

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
JANUARY 12, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III
Edith G. Jones
Darrel J. Saizan, Jr.
Eric Strachan

Susan P. Good
Kyle Jones
Theodore Sanders, III
C. David Thompson

Eugene J. Green, Jr
Alan H. Philipson
Jeffrey Schwartz

Absent:

Justin Augustine, III
Todd O. McDonald

Laura H. Brown

Troy A. Carter, Sr.

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:

Rebecca Conwell, Mayor's Office
Maurice C. Baird, City Council-District E
Leigh Ferguson, Downtown Development District
Paige Payton, Downtown Development District
Amber Seely-Marks, Renaissance Property Group – The Bastion
Katherine Sayre, Times-Picayune
Ernest Gethers, City of New Orleans, Economic Development
Diamond Gordon, The Bastion
Toni Weiss, Consultant
Dylan Tete, The Bastion
Scott Murphy, Iron Workers
Tiger Hammond, Building Trades-Union
Newton Blanchard, Elevator Constructors-Union
Robin Shannon, New Orleans City Business
Greg Grillo, Entergy
David Miller, Renaissance Property Group -The Bastion
Teddy Newmyer, Renaissance Property Group – The Bastion
Evan Holladay, LDG Development
Maximus A. Perdomo, Insulators LU53
Dominique Verner, City Council-District E

President, Alan H. Philipson, called the meeting to order at 12:35 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. The President requested a moment of silence in recognition of former bond counsel and IDB legal advisor, Ray Cornelius.

After the moment of silence, by motion of Mr. C. David Thompson with a second from Mr. Theodore Sanders, the Board voted unanimously for approval of the Board minutes of November 10, 2015.

Mr. Darrel Saizan requested the Board adopt a resolution or issue a proclamation honoring the service given over the years by both Mr. Allison B. Randolph, III (former Vice President) and Mr. Cornelius. He then added that the IDB should be ever grateful for the guidance, counsel and wisdom provided by Mr. Cornelius as relates to IDB practices and procedures.

THE BASTION

Mr. David Wolf, bond counsel, advised that while the Developer would be making a presentation, there would be no need for Board action today. He anticipated that Board action would be required by the March meeting provided that both the cost/benefit and “but for” analyses were completed, reviewed and discussed among the Developer, the IDB and the City and a reasonable PILOT arrangement had been reached prior to the March meeting. He then introduced Mrs. Amber Seely-Marks, Director of Development for The Bastion, who provided an initial overview of the \$8,384,768 project. The 78-unit, mixed income, multi-family housing development is to be constructed on the former Mirabeau Apartments site located at 1927 Mirabeau Avenue in Gentilly. A PILOT from the IDB is being sought. The development will be constructed in two phases with Phase I to be comprised of 38 units, and Phase IV 40 units. These will be low-income/affordable and market rate units. The low-income/affordable units will have restricted rents that would limit income to the complex. The development will have a unique public value as a percentage of the units will provide disabled veterans with not only affordable housing but also a health/healing complex on site that will provide life-long rehabilitative needs through an innovative “community as therapy” model. It will be the first of its kind. The Bastion is a partnership between New Orleans based Renaissance Property Group (RPG, a real estate development company); Bastion Community of Resilience (501c3) a Veterans services organization started by Dylan Tete, and Mercy Family Services, a professional supportive mental and behavioral health services organization.

The two phases would be divided with the eastern most part of the property developing the first 38 units and the western most part of the property the remaining 40 mixed-income units (60% market rate and 40% affordable). Phase I has received Home Funds from the City and low-income housing tax credits from the Louisiana Housing Corporation and 8 permanent housing vouchers. Phase II has also received low-income housing tax credits and permanent supportive housing vouchers (see attached Project Overview for details). A March closure is expected. Some housing will be available for leasing before the project is completed, in mid-2016. Phase II completion is anticipated for 2017. In answer to a question by Mrs. Susan Good, Mrs. Seely-Marks advised that 15% of the units would be for disabled veterans, adding that Mr. Tete would be able to provide info on this phase of the project. “Disabled” under the circumstance would cover both physical and mental abilities.

Mr. Dylan Tete, who has served in the armed services, stated that since 2011 his group has conducted many good faith efforts including extensive outreach with events. They have been in contact with the two neighborhood associations in which the project will sit. Many in the community are looking forward to the development which should be a force multiplier and community benefit. This project would aid his comrades and their families. He added that the target population of this project is what makes this housing development different and unique. The on-site wellness center will have a 24-hour staff. Mr. Tete reported that a line of communication has been developed with the military and that many of the caregivers to the veterans will be volunteers living in the complex, seniors, as well as volunteers, some of whom may come from the Volunteers of America, Blue Star, etc. The services of a reputable marketing firm to assist them in this regard has been retained. Additionally, once a veteran has been rehabilitated, that veteran will be allowed to continue to live in the complex. The project concept and objectives were commended by several board members. Mr. Thompson added that his understanding is that the project cannot move forward without a PILOT. Mr. David Miller of the Bastion confirmed his understanding.

Mr. Wolf concluded the presentation advising the two analyses would be ordered right away. Meetings will be scheduled thereafter among the parties in an effort to come to a consensus for a reasonable PILOT for presentation at the March meeting. No bonds will be issued.

ENERGY

Mr. Wolf reminded the Board of an agreement which had been signed between the IDB and Entergy wherein it was agreed that Entergy would have access to 1/3 of the parking lot at Six Flags for use as a dispatch location in case of inclement/hurricane weather conditions, including times when the property is leased to a film company. Entergy desires to seek a two-year extension on this agreement. Mr. Wolf recommended approval and Mr. Philipson urged same. By motion of Mr. Eugene Green and seconded by Mr. Jeffrey Schwartz, the Board voted unanimously to grant the two-year extension as requested by Entergy.

ELECTIONS

The Board agreed to table the elections of officers until the next scheduled meeting.

REPORTS

FINANCIALS

Mrs. Good presented the November 2015 financial statements, advising that all is in order.

She then presented the proposed 2016 budget, noting in particular that this year's budget did not include Six Flags revenue or expense activity as has been done in the past. Further, it is her recommendation that beginning in 2016, the IDB would separate these activities from IDB operating activities and that a separate financial statement be prepared in connection with Six Flags business. She reminded the Board that Six Flags funds were and continue to be held in separate bank accounts.

In reviewing the proposed budget, Mrs. Good advised:

- 1. Annual Administrative Fees** are based on the PILOT agreements between the parties and are calculated yearly by Ms. Martin.
- 2. Closing fees** are based on what is anticipated on pending projects before the Board and that based on 2015 financials, closing fees accounted for \$86,000 in IDB revenue.
- 3. Audit:** Mrs. Good advised that there may not be a need for a full audit. In explanation, she cited that it appears that Six Flags funds put the IDB over the legal amount which requires an audit. It may be possible that the IDB may need only a Review by an auditor. Ms. Martin, IDB Administrator, was asked to find out from the auditors where the IDB stands in terms of an audit.
- 4. Salaries:** Mrs. Good reminded the Board that a couple of years ago, it voted to provide staff with a yearly increase based on the CPI at the end of September of the previous year. In 2015, the CPI at the end of September was flat, -0-. She stated that staff has done an exceptional job in providing administrative needs, etc. She then proposed a 5% salary adjustment. By motion of Mr. Eric Strachan and seconded by Mrs. Edith Jones, the Board voted unanimously for the 5% salary increase for 2016 for both employees.

Mr. Philipson then broached the insurance premiums which are purchased for IDB and Six Flags. He advised that he consulted with Counsel and it was recommended that a RFP be issued for bids on these premium costs. Mrs. Good suggested that these requests be open to Orleans Parish businesses. Ms. Martin is to pursue this matter and return with her findings to the Board.

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.

PUBLIC COMMENTARY

Mr. Philipson opened the floor for any further discussion. Mr. Steven Kennedy commented that with regards to the RFP for insurance that it be inclusive of minorities, in consideration of the City's study on inclusion of minority participation.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mrs. Jones for adjournment of the meeting at 1:25 P.M.

Susan P. Good, Secretary/Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE WEDNESDAY, FEBRUARY 17, 2016 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

February 12, 2016

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
MARCH 8, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III Eugene J. Green, Jr Kyle Jones
Edith G. Jones Todd O. McDonald Alan H. Philipson
Darrel J. Saizan, Jr. Theodore Sanders, III Eric Strachan
C. David Thompson

Absent:

Justin Augustine, III Laura H. Brown Troy A. Carter, Sr.
Susan P. Good Jeffrey Schwartz

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:

Lee Longstreet
Mai Dang, Urban Strategies
Lauren Marshall, Woodward Design Build
Stephen Daste, FFC Capital
Chris Clement, HRI
April Kannyo, HANO
Toni Weiss, Consultant
Stanley McDaniel, The McDaniel Group
Margaret Montgomery Richard, HRI/DMM Associates
Dottie Reese, HRI/DMM Associates
Lauren Jardell, Sabiston Consultants
Leigh Ferguson, Downtown Development District
Sidney Barthelemy, HRI Properties
Brad Shannon, Palmisano Contractors
Tiger Hammond, Greater N. O. AFL-CIO
Jacqueline Frick, Orleans Parish Assessor's Office
Lisa Ross, Orleans Parish Assessor's Office
David Miller, Renaissance Property Group
Josh Collen, HRI
Lane Louque, Woodward Design Build
Teddy Newmyer, Renaissance Property Group
Hayne Rainey, City of New Orleans
Amber Seely-Mark, Renaissance Property Group
Courtney Stuckwisch, City of New Orleans, Mayor's Office
Kevin Western, Scurlock Entertainment 2

Frank Scurlock, Transformation Village
Brooke Caillouette, ACE High
Steven Kennedy, REO, LLC
Kirk Lee, Cement Mason
Dennis Cambre, Sheet Metal Workers #214
Emanuel Mitchell, Sr., Central South Carpenters #1846
Chad Woods, UBC Carpenters
Scott Murphy, Union Iron Workers
Rickey Fabra, North American NABTU Trades
Dylan Tete, Bastion
Robin Shannon, New Orleans City Business
Katherine Sayre, NOLA/Times-Picayune
Norma Jane Sabiston, Sabiston Consultants
Maurice C. Baird, City Council District E
Ernest Gethers, City of New Orleans, Mayor's Office

President, Alan H. Philipson, called the meeting to order at 12:32 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. Darrel J. Saizan, Jr. with a second from Mr. Eugene J. Green, Jr., the Board voted unanimously for approval of the Board minutes of January 12, 2016.

