  
Rebecca Conwell, Mayor's Office of Economic Development  
Annie Cambria, Recovery School District  
Stephen Daste, FFC Capital

President, Alan H. Philipson, called the meeting to order at 12:40 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. Eric Strachan and seconded by Mrs. Edith Jones, the Board voted unanimously for approval of the Board minutes of July 23, 2015.

**RAMPART STREET MIXED USE, LLC d/b/a/ RAMPART STREET HOMEWOOD SUITES  
Iberville Update**

Mr. Josh Collen of HRI, initiated this presentation with an overview of the status of the DBE and local hire goals of the Iberville, a development located across Rampart Street from the proposed Homewood Suites project and a part of the Choice Neighborhood Act. He introduced Mr. Cody Marshall, who would assist in the presentation of the Homewood Suites project once the Iberville update was concluded.

Mr. Collen informed the board that HRI was wrapping up construction on Phase I and Phase II of the Iberville which included construction of 227 apartment units. A groundbreaking ceremony is scheduled for Friday, August 28 at 2PM with HUD Secretary, Julian Castro, and other dignitaries in attendance. Fifty units are ready for leasing to workforce, affordable and market rate tenants. Phase III will have 400 square feet of retail space. The Basin Street complex is scheduled to be completed in April 2016. Preparations are underway to close on Phase IV with permit application already in process.

He advised further that HRI has been successful in obtaining tax credits for Phase V and VI which include 130 units. This phase is expected to be completed by the first quarter 2016.

Mr. Collen introduced Lauren Marshall of Woodward Design Build who advised that to-date, the 35% DBE target has been met and the project has been maintaining that pace, with a total of 13 DBE companies included in their portfolio, with Orleans Parish hiring at 40.06% and the metro area at 45.32%. Additionally, Orleans Parish hiring is expected to increase in August.

Ms. Mai Dang of Urban Strategies, reported that Section IV hiring in Phase I & II is currently at 40.4% which surpasses HUD's 30% requirement. The training goal is 25%. In terms of Phase II, the current training percentage is 62.5%. A customer service training class will be hosted in September. More women have been participating in this type program. Mr. Darrel Saizan inquired as to the number of workforce units in the 130 units to be leased. Mr. Collen advised there are 227 units, including market rate, workforce & public units and the average rents range from \$650 - \$850, without subsidy. Fifty of the units do not receive subsidy. Phase III and Phase IV will have 73 workforce units.

After the update, Mrs. Jones commended the Developer on its exemplary performance in attaining DBE and local hire targets adding that it sets a precedent.

**RAMPART STREET MIXED USE, LLC d/b/a/ RAMPART STREET HOMEWOOD SUITES**

Mr. Collen advised that the Developer now has site control of the property and is prepared to construct the proposed 207 Homewood suites as a Hilton brand. The people component of the project includes 1) a living wage of \$10.55 per hour as approved by the City Council; 2) training and job placement during construction and operation; 3) a Project Labor Agreement with trade unions with a focus to comply with the 35% DBE participation and 40% local hire during construction with high quality construction jobs. In terms of

permanent jobs, the hotel will train applicants for hospitality jobs, creating a career path for those who are hired for current and future jobs in customer service, lodging and touring. HRI Lodging Company will train for long term jobs in the Hilton brand. Once construction has been completed, the Hotel will offer 96 permanent jobs.

Mr. Philipson then recognized Ms. Rebecca Conwell of the Mayor's Office of Economic Development. Ms. Conwell advised that the Mayor supports the PILOT requested for this project, with this being the 10<sup>th</sup> Anniversary after Hurricane Katrina. She spoke of the drastic growth in the downtown area and commended the IDB for its role in the comeback of the City. However, she stated that as the City continues to rebuild, it is imperative that everyone be mindful in the allocation of time and resources as there are other areas in the City that are of need.

Mr. C. David Thompson commended HRI on its "forward thinking" as relates to the training and job placement components of the program, as well as for the project labor agreement (PLA) and the redevelopment of the area. His concern, however, was the 35% DBE target in relationship to the PLA. Does the PLA satisfy any portion of the DBE target or is it separate? Mr. Collen advised that the union has agreed to assist with the 35% DBE requirement and that the commitments are separate. He continued by advising that for the IDB, the Developer will have to show its achievements. DBE outreach will be conducted by DMM, at which point he acknowledged Mrs. Margaret Montgomery Richard. The Developer is confident it will meet the IDB targets. Mr. Thompson then asked if the entry level \$10.55 living wage applied to any jobs offered in the PLA and whether the workforce goal of 40% with the local unions were Orleans Parish. Mr. Collen advised that 35% was approved by the union in the agreement. Mr. Saizan stated that he hoped there will be a preference to try to get Orleans Parish residents employed. He then commented on the work by Urban Strategies for Section 6 and 7 and that he would gladly share some additional approaches he thought important in the outreach and employment process.

The Board was advised that the timeline included the purchase of the property by Friday, August 28 and that permits have been applied for, with financing and closing to take place in the fourth quarter of this year.

There being no other issues of discussion, the President sought a motion for approval of the Homewood Suites PILOT as presented (see attached resolution). Same was offered by Mr. Saizan and seconded by Mr. Theodore Sanders. The Board approved same unanimously.