THE IBERVILLE ON-SITE/RAMPART STREET HOMEWOOD SUITES - UPDATE

Josh Collen of HRI was introduced to present an overview of the DBE contracting and local hire monitoring on both the Iberville and Rampart Street Homewood Suites.

Rampart Street Homewood Suites

Mr. Collen advised that it has been challenging to meet the commitment targets and to assist, they contracted the services of DMM Associates (a DBE) to track compliance and monitoring with regards to DBE and local hiring in these two projects. Members of that team, Ms. Dottie Reese and Ms. Margaret Montgomery Richardson, were introduced. A copy of their report is attached and will provide a more detailed update. Mr. Collen advised on the status of construction at the Rampart Street Homewood Suites which includes to-date pile driving and pre-cast concrete at the off-site facility. He further advised that a Project Labor Agreement was entered into with the local building trades.

Ms. Richardson provided stats which the attached report supports. She added that Orleans Parish workforce is currently at 45%; and, participation of local business at 67%.

Iberville Update

Mr. Collen reminded the Board there are four phases to the Iberville On-Site. Phases I and II have been completed and the 227 units have been rented. These two phases have a good mix of low-income and market rate leasing. These phases reached both targets of 35% DBE participation and 40% local hire of Orleans Parish residents.

Phase III, 105 units with two historic buildings, townhouses and two retail units, is 80% complete. Phase IV is 15% complete. This phase will contain housing for seniors. The Section 3 commitment is moving along smoothly with 48 residents enrolled as trainees. HRI is looking to expand to include training of Iberville residents for the Rampart Street Homewood Suites project. Ultimate hiring of these trainees is the goal. 3

Ms. Richardson added that there are 37 DBE participants and 40% of the workforce, as of today, is local. Phase IV, she stated, is in the beginning stage. HRI, DMM & Woodward Design Build will meet the commitment of 35% for DBE participation and 40% local hire target.

Mrs. Edith Jones asked if the projects included advertising in the Times-Picayune for pre-bid stages and whether or not the advertising included the Baton Rouge area. She inquired as to whether or not there would be consideration for advertising in local, minority-owned publications. Mr. Collen stated that early on, Woodward did advertise in such publications. DMM is now involved and he was sure they would be considering such advertising media. Mrs. Jones then asked if any Iberville residents had been hired. To date, one has been hired. Mr. Collen stated that long term, they will be looking to hire more trainees. As of this date, there are 28 graduates from the customer service program. He added that Phase V is proposed to begin August 2016.

THE BASTION

Mr. David Wolf, bond counsel, presented to the Board a resolution detailing the approval of a 15-year PILOT (rather than a 30-year PILOT as originally requested by the Developer). The complete verbiage, including the proposed PILOT payment schedule, are contained in the Resolution. The proposal is not arbitrary but rather the result of several meetings held among the IDB Committee, the Mayor’s office, (represented by Ms. Rebecca Conwell), and the Developer representatives, after review and discussion of the cost/benefit and the “but for” analyses and the Assessor’s estimated taxes which is also taken into consideration. The structure and grant of this PILOT makes the project feasible for the developer. The negotiated PILOT schedule includes a 3% increase each year after year two, beginning with a combined payment of \$55,819 in year three. The PILOT for the combined payment will go through year 2032. The Mayor’s Office is in agreement with the final proposal. There is a table on the second page of the Resolution (see below) that describes PILOT payment history. Below is an excerpt of the payment proposal.

Tax Phase	I	Phase II	Total	Total IDB	Total Annual	Year	PILOT	PILOT	PILOT	Annual Fee	PILOT + Fee																			
2017	\$ 6,727	0	\$ 6,727	2018	10,774	0	10,774	\$ 5,774	16,548	2019	17,045	\$ 33,000	50,045																	
	5,774	55,819	2020	17,648	34,072	51,720	5,774	57,494	2021	18,234	35,210	53,444	5,774	59,218																
	18,838	36,383	55,221	5,774	60,995	2023	19,461	37,590	57,051	5,774	62,825	2024	20,101	38,835	58,936															
	5,774	64,710	2025	20,761	40,116	60,877	5,774	66,651	2026	21,441	41,435	62,876	5,774	68,650	2027	22,141	42,795	64,936	5,774	70,710	2028	22,863	44,194	67,057	5,774	72,831	2029	23,605	45,637	69,242
	5,774	75,016	2030	24,371	47,122	71,493	5,774	77,267	2031	25,159	48,652	73,811	5,774	79,585	2032	25,970	50,228	76,198	5,774	81,972										

This proposal will be included in the Lease Agreement once approved by the Board. The Lease Agreement will also include targets for local hire of 40% and the 35% for DBE/MBE participation. Mr. Wolf then introduced Ms. Amber Seely-Marks, Developer representative. 4

Ms. Seely-Marks provided a general overview and thanked the Board for its time and consideration in reviewing the project and in negotiating a PILOT. Mr. Dylan Tete was then introduced who, after inquiries as to the services to be provided to veterans, stated that the neighborhood in which this project is located will serve wounded warriors and their families, helping them with rehabilitation needs, building up resilience and reintegration into society. These services will include not only health services but also mental care services.

Mr. Tete was also asked if this project would serve as a therapy model for other such projects and if there were any other such developments, locally or nationally, either in existence or planned and whether the VA is integrated into the process. He advised that last week, he spent two days with members of the Wounded Warrior project, a program which has generated \$1 billion for care of veterans. They are on board with this project. Mr. Saizan interjected that he would think the Board would be interested in seeing something in writing, and that based on television coverage, it was his understanding that the Wounded Warrior program is currently under scrutiny in terms of their getting these services to the veterans. He stated that he hopes this project does not get caught up in this investigation. Mr. Tete stated that he is aware of the coverage and that Wounded Warriors is now suing CBS for these allegations. He assured the Board that these two programs are not interchangeable or interlocked. They are two separate entities. Mr. David Thompson opined that it is his appreciation that The Bastion has its own board and that the Board should take into account that there are levels of scrutiny.

After all questions were reviewed and responded to, the President opened the floor for a motion to approve the PILOT as contained in the Resolution presented by counsel. By motion of Mr. Saizan, and seconded by Mr. Walter Flower III, the Board approved, unanimously, the PILOT proposal as contained in the Resolution.

ELECTIONS

Mr. Thompson offered a motion to keep the same slate of officers. Same was seconded by Mr. Flower. There being no further nominations, the Board unanimously voted Mr. Alan Philipson as President, Mr. Darrel Saizan as Vice President and Mrs. Susan Good as Secretary Treasurer for an additional one-year term or until successors are elected.

REPORTS

Financials

Ms. Sharon Martin, IDB Administrator, informed the Board, in Mrs. Good's absence, that a copy of the February financials are included in their folders for review.

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.

Six Flags Update

Mr. Wolf advised that while there is nothing major to report at this time, he would take the time to update and provide an overview, for the number of new members who have been appointed and might not be aware of how this former Six Flags property (both developed and undeveloped parcels) became owned by the IDB. This would also serve as a useful time to remind everyone of the history of the site and where it stands to date in terms of the IDB maintaining, insuring and securing the site. Though he [Wolf] had not been as involved in the past as Ray Cornelius, the history is a bit complicated. Sometime in 2009, Ray Cornelius worked with Mr. Flower (the then President of the IDB) and the City, through its attorneys, to come to the aid of the City in the Six Flags bankruptcy settlement proceedings. At a specially called meeting, wherein certain Board members were in attendance, the City asked the IDB to take ownership of

the Six Flags site, including the additional 80 acres. Under pressure from the City, the Board acquiesced in the proposal, under the condition that the City would be responsible for all maintenance, upkeep, insurance and security. The City preferred to have the IDB own the property because the IDB would be able to sell, lease or ultimately dispose of the property more easily and with greater flexibility at some future date than the City could. The City Attorney agreed to the conditions and drafted an agreement wherein the City would be responsible for the maintenance, upkeep, insurance and security of the site. The IDB was to have no administrative costs associated with the site. This agreement would include a joint effort to try to market the site as economic development opportunity.

Mr. Flower agreed that his recollection was that in light of the verbal agreement for the IDB to take ownership, the City Attorney herself drafted an agreement. On behalf of the IDB, he signed the agreement and it was subsequently delivered to the City. Mr. Wolf showed the IDB a copy of the agreement signed by Mr. Flower in November 2009, but without the Mayor's signature. After repeated requests for a copy of the fully executed agreement, the document was never signed by the Nagin administration.

Subsequently, the new administration came in and requests for the signed document still went without signature. Mr. Wolf advised that the document was a Cooperative Endeavor Agreement between the City and the IDB. Therein it stated that the City would provide 24-hour security, insurance (real and personal) and that the IDB would bear no financial responsibility. When the new mayor came in, and inquiries were made to secure a signed copy, the IDB was told the City would not sign the agreement. Since that time, Ms. Martin, as the IDB administrator, has had the job of primary overseer of the site, handling complaints, grass maintenance, fence repairs, security, and working with production companies which lease the site (which generated rental revenue). She constantly receives calls for access to the site to take photos, drone coverage, and film advertising. The IDB has denied many of these filming requests as it does not wish the site portrayed as derelict, which only serves to create curiosity and invite trespassers. There have also been inquiries for purchase of some of the rides in their current condition as some may still be serviceable but neither the IDB nor the City are sure of their value. With constant trespassing, many of the buildings are covered with graffiti and many are being slowly destroyed simply by the forces of nature. The Board, he added, is trying to do its best but it was not organized to manage property. Because the City has refused repeatedly to live up to its agreement to manage the property, the IDB has had to do what it could, under the circumstances, to manage it as best they could. Last year, the property generated approximately \$200K from rents paid by film productions. These funds and any funds generated from leasing of the site, are held in separate accounts, apart from other IDB funds. Recently, the IDB commissioned the services of a private security firm to patrol the site now that there is no film company leasing. As information, when leasing the site, the IDB required 24-hour security from the film companies, but the present arrangement is for the private patrols to check the property only several times daily. Mr. Wolf also reminded the Board and the press that the IDB and the City jointly issued Requests for Proposals for redevelopment of the site from which there were a few responses, two of which remain open until such time that one or the other can come up with financing of their proposal, which as we understand it, they are working on.

Mr. Wolf then stated that the overview today does not require any action by the IDB. Mr. Flower reminded the members that a developer did, in fact, come to the IDB to redevelop the site as an upscale outlet mall which would have attracted patrons from Mississippi, Baton Rouge, St. Tammany, etc. Unfortunately, this fairly strong developer had to rescind his proposal after the City decided to grant Riverwalk the space to create a retail outlet that replicated that which was proposed to the IDB. At this point, the Developer withdrew his proposal, advising there was not enough patrons to cover both malls. Mr. Wolf interjected that at the time, an option agreement had been signed between the IDB and the Developer, providing the developer time to do due diligence on the site prior to deciding whether or not to proceed with the proposed redevelopment. He [Wolf] added that two years ago, working with the Mayor's office, (Aimee Quirk), a second RFP was created and two proposals were received. To-date, they have not been able to secure financing of their respective projects and are still working on possible 6

financing. Mr. Philipson then asked that these Respondents delay any update at this time, and recommended that a request be made to the IDB through Ms. Martin.

After the presentation, Mr. Wolf stated that there are other cities in similar situations in the State. The General Motors Plant closed 3-4 years ago in Caddo Parish. After bankruptcy proceedings, Caddo Parish secured local control of the property and put it in the name of the Caddo Parish IDB. There is a current lessee for the site which generates about \$750,000/year in annual rental to the IDB/Parish. That lessee is responsible for maintenance of the site, security, equipment safety, etc. and is making good on its promises. The rents may increase if Elio Motors takes over the property and begins manufacturing its proposed 3-wheel, two-passenger car.

To date, the IDB/City generated RFP is still out, and under the terms of the RFP the City and IDB are still in the posture of being receptive to new proposals, although no new ones have come forward since the original two submitted in early 2014. The property has its problems but we hope for a film company to take lease of the site. In response to a question by Mr. Flower regarding the security of the site, Mr. Wolf advised that the IDB has tightened security with security patrolling the site several times daily.

Mr. Philipson, after Mr. Wolf's presentation, offered four options as he appreciated the matter, either

1. The City should sign the original Cooperative Endeavor Agreement (CEA), or one similar to it, that was agreed to wherein the City would assume responsibility and the IDB bears no financial responsibility, with the IDB transferring one half (1/2) of the total funds being held by the IDB (approximately \$469K is the total at this time), all conditions in accordance with the original agreement; or

2. The IDB would simply donate the property to the City, including 75% of the funds (\$350K);

3. In either case, the City takes the property and a portion of the funds; or

4. If the City does not agree to sign the CEA and take ownership, the IDB secures an appraisal of the property and may list the property for sale or auction

Mr. Wolf stated that these are just some ideas on how to move forward. There would be administrative expenses to the Board which will continue to be covered by the money in the Six Flags account. He advised that as an attorney, he thought it would be preferable from the IDB's standpoint for the City to take ownership now since the deal to own was as a favor to the City and that the City should own up to the responsibility as agreed upon originally. He further advised that if the City is willing to take over the upkeep and operation of the property, but not take back title, then the current CEA would have to be tweaked in order to protect the IDB based on the City's previous reluctance to maintain the site.

Complicating matters is the fact that the IDB does not know what the property is worth. A current appraisal should be commissioned. This should be explored if the IDB gets any offers to purchase.

Mr. Flower offered a motion to move forward. Mr. Philipson interjected that the IDB should first wait to see how the City responds to the foregoing proposals. He then advised that Jimmie Thorns, local real estate appraiser and one who is familiar with the property, could be considered to prepare an appraisal. He added that the IDB should also talk with Rebecca Conwell on behalf of the City to get things underway next month. He offered a last proposal, if the City does not cooperate, the IDB should list and sell the property which makes an appraisal necessary. He reminded the Board that no action is needed at this time.

Mr. Philipson added that while the IDB is not equipped to handle the management of the site, staff has been doing a tremendous job. 7

Mr. Eugene Green asked if there had been discussion with the City or if this is the first time broaching the subject. Mr. Wolf advised that Ms. Conwell has been apprised of the matter. Mr. Green then asked if Ms. Conwell could explain the City's position to help for the sake of understanding the City's position. Ms. Conwell, (on behalf of the City), stated that the City is not prepared to commit to day-to-day management of the site. She offered that perhaps the New Orleans Business Alliance could help move the property. The City welcomes the appraisal; and that the IDB should list it. It's in everyone's best interest to sell.

Mrs. Jones asked if that decision is to be made today. Mr. Philipson, after reviewing all proposals and appreciation of the matter, suggested that the IDB offer Ms. Conwell, as the City's representative, an opportunity to review the proposals that were presented and respond by the IDB's April board meeting. Mr. Thompson interjected that he was at the original meeting wherein the IDB agreed to assume ownership to benefit the City and the City attorneys agreeing, on behalf of the City, to accept the presented conditions under which the IDB would accept. It was an emergency meeting called by the City to meet a bankruptcy filing deadline. Now that tax credits are shrinking and film companies are not coming in as they have in the past, and the City is saying they don't want to own the property, he suggested that the IDB gets the property appraised and sell it. The IDB entered into an agreement with the City, and the City has never followed through. He added that the City has appeared to work against IDB efforts to get the property redeveloped (again referring to the City's decision to support the Howard Hughes Company proposal to redevelop the Riverwalk). However, [he added], we are legally obligated to manage the site and should be able to do with it what it needs. Mr. Wolf advised that the IDB cannot unilaterally donate the property to the City without the City's willingness to take title. Mr. Flower asked if there was a possibility of convening a closed session to determine the IDB's future moves. Mr. Wolf advised there could be no executive session because the matter did not fall within any of the purposes for which an executive session is allowed.

Mr. Philipson reiterated his proposal that the IDB wait until Ms. Conwell has time to respond on behalf of the City. Mr. Green stated that as a practical point of view, the IDB should sell what rides it can and demolish all other existing rides. Mr. Philipson reminded the Board that the IDB had the opportunity to sell a couple of rides and had an offer that it thought it should have accepted but the City did not want to sell because they thought they could get more. All these things happened pre-Rebecca Conwell he pointed out. In answer to questions raised by Mr. Eric Strachan and Mrs. Jones, Mr. Wolf advised that 1) the approximate cost of an appraisal was somewhere in the neighborhood of \$20K and 2) included the salvage and/or market value, if applicable; and 3) it is possible for the IDB to auction the property. Mr. Philipson again recommended that the Board wait until the April board meeting after a hopeful response from the City. After that time, the Board can move forward.

Mr. Saizan inquired as to the marketing efforts undertaken by NOLABA to market the property for development as he has not seen any examples of their marketing. Ms. Conwell advised that NOLABA is constantly trying to market the Six Flags site and the City, and especially so when they attend conferences such as the ICSC Conference. Mr. Philipson interjected that prior to Ms. Conwell's employment with the City, he proposed (with the support of the Board), that in light of the availability of funds, the IDB hire a "rain maker". He received word shortly thereafter from Aimee Quirk that the administration advised that under no uncertain terms should the IDB take on such an activity and that the IDB is to be pro-active, not re-active. At that point, Rod Miller was brought into the project supposedly to create a three-way partnership. Mr. Miller advised that NOLABA had no funds to participate. We continue to work in tandem with the City for a solution. 8

Mr. Wolf stated the IDB's efforts to return the site to an economic opportunity should continue as this was the main purpose. As the IDB's lawyer, he advised that the IDB press the City to live up to the terms of the agreement and to assume responsibility of overseeing the day-to-day operations, taking a portion of the funds to pay for the management of the site. Other comments were made by the Board encouraging an appraisal and placing it on the market, and to place the IDB's proposal in writing for presentation to the City.

PUBLIC COMMENTARY

Mr. Philipson opened the floor for public commentary. Mr. Steven Kennedy was recognized and suggested that with each item reviewed, resulting in a voted on by the Board, the public should be allowed to comment prior to a vote. He then stated that he had issues with the Iberville which bore no reflection on the HRI representatives but rather with HANO and the DBE goals not being met by the master contractor. He stated he was not sure if the IDB was aware of the controversial story which alleged that NOL-MAR was serving as a pass-thru company for the master contractor. He added that DMM is a good transition. He further commented that an appraisal of Six Flags would be in order as the IDB should know the value of its property. Mr. Philipson assured Mr. Kennedy that it would do its due diligence. Mr. Wolf commented that he understands the complexity and thanked Mr. Kennedy for his comments. Mr. Green added that he appreciated Mr. Kennedy's comments but that he [Green] should have addressed the Iberville issue. He reminded the Board that it had, in fact, agreed to allow public comment prior to any vote at a previous meeting.

Mr. Frank Scurlock of Scurlock Entertainment was then recognized. He asked that his name be added to the April agenda in order for him to provide an update on Transformation Village (a proposal in response to the RFP for redevelopment of the Six Flags site).

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

Susan P. Good, Secretary/Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
APRIL 12, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Justin Augustine, III
Eugene J. Green, Jr
Todd O. McDonald
Eric Strachan

Walter C. Flower, III
Edith G. Jones
Alan H. Philipson
Jeffrey Schwartz

Susan P. Good
Kyle Jones
Darrel J. Saizan, Jr.
C. David Thompson

Absent:

Laura H. Brown

Troy A. Carter, Sr.