### **RECOVERY SCHOOL DISTRICT**

Mr. Philipson opened the discussion of this matter with the reading a letter received from Mr. Ronald Bordelon, Chief Facilities Officer of the Louisiana Recovery School District to the Board. The letter thanked the IDB for its support of the Drew Elementary project and invited the Board to visit the school. In addition, the letter reminded the Board that the RSD would be submitting applications for additional projects for its consideration. Currently, the RSD is renovating Sophie B. Wright and the Orleans Parish School Board is renovating Fortier High. Through the support of the IDB, these two schools will generate approximately \$10 million federal tax credits which it proposes will benefit the children of Orleans Parish. These two projects are currently on track to have at least 25% of their contract value performed by DBE firms. Plans are to bring these two projects to the Board for consideration of a PILOT. Mr. Philipson then interjected that he was present at the ribbon-cutting ceremony for Drew, along with Mr. Saizan, and each expressed how impressed they were with the school and the students. Mr. Philipson then acknowledged Ms. Annie Cambria's presence, who was available to answer any questions concerning the two applications that are to be submitted for consideration.

Mrs. Jones expressed her concern of the waiver of the IDB's DBE & local hire targets. The Board was reminded by Mr. Philipson that both the RSD and the OPSB's hands were tied because of federal regulations

which prevented them from doing a set aside for local hire and DBE use. However, he reminded the Board that according to the letter from the RSD, the current projects were at 25% of the local DBE and local hire targets. Mrs. Jones countered that she wants children to have the best in education, but that she also wants to ensure that their parents are offered employment but there is no enforcement to hire locals. Mr. Eugene Green, echoed Mrs. Jones' concerns, stating he is for new schools and education but that waiving the IDB requirements set a different precedent. He stated that he would like to know what exactly the Federal regulations state and looked forward to the presentation by the RSD and OPSB.

Ms. Cambria extended an invitation to the rest of the Board to visit Rise Academy at Drew Elementary and Sophie B. Wright. She will presenting both applications at the September meeting.

## **REPORTS**

### **FINANCIALS**

Mrs. Good presented the June financial report, advising that all line items are on target including the collection of the Annual Administrative Fees. She further advised that the IDB changed its operating account from Chase to Whitney which charges no fees and gives a minimal interest on any balance in the account. The Board voted unanimously for the acceptance of the June financials as presented.

### **Six Flags Revenue**

Mr. Cornelius provided an updated and an account of the current state of lease of the former Six Flags site, advising that the current Lessee, Lionsgate, has requested an extension after the expiration of its August 31 contract. The extension would cover the period September 1<sup>st</sup> – October 31<sup>st</sup>, and possibly the month of November. He informed the Board that Lionsgate has invested several hundred thousand dollars of improvements at the site. These improvements include: the enclosure of the parking lot with a chain link fence; water lines to the water main which were not there prior to this lease agreement; and access to electricity. This was done with the cooperation of Entergy, who also has a lease with the IDB which allows them use of a certain portion of the parking lot in the case of inclement weather (hurricanes). Mr. Cornelius further advised that prior to the current lease, the IDB charged \$250 per day when the company was not filming. The fee is \$700 per day when shooting or not shooting. Lionsgate has asked that those amenities that have been added to site be considered when determining a fee for the extension. He then reminded the Board that the President, some time ago, was entrusted with the power of managing the site, its upkeep and leasing. Mr. Philipson added that the fencing alone is more than the rent that could be sought for the extension. Mr. Cornelius added that during the period of extension, there will be 24-hour security maintained which is a great expense.

### **ADMINISTRATIVE REPORT**

Ms. Sharon Martin, IDB Administrator, advised that a copy the Administrator's report was included in each Board member's folder and could be read when convenient.

## **OTHER BUSINESS**

### **Public Comment**

Mr. Philipson opened the floor to/for public comment. Mr. Steven Kennedy addressed his concern that public commentary was not offered until after the Board had voted on a matter. He suggested that as a public agency, the IDB should offer the public an opportunity to comment prior to a board vote. He then stated that he reached out to the RSD in December of last year and never got a response until yesterday, eight months after his initial inquiry, as to how his business could offer its services. His attempt was to be on the front end of the RSD's upcoming projects as an independent DBE. He wished to know the RSD's outreach process and efforts to include DBE's since they are receiving benefits so as to ensure economic inclusion. Mr. Philipson stated that he was sure the RSD would do everything it can to ensure economic inclusion and outreach but that the IDB cannot tell them who to reach out to. Mr. Green then interjected

that he has appreciated the way Mr. Philipson has operated and run each board meeting and suggested that, in light of Mr. Kennedy's concern, and as it is customary, that the public comment be allowed prior to Board approval of a project, with a two-minute time limit. Mr. Philipson said he understood and acknowledged the suggestion, offering an apology to Mr. Kennedy.

**Board Business**

Mr. Philipson informed the Board that its next meeting was scheduled for the day after Labor Day and suggested for approval that the meeting date be changed from the previously rescheduled date of Tuesday, September 17 to Tuesday, September 22. Mrs. Jones commented that she appreciated the reason for the change of date but suggested that all future scheduled board meeting dates remain in place going forward. Mr. Philipson then asked for a Board vote on the change of date from September 17 to September 22.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mr. Jeffrey Schwartz for adjournment. The meeting adjourned at 1:45 P.M.

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Susan P. Good, Secretary/Treasurer