Theodore Sanders, III

Also Present:

Sharon Martin, Administrator, IDB

Joyce Matthews, Administrative Assistant, IDB

David Wolf, Adams & Reese, Bond Counsel

Guests:

Benjamin Mabee, ERM Landscape Arch. & Planning
Eric McQuiston, ERM Landscape Arch. & Planning
Stanley McDaniel, The McDaniel Group
Josh Zuckerman, Scurlock Entertainment
Todd Shapiro, Scurlock Entertainment
Katherine Sayre, NOLA/Times-Picayune
Robin Shannon, New Orleans City Business
Jessica Williams, The Advocate
Jay Dykes, TPC-NOLA (Jazzland)
Tonya Pope, TPC-NOLA (Jazzland)
Cliff Robinson, NOLAEAST.COM
Arthur Bushell, Community Legion
Edward L. Blouin, Village de L'Est
Lee Longstreet, Scurlock Entertainment
Kevin Western, Scurlock Entertainment
Angela Carrillo, Scurlock Entertainment
Ryan Ashley, Scurlock Entertainment
Stephen Stuart, Bureau of Governmental Research
Emanuel Mitchel, CSRC
Dennis Cambre, SMW 214
Jeb Bruneau, Advantous Consulting, LLC
Cain Burdeau, Associated Press
Ian Cockburn, John Anthony Realty
Frank Scurlock, Scurlock Entertainment
Derrick Francis, Mayor's Office
Deborah Rothasid, Scurlock Entertainment
Sheridan Tanner, Merrill Lynch
Fred Magenheimer, Scurlock Entertainment

Maurice C. Baird, City Council, District E

Lisa Ross, Orleans Assessor's Office

Drew Ward, Carrollton Trust

Derrick O. Martin, Algiers Economic Development Foundation

Barbara Lacen Keller, City Council, Office of Stacy Head

Ernest Gethers, City of New Orleans, Office of the Mayor

Louis David, NOLABA

Brenda Canada, NOLABA

Courtney Stuckwisch, City of New Orleans, Office of the Mayor

Rebecca Conwell, City of New Orleans, Office of the Mayor

Hayne Rainey, City of New Orleans, Office of the Mayor

Leigh Ferguson, Downtown Development District

Tangee Wall, Friends of Joe Brown Park

Erin Burns, City of New Orleans, Office of the Mayor

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. Eugene Green, Jr. with a second from Mr. C. David Thompson, the Board voted unanimously for approval of the Board minutes of March 8, 2016 meeting.

The President began with an overview of the agenda, advising of time limits on presentations to be made, including a 10-minute update presentation limit by developers and a 3-minute public commentary limit allowed prior to any matter requiring a vote of the board.

TRANSFORMATION VILLAGE

Mr. Frank Scurlock, respondent to the IDB's RFP for redevelopment of the former Six Flags site, was recognized. Mr. Scurlock began with a video presentation depicting the proposed full development of the site to include hotel resort, arena, park, and more. The video was followed

by an update rendered by Mr. Josh Zuckerman, working in affiliation with Mr. Scurlock. He noted that several entities are interested in participating in the Transformation Village proposal which included companies such as Merlin Entertainment, Costa Maya, Peabody Hotel Group, Credit Suisse, International Gallagher, and other companies located in Japan and elsewhere. The project, he stated, is estimated to have a \$1,020M budget: \$12M (restoration), \$33M (new rides), \$15M (working capital), and \$20M (contingency capital). Sources would be a \$25M construction loan, \$10M equipment, \$15M private equity, and \$40M-\$50M in EB5 program funds. Mr. Scurlock interjected that he has been forging a relationship with Gulf Coast Regional Commission for EB5 funding in an effort to locate 50 EB5 interested participants. Meanwhile, he continues to invest personal funds in the project. This, in his interpretation, is a “community driven” project involving the IDB, the City, investors, etc. The project is a risk and each entity would share the risk in this public/private venture. At the end of his presentation, he stated that the park would be named “Festival Park – “The Spirit of Louisiana”. He expressed concerns about his inability to attract investors and the inability to bring the project to fruition because of his lack of control of the site, asking the Board for a commitment to control the property for furtherance of his efforts to attract investors.

The President thanked Mr. Scurlock for his presentation. Mr. Philipson added that the presentation did not include what the Board expected which was an update on written commitments by financial institutions or investors to provide the financing of the proposed redevelopment of the site.

Mr. Scurlock informed that he has personally invested over \$200K in the proposal to-date. He acknowledged that he does not have any written commitments at this time.

Mr. Thompson questioned if the theme park would be celebrating festivals of Louisiana or recreating other festivals in and around Louisiana. He further inquired as to the kind of feedback he [Scurlock] has received from those who have expressed interest and an explanation of the relationship held with Credit Suisse. Mr. Scurlock advised that he has developed relationships with sources in Asia, having just attended the Asian/Pacific Conference on Economic Outlook at which conference many attendees were looking for projects similar to EB5 investments. Feedback consists mainly of the question: Where is the commitment from the City of New Orleans? He expressed that he would like to have the same control given to DAG/Provident. Mr. Thompson explained that DAG/Provident was a totally different economic development proposal concept and project compared to the current response to an RFP as in Mr. Scurlock’s case.

Mr. Justin Augustine thanked Mr. Scurlock for his presentation. He stated that based on the comments of board members regarding the firm commitment by financial institutions in his project, that it is not the IDB's position to take a risk in this project. The presentation, while very graphic and eye appealing, did not provide details of any financial support or commitments like that presented by the DAG/Provident developers who did provide financial support data for their project. Mr. Augustine suggested to Mr. Scurlock that he seek the services of an advisor who would aid in putting such a package together that would add impetus to his solicitation campaign. Mr. Scurlock stated that he understood the advice, but that in spite of their [DAG/PROVIDENT] financial support, the project still did not happen. Mr. Augustine added that commitment from financial institutions is what is required by the IDB at this time and the Board would not be giving any type of commitment until such time that is secured. Mr. Philipson resolved that no action would be taken on this matter today.

Mr. Zuckerman appealed to the Board asking what level of commitment would the IDB be willing to review in order to give Transformation Village control of the site. Mr. Philipson reiterated that the IDB would be looking for a firm commitment from a financial institution in the form of a letter of credit for example from Credit Suisse. Mr. Scurlock advised that he has appealed to these institutions but they, in turn, stated they needed a commitment from the IDB. Mr. Philipson again stated that such a commitment from the IDB would not be forthcoming absent firm financial commitments from the developer.

JAZZLAND/TONYA POPE

Mr. Philipson, opened the floor for the spokesperson presenting the financial update in this matter. Mr. Jay Dykes was recognized, who advised that he represented The Padia Co/TPC Nola wherein Ms. Tonya Pope served as the main principal. He stated that as in Mr. Scurlock's case, he did not come with financial commitments. Mr. Dykes provided background information regarding the Jazzland proposal concept, adding that Ms. Pope has been working on this concept for some eight years now, and that she has worked on three responses to RFPs to try to satisfy the requirements of the IDB and the City. He added that last year, a site visit was conducted wherein potential investors from Orlando were present. They, too, (as in the Scurlock case), were looking for documents showing that Ms. Pope had control of the site. Ms. Pope was then recognized who advised that finance is the issue. She has had local investors interested in seeing the project come to life. She stated that her plan for redevelopment was mixed-use and could possibly include participation by Kimble Development Company of Baton Rouge. They would be responsible for the retail sector of the development. She stated that Jazzland is currently in the process of finalizing a purchase agreement to present to the IDB. She reiterated that retail is ready and Jazzland is ready to purchase the site and wishes to begin negotiations so they can own the property. She then proposed a yearly lease of \$200K with a

10% cap up to \$2.5M for 200 acres, subleasing 3 acres. Mr. Philipson advised that the IDB, at this time, was not in position to sell, absent an appraisal of the property which will be discussed by the Board pursuant to the agenda. Mrs. Edith Jones thanked Ms. Pope for her presentation and her continued pursuit of redeveloping the site. As with Transformation Village, the developer was advised that no action would be taken today.

DREW WARD

Mr. Philipson informed the Board that Mr. Drew Ward wished to discuss Six Flags and a possible proposal to renovate and/or remove certain items and fixtures. He [Ward] advised that he would not recommend redevelopment of the site, especially based on available information regarding water management, etc. As a result of his site visit conducted with Ms. Sharon Martin, Administrator of the IDB, he had the opportunity to assess structures, fixtures, and other items on the property. Some of the buildings on the site would not be restorable as the wiring and other fixtures in the buildings have been removed, leaving the buildings gutted. Others assessed, however, showed quite a number of buildings which were well built with high quality, very expensive materials. Mr. Ward distributed a set of photos of some of the areas in the park (copies attached). Local parks and other public facilities, he stated, could possibly use some of the items inventoried. If not reusable, many of these items may have some salvage value. He then distributed two maps (attached as part of these minutes) one with color, one without which divided the buildings that can be repaired or left. Many of the buildings, if donated, can be unassembled, while others need to be demolished. There needs to be way to determine highest and best use of the site and anything of value in the park. Sale and use of these items is a means of recouping something from the park.

Mr. Thompson inquired as to who Mr. Ward represented and what exactly was he looking for from the IDB. Mr. Ward advised that his purpose, with volunteer help, is to see what structures are salvageable and can be removed and relocated to other public facilities/parks in the city. As background information on himself, he informed that, by profession, he is a linguist and business consultant. He also serves as a member of the Carrollton Trust New Orleans, with experience in construction and as a contractor. His purpose was only to provide information on a good-will basis and possibly help the City reuse some of its property.

Mr. Philipson thanked Mr. Ward for his presentation and deferred the Six Flags update to Mr. David Wolf, IDB Counsel, who directed the Board to a document included in their folders which depicted a map of the site and which listed the five (5) parcels in the name of the IDB. The list shows the Assessor's valuations of the properties of the park as 140 acres, being assessed at \$51.6M. The total assessed valuation for the entire 227 acres totals \$54.5M. He further

advised that since the IDB's last board meeting, trespassing ticked upward, with 23 arrests in one weekend. He also advised that 24/7 security was ordered for the Easter weekend and that as a result of the increase in trespassers, 24/7 security is still in effect. The cost of this service is approximately \$500 per day. Mr. Wolf continued, stating that security is necessary and needed but that the Board will need to vote to continue the 24-hour security. Mr. Wolf further advised that when film companies entered into a Concession Agreement with the IDB, the 24/7 security was a requirement which the film companies maintained. However, requests by film companies have ebbed.

By motion of Mr. Darrel Saizan and seconded by Mr. Walter Flower, the Board voted unanimously to continue the 24-hour security at the Six Flags site.

Mr. Wolf added that the Board discussion in the past has included the hiring of a professional management company to oversee management of the site, including maintenance and security. He added, however, that many calls are received by the IDB office for access to photograph and/or film the site but the IDB has shied away from many of these type calls because they seek to portray the site as blighted and/or abandoned. Ms. Martin added that since the State has re-assessed the film tax credit incentives we have received fewer, if any, calls for use of the site. The Board may wish to re-consider short-term rental of the site in order to generate revenue. Mr. Thompson suggested the IDB issue an RFP covering the management of the site. Mr. Wolf stated that he would like to gather a list of real estate management companies for presentation by the next board meeting.

He then informed the Board that in accordance with its request to commission a real estate appraiser to appraise the site, two quotes were received, although three (3) companies were invited. Of the two received the quotes are: Thorns Consulting with a quote of \$22,000 and Truax & Robles with a quote for a total of \$30,000 performed in two phases. Those are the two proposals currently on the table for review and approval by the Board.

Mr. Wolf also reminded the Board of the suggestion to hire a national firm to evaluate and market the property.

Finally, he stated that in connection with the issues, he drafted a Resolution which has been distributed to each board member, and is included in the board folders, requiring review and approval. He reminded the Board that it has taken action on this issue and voted to continue 24/7 security. Consequently, to be discussed is the commissioning of the appraisal; property

management; and the concept of hiring a national marketing firm to evaluate and market the property.

In response, Mrs. Jones suggested a delay in voting on a private property management firm until an appraisal has been conducted, adding that she recommends the Thorns firm to conduct the appraisal, and refrain on selecting both the management firm and the national marketing firm.

Discussions were held by the Board as to when these additional objectives should occur. Once the appraisal is received, it should serve as a guideline for the other objectives. The discussion resulted in Mr. Augustine making a motion that the resolution, as written, be deferred; with the exception that additional quotes from local appraisers be secured by the next board meeting and, for clarity, the 24/7 security of the Six Flags continued, as previously voted on by the Board.

Mr. Philipson opened the floor for public comment. Mr. Ian Cockburn, a representative of John Anthony Realty, counseled that an appraisal would be a waste of funds at this time. He suggested otherwise that a prospectus be secured showing highest and best use, not just as an entertainment site but showing multi-mixed use for the property. Mrs. Jones stated the IDB should also consider the concerns of people in New Orleans East, as well as input from District Councilman, James Gray. Mr. Todd McDonald asked that the Board make sure the scope of work is supplied when soliciting the additional appraisal.

After all Board discussion, the motion of Mr. Augustine, and seconded by Mr. Flower, was approved unanimously by the Board.

REPORTS

Financials

Mrs. Susan Good presented an overview of the February financials. Mrs. Good also informed the Board that Mrs. Toni Weiss, an IDB consultant, was receiving one of the highest teaching awards from Tulane University at this year's commencement exercises. Mrs. Jones suggested the IDB send an official congratulatory letter. Ms. Martin will construct same for presentation from the Board.

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.

PUBLIC COMMENTARY

Mrs. Tangee Wall was recognized by the President. She advised that she is a citizen and resident of New Orleans East and a member of the Friends of Joe Brown Park and that as such she was concerned about the economic development of the area, particularly Six Flags and its redevelopment. She stated she was happy to hear an appraisal will be conducted but that as a resident and citizen she is not in favor of the IDB selling the property.

Mr. Philipson thanked her for her comment. At this time, Ms. Pope asked if the appraisal would be completed by the next meeting. Mr. Philipson stated that he did not think it would be completed by that time.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mr. Saizan for adjournment of the meeting at 2:15 P.M.

Susan P. Good, Secretary/Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
MAY 10, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Mindy Brickman

Walter C. Flower, III

Susan P. Good

Eugene J. Green, Jr

Edith G. Jones

Kyle Jones

Todd O. McDonald

Alan H. Philipson

Darrel J. Saizan, Jr.

Eric Strachan

Jeffrey Schwartz

C. David Thompson

Absent:

Justin Augustine, III

Troy A. Carter, Sr.

Theodore Sanders, III

Also Present:

Sharon Martin, Administrator, IDB

Joyce Matthews, Administrative Assistant, IDB

David Wolf, Adams & Reese, Bond Counsel

Guests:

Ed Blouin, Village de L'Est Improvement Assn.

Arthur Busby, Community Legion

Jessica Williams, The Advocate

Katy Dupre, NOLABA

Brenda Canada, NOLABA

Rebecca Conwell, Mayor's Office of Economic Development

Tonya Pope, Jazzland

Katherine Sayre, NOLA/T-P

Scott Murphy, Ironworks

Maximum A. Perdomo

Andrew Valenti, City Business

Lisa Ross, Orleans Parish Assessors Office

Eugene Be, BHI

Hayne Rainey, City of New Orleans

Dennis Cambare, SMW 214

Stephen Stuart, Bureau of Governmental Research

Courtney Stuckwisch, Office of the Mayor

Ernest Gethers, Office of the Mayor

Stanley McDaniel, McDaniel Group

President, Alan H. Philipson, called the meeting to order at 12:40 PM. The President opened with a welcome of Mrs. Mindy Brickman, the IDB's newest board member, appointed by Council member Susan Guidry (vice Laura Brown). A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. Darrel Saizan, Jr. with a second from Mr. Kyle Jones, the Board voted unanimously for approval of the Board minutes of the April 12, 2016 meeting.

SIX FLAGS UPDATE

The President provided the Board an update regarding the responses received for appraisal quotes advising that five (5) companies responded: three (3) in response to the last request letter; one (1) update from the original request - (Truax) and one (1) "no response" (Thorns). He deferred the update to Mr. David Wolf, IDB counsel. Mr. Wolf provided the background that pursuant to an initial request to secure the appraisal quote requests went to three appraisal companies, namely Jimmie Thorns, Mike Truax and Hank Tatje. Only Thorns and Truax responded. As a result of the directive of the Board at the April 12, 2016 Board meeting, he [Mr. Wolf] put together a more detailed letter request which adopted features and data requests as that sought in the RFP for redevelopment of the Six Flags site issued by the City and the IDB. This letter resulted in the receipt of three (3) additional quotes: Valbridge, The McEnergy Company, Stegall and Benton, copies of which were sent to each board member prior to the meeting. With the quotes from Thorns Consulting and Truax and Robles there are now five (5) companies qualified to perform the appraisal, he advised. Mr. Wolf then provided each member with a sheet that list the quotes from each of the five companies. Mr. Walter Flower interjected that a decision needs to be made without delay in order to know the value of the property. Mr. Saizan offered a motion that the appraisal be granted to Thorns Consulting. Same was seconded by Mr. Eugene Green. With the motion on the floor, discussion by the members ensued. Mrs. Susan Good questioned whether a valuation of the equipment and rides were included in the Thorns' quote, as was detailed in the latter three (3) quotes received.

Mr. Wolf advised that the letter request specifically requested a valuation for land, equipment and fixtures. Additionally, the request asked each company to provide at least three appraisals on which a similar appraisal had been conducted. The initial request, he stated, was not as specific. He added that a valuation of the equipment and rides should be included in the quotes unless otherwise explained.

Mr. Flower then inquired as to the ethics of hiring someone who headed the IDB for 20 years, namely Mr. Thorns. Mr. Wolf reminded the Board that Mr. Thorns has not been on the Board in 8-9 years and that there is no ethics issue. In support of the Thorns quote, Mr. Green stated that during the time of Mr. Thorns' tenure on the Board and as president, he delivered well on behalf of the citizens. Mr. Saizan added that Mr. Thorns conducts and has conducted his work with a high level of respect, having used him in connection with projects he [Saizan] has worked on in the past particularly, Harrah's Casino and the New Orleans Arena.

Mr. David Thompson agreed all companies which responded are qualified. His issue with Mr. Thorns is not personal. His issue with Mr. Thorns is that he [Thorns] served as president of the IDB for twenty or more years; and that while he was president, he did appraisals for HANO which service was called into question. It's what it looks like from the outside, he stated, that concerned him. This concern was shared by a few other members of the Board. Mrs. Edith

Jones, however, retorted that as she understands the ethics answer given by Mr. Wolf, an answer should quell any such concerns as Mr. Thorns has distanced himself for eight or more years. Mr. Flower interjected that the McEnergy firm has done a lot of work in New Orleans East and is highly qualified to do the appraisal as well. Mr. Green echoed Mrs. Jones understanding that the issue of any conflict with Mr. Thorns' affiliation with the IDB was resolved by counsel.

Mrs. Good lodged two other concerns regarding the proposal submitted by Mr. Thorns. Firstly, that there is no mention of appraising the equipment and, 2) that in his response he [Thorns] requests the IDB to provide him many additional items including copies of information such as engineering records, FEMA records, any insurance analyses. She suggested that the Board needs clarity so that it is comparing "apples to apples". Mr. Green stated that these requests are normal, procedural requests by any appraiser. He then added that the IDB put out a request for a quote but that the Board was not aware of the initial request. This request resulted in two quotes – Thorns and Truax and their quotes were disclosed at last month's meeting. The process, he stated, seems unfair in light of the fact that the lowest bid came from Thorns Consulting and it remains the lowest bid. Mrs. Good stated that she would like to have, if a contract is drafted, language that reflects the inclusion of the appraisal of equipment and buildings.

The President summed up the discussion stating that the Board needs to take a look at all quotes to ensure that the evaluations were equal in what was being offered and that the Board should ask Mr. Thorns for clarification. He then called for a vote. Mr. Thompson, prior to the vote, suggested that once Mr. Thorns' clarification is received, the Board could re-vote if a vote were taken today. Mr. Wolf reiterated that a two-year disassociation of a previous board member was the State's requirement. He advised that both Mr. Thorns and Mr. Truax had not submitted the additional documentation requested. He would ask Mr. Thorns to provide clarity as to whether or not his quote includes valuation of the equipment and rides. Mr. Flower questioned whether bids by these two appraisers could be changed. Mr. Philipson stated that if Mr. Thorns' quote did not include rides, he could withdraw or amend his bid.

Mr. Green stated that he did not receive a copy of the quotes submitted by Thorns Consulting or the Truax firm and that the Board is now being asked to vote on three-four appraisals. He added that he understands the additional information for these two companies included conflict of interest affidavits and a disclosure of political contribution statement. He requested to have the benefit of reviewing these two quotes.

In response to Mr. Green's question, Mr. Wolf said that the second request for appraisal quotes did included an affidavit, a conflict of interest statement and a political contribution statement

which are standard requests by the City. Mrs. Jones stated that in light of these discussions, the Board should defer voting at this time. Mr. Wolf added that he would ask both companies to submit the additional information with 24 to 48 hours pursuant to the President's directive.

The President asked for a vote. Based on the motion on the floor to grant the work to Thorns Consulting, a vote was taken resulting in 5-Nays; 3 Yeas; and 3 Abstentions. The motion failed.

Mr. Philipson directed Ms. Martin to distribute copies of the appraisal quotes submitted by Truax and Thorns in to the Board. He suggested that another meeting be scheduled wherein all five (5) proposals can be reviewed at the same time. Mr. Green then asked why there was a rush to pick an appraiser when this matter has been sitting before the Board for quite a number of years.

Mr. Saizan asked for input from Councilman Gray's office and from Ernest Gethers as to what additional documentation they might have of record regarding Six Flags. Mr. Maurice Baird of Councilman Gray's office advised that the Councilman's office had no additional data to submit, and stated that the Councilman and staff have taken a look at the Assessor's valuation and the RFP noting the RFP requests a value of the property, as well as a statement of re-purpose and/or re-use of the property, demolition, etc. He asked if the property would be for sale or if the IDB would keep it. Mr. Wolf added that if the City had taken on their responsibility as was understood at the time of discussion for the take-over of the property, the IDB would not be in the position of dealing with this type matter. Mr. Green asked if the City would interject themselves in this current situation. Of importance, with regards to the unsigned agreement on behalf of the City, he stated, that in order for the City to have introduced a cooperative agreement, same **had to be approved by the City Council**. Then according to procedures, the Mayor would have the authority to execute. He asked why would the IDB now expect the current Mayor to sign an agreement that the previous Mayor failed to sign. **Absent the consent and approval of the City Council, there should be no legal agreement.** He then questioned how this property could be in the name of the IDB. Other Board members expressed similar curiosity, suggesting that the City seems to own the property.

Mr. Wolf reiterated that the IDB was attempting to work with the City when it agreed to take ownership as it is easier for the IDB to sell property than it is for the City. The Board was reminded that when the special meeting between the IDB and the City took place in September of 2009, wherein the then City Attorney, in an effort to meet the deadline for filing documents in the Six Flags bankruptcy proceeding, asked the Board to assume ownership of the Six Flags site, as well as the additional acreage that was being turned over to the city as a result of the settlement. The IDB members at the meeting agreed, with the caveat that the City maintain,

secure and insure the property. The City Attorney agreed and the agreement was drafted. Mr. Flower, as then-president, signed the agreement, in good faith. The City, after receiving the agreement signed on behalf of the IDB, assured the IDB it would provide the IDB with fully executed copies of all bankruptcy documents for its records. After numerous follow ups by the IDB staff, no copy was ever received and the new administration entered advising they would not sign the agreement. As a result, the IDB assumed ownership. It was then again questioned whether or not the IDB had legal ownership of the properties absent the completed executed cooperative agreement, or approval by the City Council.

Mr. Wolf noted that in an effort to generate funds to secure, maintain and insure the site, the IDB has for the past three years, leased the property to major film companies. He stated that the IDB was not created or designed to manage, operate or own property. Mr. Green asked why then is the IDB so eager to give back properties that bear an assessment value of some \$54M after having managed, maintained and secured the property.

Adding to Mr. Wolf's comment regarding revenue earned, Mr. Philipson reminded the Board that film companies are no longer looking to lease the site since the State has changed the incentives for filming in Louisiana. At this time, there are no pending agreements and there hasn't been one since the last contract which ended in December 2015. Currently there is approximately \$350K-\$400K in Six Flags revenue.

Mr. Jeffrey Schwartz interjected that as he appreciates 1) the IDB does not wish to own and manage property; 2) it is an albatross for the IDB; 3) everyone wants to either put back into commerce or sell; and 4) everyone wants to know if the IDB rightfully owns the property. As stewards of the public, Mr. Schwartz suggested that the IDB get with other public partners to discuss how the site can be put back into use and not just sell the parcels. There is obvious value to the site. Mr. Philipson asked counsel to get these ideas and concerns stream lined on behalf of the IDB, adding that if the IDB were to receive all supplemental data from the first two appraisers, ensuring that the Board would be comparing similar terms of the quotes given, then at the June meeting the Board can review the quotes again and vote on an appraiser.

Mr. Green then asked for the average yearly income for Six Flags to-date. Mr. Wolf advised of an initial servitude fee received in the amount of \$112,000 with the additional \$300K plus earned from leasing the site. This, he added, does not include any expenses paid from those amounts. Mr. Thompson added that as he recalled from the Resolution, there was approximately \$400K in the Six Flags accounts. He also added that it was in this Resolution that the IDB seeks to transfer the property back to the City but questioned why the IDB would give the revenue back to the City. Mr. Wolf responded that when the IDB took the property, it was

understood that any benefit earned would go back to the City as the IDB would not profit from the ownership. He added that everyone must be reminded that the IDB was created by the City for the City. If the IDB were to dissolve today, all IDB assets would go to the City. Mr. Philipson interjected that while the Resolution states a \$400K transfer, this is not the current amount. Expenses to date would have to be deducted, i.e., grass cutting, maintenance, insurance, security and legal fees. Mr. Green interjected that he did not wish to give these funds to the City. Mr. Philipson assured the Board that the IDB would not go in the red on the matter of Six Flags.

REPORTS

Financials

Mrs. Good presented an overview of the March financials, advising that since the budget is annualized (meaning total expenses for services that are listed are divided by the number of months in a year and entered as a monthly cost), some line items may appear to be over-budget. She further advised that the 2015-2016 annual administrative fees have, to-date, been entirely collected. The IDB anticipates no other income unless there is a closing of an issue.

Administrator's Report

Ms. Martin advised that no report was prepared for this period.

PUBLIC COMMENTARY

Ms. Tonya Pope of Jazzland was recognized. She reiterated that the Jazzland purchase proposal of the former Six Flags site was under the Jazzland response to the RFP and still on the table. She added that [they] are anxious and wish not to wait until June. She further advised that their proposal would include, on the additional 80 acres, 2-family, multi residential dwellings and retail. This proposed addition/change would require a zoning change. She stated that Jazzland is not allowed to discuss this plan with Councilman Gray's office.

Mr. Steven Kennedy, being recognized, stated he was delighted by the level of discussion and discourse that took place at the meeting. He stated he did not have appreciation for how Mr. Thorns' reputation was treated, especially since he was not in attendance to defend himself. Mr. Philipson attempted to explain to Mr. Kennedy that Mr. Thorns' character was not called into question only his relationship with the IDB. Further discussion took place and Mr.

Thompson echoed Mr. Philipson's appreciation of the discourse regarding Mr. Thorns' quote for an appraisal, adding that it was not a personal attack as that being suggested.

There being no further new or old business, a motion was offered by Mr. Green and seconded by Mr. Thompson for adjournment of the meeting at 1:52 P.M.

Susan P. Good, Secretary/Treasurer

MINUTES OF THE BOARD MEETING

OF THE

**INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
JUNE 14, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Mindy Brickman Susan P. Good, Sec.-Trea. Edith G. Jones
Todd O. McDonald Alan H. Philipson, Pres. Darrel J. Saizan, Jr.,
Vice Pres. Theodore Sanders, III Jeffrey Schwartz Eric
Strachan
C. David Thompson

Absent:

Justin Augustine, III Troy A. Carter, Sr. Walter C. Flower, III
Eugene J. Green, Jr Kyle Jones

Also Present:

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

Guests:

Josh Zuckerman, Scurlock Entertainment
Ed Blouin, Village de L'Est
Arthur L. Busby, Community Legion

Andrew Valenti, City Business
Rebecca Conwell, City of New Orleans, Mayor's Office
Stephen Stuart, Bureau of Governmental Research
Lisa Ross, Office of the Assessor of Orleans Parish
Jacquelyn Frick, Office of the Assessor of Orleans Parish
Jennifer Larino, NOLA.com
Jessica Williams, The Advocate
Byron Poydras, Bank of New York
Scott Murphy, Iron Workers Union
Tiger Hammond, SELA Building Trades
Newton Blanchard, IUEC Local 16, Elevator Constructors
Maurice C. Baird, City Council, District E
Melanie Thompson, Kingswood Association
Leigh Ferguson, Downtown Development District
Khalid Gross, OSD, City of New Orleans
Brenda Canada, New Orleans Business Alliance
Katy Dupre, New Orleans Business Alliance
Courtney Stuckwisch, City of New Orleans, Mayor's Office
Hayne Rainy, City of New Orleans, Mayor's Office
Ernest Gethers, City of New Orleans, Mayor's Office

President, Alan H. Philipson, called the meeting to order at 12:45 PM. A roll call was conducted and a quorum confirmed. An introduction of guests was had. By motion of Mr. David Thompson with a second from Mrs. Edith Jones, the Board voted unanimously for approval of the Board minutes of the May 10, 2016 meeting.

The President reversed order of the agenda, asking Mrs. Susan Good, Secretary-Treasurer, for a presentation of the financials.

REPORTS

Financials

Mrs. Good reported that copies of the April and May financial statements were included in the Board packets. She reviewed the latest financials (May) as it was the current position of the IDB's financial status. She advised 1) The IDB was doing well on income; 2) Those line items that appear to be over budget include administrative fees and application fees; 3) Closing costs are off but two (2) files yet remain to be closed; and 4) Every other line item is well within budget. She further advised, with regards to Six Flags, that 24-hour Six Flags security has, to date, cost approximately \$27,000.00.

Administrator's Report

Ms. Sharon Martin, the IDB administrator, informed the board that a copy of the report is included in each member's board folder. In particular, however, she cited that pursuant to the Board's request for information on enrollment in the City's retirement plan, she is waiting to confirm a meeting with Ms. Courtney Bagneris of the City to discuss such enrollment procedure. Further, IDB signs have been ordered for the Bastion which was recently closed. In order to obtain insurance quotes, she has spoken with and will be meeting with Tim Gold of Hartwig Moss to discuss the information necessary to request quotes. Additionally, inquiries have been made with regards to the procedures for securing an official Cooperative Endeavor Agreement with and through the City. To date, no procedure guidelines have been found. The final draft of the 2015 audit has been completed and has been sent to Mrs. Good for final review. Contact was made with Ernest Gethers for City assistance in getting water pumped from the service road entrance area at the former Six Flags site. Updates on these issues will be provided at the next meeting. Ms. Martin was asked to find out the status of the opening of Sophie B. Wright School.

SIX FLAGS UPDATE

Before review of the appraisal proposals, the President opened the floor for discussions and presentations, deferring the first to Ms. Rebecca Conwell of the Mayor's Office of Economic Development. Ms. Conwell began with the City's role in the Six Flags property, stating she understood the frustration on everyone's part, i.e., the IDB President, the Board, bond counsel with the City's response to taking responsibility for the property but added emphatically that the City continues to market the site. The City is currently in somewhat active conversations with three (3) developers, which discussions started at a national convention in Las Vegas. She is also in conversation with a national market representative who targets projects of 200 acres

or more. He has spent a lot time reviewing specs of the site. He has offered that the property is too large for just one project. Adding that this site, if used as a theme park only, could not sustain itself and, therefore, would not be successful. On the other hand, if for instance, a hotel was on the site, along with a big box retail, it is possible that the project could be viable. He sees such a development of the site as a partnership, with many incentives, being in the area of \$1.5 billion. He stated he would be willing to come to discuss his appreciation of the site with everyone. She [Ms. Conwell] is working on a meeting date and once confirmed will extend to everyone. She reminded the board that about three months or so ago, in an effort to assist, she offered the name of national “rainmaker” which, she thought, the IDB was considering. That company and other national real estate companies would love to create a package that would aid in the selling of the site. The City has been instrumental in providing resources despite the frustration of the IDB and would like to continue to move forward so that everyone benefits.

Mr. Philipson thanked Ms. Conwell for her presentation but stated that he is still a little dismayed how Jefferson Parish now has the Car Max deal when he recalls having first broached such a concept of a car dealership mecca with the Mayor a year or so ago. He also recalled speaking with Amy Quirk, Andy Koplin, and Mr. Hecht of GNO Inc. about getting a “rainmaker” to help with the marketing of the site for redevelopment. He recalls being told that the IDB should back off; that the IDB should be reactive not proactive. Now, Car Max is being constructed in Kenner. Ms. Conwell advised that the Six Flags site did not meet specifications needed by Car Max and it is too large for a single dealership. Mr. Philipson stated that his suggestion was not specifically for a Car Max nor for a single dealership but rather a dealership conglomerate of the greater New Orleans area, an Auto City, with enticements to bring these dealerships to that site. Car Max could have been a part of such a collection of dealerships.

Mr. Thompson interjected that this may have been a missed opportunity and suggested moving forward with an appraisal. After receipt of the appraisal, he stated, a “best use” can be determined. Ms. Conwell stated there was enough real estate talent on the IDB’s board that she encouraged a come together of those resources then rally for a partnership. Mr. Thompson requested the name of the national company/organization that Ms. Conwell recommended. Mr. Philipson acknowledged Mr. Thompson’s recommendation to move forward. Mr. David Wolf, bond counsel, added that in moving forward, with the Board’s ownership of the property, it was his understanding that the City would be responsible not only for redevelopment coordination but also day-to-day upkeep which is the IDB’s current burden. He reminded everyone that the IDB does not have the expertise in dealing with marketing of the site, nor day-to-day security and maintenance, including now the flooding that is taking place at the site and breached gates. Movie companies (which generated funds) are not coming in to help defray the costs of same. The site needs someone with the City who has that expertise.

He added that the IDB has been and still is receiving calls for filming at the site. Tonya Pope is also receiving her share of these type calls. The IDB does not have the administrative personnel for day-to-day management. The site needs an expert, outside consultants which should come from the City unless an IDB Committee comes together to discuss otherwise. The appraisal is needed to determine value. Discussion will show how best to stage the site for selling. Ms. Conwell responded stating the City has extended its hand. It has, in the past, offered the assistance of Ernest Gethers when Ms. Martin has to go to the property for a site visit. She suggested that the IDB hire a management company to remove Ms. Martin from the responsibility, adding that it is frustrating to be told that the City does not do anything concerning the site. She believes a real estate company would be ready to move in. Mr. Jeffrey Schwartz asked if there was anything the Board could do at this point as a committee. Mr. Philipson stated that for now he would get with counsel to create a committee.

Security

Mr. Wolf updated the Board, advising that 24-hour security remains at the site. Maintenance of the site is also ongoing. Recently, short-term use was established and is now being allowed in light of there being no current long-term contracts. In explanation, he stated that short term use has a 3-day minimum of \$5,000. With short-term use, 24-hour security is provided by the user. Mr. Wolf has worked to revise the hold harmless clauses signed by anyone accessing the site for short-term use. This is being done to create a cash flow and today, it is being recommend that such short-term use continue. This, of course, “relaxes” the current policy, and requires a vote.

Mrs. Good informed of her viewing of a documentary done by drone. She questioned whether there was any recourse for the IDB to contest these films since air rights appear to have been breached, possible trespassing. Ms. Conwell, stated that such aerial films have been used as a plus for the City.

ppraisal

The President provided, as a reminder to the board, the number of quotes received from the appraisers which included five (5) total responses including one (1) withdrawal. The purpose today was to determine and vote on a final appraiser. He advised the order of the quotes in descending order:

The McEnergy Company	\$23,500 (low bidder)
Stegall & Benton	\$26,000
Truax & Robles	\$30,000 (\$15,000 per phase)
Valbridge	\$38,500

Each appraisal quote appeared to include the valuations of rides, salvaged metal value, buildings and land. Mr. Wolf advised that after checking with real estate professionals, all of the named appraisers are qualified to produce the appraisal needed by the IDB. Any market studies needed to determine “best use”, should be done at the expense of the purchaser. Additional discussions ensued regarding which of the companies were familiar with New Orleans East, or had performed appraisals in New Orleans East. After all discussions, the President, requested a motion to accept the low bidder, The McEnergy Company. Same was offered by Mr. Darrel Saizan and seconded by Mr. Walter Flower. The Board voted unanimously on the commissioning of the appraisal with the McEnergy Company, subject to the confirmation that the appraisal will include rides, buildings, metal salvage and land. The President asked counsel to engage the McEnergy Company and to establish confirmation of the inclusions heretofore mentioned.

Public Commentary

Ms. Tanya Pope of Jazzland (Responder to the RFP for redevelopment of the Six Flags site) was recognized. She stated that based on the City’s presentation regarding the developer from Las Vegas, her Jazzland proposal targets his overall concept with multiple phases which include hotel, retail and residential to fill scope of land.

Mr. Thompson asked that in addition to obtaining the above-stated confirmation with The McEnergy Company that a time-line also be determined as when the appraisal would be completed.

There being no further new or old business, a motion was offered by Mr. Thompson and seconded by Mrs. Good for adjournment of the meeting at 1:35 P.M.

Susan P. Good, Secretary/Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
JULY 12, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III	Susan P. Good, Sec.-Trea.	Alan H. Philipson, Pres.
Darrel J. Saizan, Jr., Vice Pres.	Eric Strachan	C. David Thompson

Absent:

Justin Augustine, III	Troy A. Carter, Sr.	Mindy Brickman
Eugene J. Green, Jr	Edith G. Jones	Kyle Jones
Theodore Sanders, III	Jeffrey Schwartz	Todd O. McDonald

Also Present:

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

Guests:

Tonya Pope, Jazzland
William Pope, Jazzland
Ed Blouin, Village de L'Est
Arthur L. Busby, Community Legion
Andrew Valenti, City Business
Rebecca Conwell, City of New Orleans, Mayor's Office
Stephen Stuart, Bureau of Governmental Research

Lisa Ross, Office of the Assessor of Orleans Parish

Jessica Williams, The Advocate

Katy Dupre, New Orleans Business Alliance

Courtney Stuckwisch, City of New Orleans, Mayor's Office

Hayne Rainy, City of New Orleans, Mayor's Office

Ernest Gethers, City of New Orleans, Mayor's Office

Barry Tharp, Trinity Development

Scott Murphy, Ironworks Union

Wes Palmisano, 1730 Tchoupitoulas/Palmisano

Scott Cull, 3090 Management

Richard Briscoe

Katherine Sayre, NOLA.com

Jose Alvarez, EDR

S. Parkerson McEnergy, The McEnergy Company

Peter McEnergy., The McEnergy Company

Guests cont'd

Frank Scurlock, Transformation Village

John Mmahat, Blum Productions

Steven Kennedy

Stanley McDaniel, The McDaniel Group

President, Alan H. Philipson, called the meeting to order at 12:40 PM. A roll call was conducted. There was not a quorum in attendance. The President then requested an introduction of guests. The President then recommended a redirection of the agenda so as to address first those matters that did not require a board vote for the purpose of waiting for members who had confirmed their attendance but had not yet arrived.

SIX FLAGS – Appraisal Update

The President recognized Mr. Peter McEnery of the McEnery Company who advised that his company is moving forward with the appraisal as commissioned. Peter McEnery then deferred continuance of the update to his partner, Mr. Parke McEnery. Parke McEnery advised they were well into the appraisal having had a second site visit that included demolition contractors and a personal property appraiser. The property appraiser has completed an initial letter concerning net value of property plus costs of demolition and salvage value (net add or net loss), which included the market value of the land. He emphasized that the former Six Flags site and the adjoining and non-adjoining properties were a unique situation but that the appraisal will rely on comparatives.

Mr. Walter Flower asked Mr. Parke McEnery to elaborate on appraisals his company has done in New Orleans East to date and to inform as to the target date for completion of the appraisal. Mr. McEnery responded that a target date is set for early August at which time they expect to submit the appraisal to the IDB for review. In response to appraisals performed, Mr. McEnery cited among appraisals conducted, The Plaza Mall, N. O. East Hospital, a six-story office building, a wild life refuge near Six Flags, a hotel and numerous other strip malls, multi-family

and low income housing. Mr. C. David Thompson inquired as to how many comps would be used. Mr. McEnery advised that their reliance will be on locating market data with a broader search for properties similarly located which may include tracts located in Baton Rouge or along the Mississippi coast. He added that the McEnery Company is licensed from Texas to Florida.

Mrs. Susan Good asked if the scrap would be divided “out”, and if there would be separate appraisals in light of the parcels having different tax bill assessments. Mr. Peter McEnery continued by advising that the properties constitute two parcels – contiguous and non-contiguous. Mr. Parke McEnery said that parcel number 2 will comprise an opinion of land only.

REPORTS

Financials

Mrs. Good reported that because of the early date of the meeting, a financial report was not available.

Administrator’s Report

Ms. Sharon Martin, the IDB administrator, advised that a copy of her report was included in each member’s meeting folder. She pointed out that the IDB’s audit was completed and was timely filed with the Louisiana Legislative Auditors.

1730 TCHOUPITOULAS, LLC

Upon inquiry from the President regarding an Executive Committee meeting, this matter was deferred to counsel, David Wolf. Mr. Wolf explained that in light of the fact that a quorum was not present, the IDB had the option of opening an Executive Committee meeting to review any issue that requires a vote. He explained that years ago, the Board had voted on an amendment to its By-Laws that allowed the option of convening an Executive Committee to move matters forward. This amendment provides that an Executive Committee may convene to vote on matters as long as five (5) directors are present. It further resolves that any matter voted upon in an Executive Committee meeting would be subject to full board approval within one hundred twenty (120) days. The current number of members at this meeting would allow a vote for preliminary approval on the 1730 Tchoupitoulas proposal if an Executive Committee is convened and such matter approved by the full board at a later date.

At 1:22 the President convened an Executive Committee Meeting to review the 1730 Tchoupitoulas application

EXECUTIVE COMMITTEE MEETING – 1:22 PM

1730 Tchoupitoulas

Mr. Wesley Palmisano, president and founder of the Palmisano Construction Company, was recognized. Mr. Palmisano provided a background of his company which was founded in Orleans Parish in April of 2013. Currently, the company has 75 employees. His company is one of the top three construction companies in the area (Landis, Woodward and Palmisano). Most of its contracts are in New Orleans and total some \$100M. The company needs new and larger facilities which the proposed 1730 Tchoupitoulas project will provide. 1730 Tchoupitoulas proposes the construction of a facility that offers parking, first floor retail and office space, warehouse space and 25,000 square feet of office space on all three floors to be located close to downtown New Orleans. There is a request for a PILOT to help move this project forward. The project, he stated, would serve as a catalyst in revitalizing the Tchoupitoulas corridor and Central City area, as well as help in keeping the cost of construction within reason. He added that he could do the project in Jefferson Parish but would prefer to establish in Orleans Parish. The benefits to the City would be the number of construction jobs that would be created (145 during construction). There would be 71 new jobs created, and he foresees another 100 jobs being created within that next five years according to his business plan. Another great benefit is the training facility he hopes to create within the space that would provide apprenticeship programs, workshops and warehousing. He added that he believed Woodward and Landis have received historic tax credits and other incentives from the City and the IDB.

Mr. Darrel Saizan commented that he appreciated the presentation, adding that he has noticed that Palmisano is doing the construction at the Homewood Suites project (an IDB approved project with a PILOT). Having offered these comments, Mr. Saizan stated that he wished to offer a motion for preliminary approval of this project at the appropriate time.

Mr. Palmisano, in response to a question by Mr. Thompson, stated that he owns the site which he purchased for \$1.5M and, the total development cost of the project is \$10M.

Mr. Flower inquired as to whether or not Woodward, in fact, received incentives from the IDB. This matter was addressed by Mr. Wolf who advised that no such incentive, PILOT or otherwise, was approved or given by the IDB to the construction of the Woodward facility. Mr. Palmisano

acknowledged this response. In further answering, he advised that the proposed facility would house equipment, as well as any apprenticeship programs that might be created. Training would include entry level carpentry, but no electrical training.

Mr. Wolf advised Mr. Palmisano that the Executive Committee vote for preliminary approval is subject to ratification by the full board and once approved by the full board would require the commissioning of a cost/benefit analysis and the “but for” analysis which reports, if ordered now, would more than likely be completed by the September meeting. Then a PILOT would be negotiated, followed by a vote of the full board for approval.

The public was asked for comments and Mr. Steven Kennedy was recognized. He congratulated Mr. Palmisano, adding that the local hire objective piece is appreciated but that he would also like consideration of assistance to previously incarcerated individuals through a re-entry program.

There being no further public comment, a vote was taken on the motion of Mr. Saizan, with the second by Mrs. Good. By unanimous vote of the Executive Committee, preliminary approval was granted to the 1730 Tchoupitoulas project subject to confirmation and approval by the full board within 120 days.

There being no further discussions during the Executive Committee meeting, a motion was offered by Mrs. Good and seconded by Mr. Saizan for adjournment. The meeting adjourned at 2:15PM.

Susan P. Good, Secretary/Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
AUGUST 9, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Mindy Brickman

Susan P. Good, Sec.-Trea.

Eugene J. Green, Jr

Edith G. Jones

Kyle Jones

Todd O. McDonald

Alan H. Philipson, Pres.
Vice Pres.

Theodore Sanders, III

Darrel J. Saizan, Jr.,

C. David Thompson

Absent:

Justin Augustine, III
Jeffrey Schwartz

Troy A. Carter, Sr.
Eric Strachan

Walter C. Flower, III

Also Present:

Sharon Martin, Administrator, IDB

Joyce Matthews, Administrative Assistant, IDB

David Wolf, Adams & Reese, Bond Counsel

Guests:

Tonya Pope, Jazzland

Leigh Ferguson, Downtown Development District

Arthur Busby, community Legion, Oak Island Subdivision

Lynette Sparrow, Oak Island Subdivision

Edward L. Blouin, Village de L'Est Improvement Assn.

Scott Murphy, Ironworkers International

Jeb Bruneau, Advantous Consulting, LLC

Emanuel Mitchell, Sr., Carpenters Union #1846

Frank Scurlock, Transformation Village

Thomas Griffin Lennox, Stirling Properties

Amy Glovinsky, Bureau of Governmental Research

Stephen Stuart, Bureau of Governmental Research

Paul Rodgers, WVUE, Fox 8

Brenda Canada, New Orleans Business Alliance

Ernest Gethers, City of New Orleans, Dept. of Economic Development

Andrew Valenti, City Business

Chad Calder, The Advocate

Steven Kennedy

Richard Briscoe, Gulf South Engineering

Jason Comer, Adams and Reese

Rebecca Conwell, City of New Orleans, Dept. of Economic Development

Rosalind Thibodeaux, Thibodeaux Reed Realty/Jazzland

Nelson Jack Rowe, Jazzland

Jenifer Larino, Nola.com/Times Picayune

Mario Washington, HANO/Iberville Project Manager

Guests cont'd

Tiger Hammond, SouthEast La. Building Trades

Scott Cull, 3090 Management

Stanley McDaniel, The McDaniel Group

President, Alan H. Philipson, called the meeting to order at 12:39 PM. A roll call was conducted and a quorum was confirmed. An introduction of guests was held. By motion of Mr. Darrel Saizan, and a second by Mrs. Edith Jones, the Board voted unanimously for approval of the July 12, 2016 board meeting minutes. The President presented an agenda amendment and then deferred explanation of such to counsel, David Wolf.

Mr. Wolf advised that the agenda is being amended to include the France Road project (Edward Avenue Partnership). He provided that the seven-year tax credit period has matured, requiring Board approval and authority. Details will be addressed when the issue arises later on the agenda.

It was moved by Mr. C. David Thompson, and seconded by Mr. Eugene Green, and unanimously approved by the Board, to amend the agenda to include the France Road project matter so described.

1730 TCHOUPITOULAS, LLC

Counsel updated the Board that at the July 12 board meeting, due to a lack of a quorum, the Board convened an Executive Committee pursuant to the January 26, 2006 resolution authorizing same, to review the application and PILOT request submitted by 1730 Tchoupitoulas, LLC, after which, the project concept and the PILOT request were given preliminary approval. That preliminary approval, according to such January 26, 2006 resolution, must now be ratified and approved by the Board.

By motion of Mr. Green and seconded by Mr. Saizan, the Board voted unanimously to ratify and approve the “preliminary approval” granted to 1730 Tchoupitoulas, LLC at the July 12, 2016 Executive Committee.

STARLIGHT STUDIOS

The Board was informed that Starlight Studios, (a previously approved project with PILOT), closed on a conventional loan. They are now ready to move forward on the first phase of the project’s construction. A closing will be arranged. The Board is now being requested to give IDB officers the authority to sign the documents.

By motion of Mr. Thompson, and seconded by Mr. Todd McDonald, the Board voted unanimously to give the IDB officers authority to sign all documents in connection with Starlight Studios.

IBERVILLE ON SITE

The Board was informed that Josh Collen of HRI Properties advised they were ready to move on to the next phases of Iberville, namely, Phase V and Phase VI. He has asked that the update on this matter be deferred until the September Board meeting.

FRANCE ROAD PROJECT (Edward Avenue Partnership)

Mr. Wolf updated the board on the France Road project (Edward Avenue Partnership) which closed in 2009. This is a matter in which a seven-year New Market Tax Credit was utilized along with the Board's GO Zone Bonds. The seven-year compliance period for the NMTC will end soon. As a result, certain documents may need amending and signing by the IDB. A resolution has been prepared and included in the Board folders which provides authority to the President and Secretary-Treasurer to execute documents and amendments as may be necessary in connection with the transfer of \$7,514,000 Gulf Opportunity Zone Revenue Bonds, Series 2009 from Iberia Bank to First NBC who will purchase the bonds at the conclusion of the New Market Tax Credit Compliance Period. Mr. Wolf stated that he did not anticipate any substantial changes to the structure of the issuance. All terms of the bond issuance remain the same.

A motion authorizing the President and Secretary-Treasurer to sign documents in connection with the expiration of the New Market Tax Credits as delineated in the Resolution presented by counsel, David Wolf (See copy of Resolution attached) was offered by Mr. Thompson, and seconded by Mr. Saizan. There being no further discussion, the Board voted unanimously for approval of same.

At this time, the president suggested that Six Flags updates be discussed at the end of the following items on the agenda as discussed.

REPORTS

Financials

Mrs. Susan Good reported that all annual fees have been collected. All line items were within budget to date and all Six Flags matters have been separated in the financial report. The CDs are listed in the "Notes" section of the report. Mrs. Good advised that there will be a need to move approximately \$250,000 from the Whitney account to another bank in light of the fact that the FDIC insures only \$250,000 of any social security or employee identification number at the same institution.

Administrator's Report

Ms. Sharon Martin, the IDB administrator, advised that a copy of her report was included in each member's meeting folder. Ms. Martin further advised that she has received a response from the City on the steps necessary to participate in the City's retirement program.

SIX FLAGS

The President advised guests that no conclusions would be reached today on the matters being discussed. Issues discussed today will be dealt with at the September meeting. The President then deferred to Mr. Wolf who distributed and explained the Six Flags Options list. (See the list attached).

The Board was informed that the current Six Flags fund balance is approximately \$421,000. Future anticipated expenses include insurance, grass maintenance, security (app. \$14K per/month), legal and administrative fees which total approximately \$210K per year.

Mr. Wolf reminded the Board of the RFP which was issued approximately 2 ½ years ago from which two responses were received (TCP/Jazzland and Transformation Village). This process is still ongoing as these two developers have yet to provide confirmation of the ability to finance their projects. Further, to date, no other formal proposals have been received.

The site now contains standing water at various locations as was mentioned in the appraisal. The IDB is now receiving water complaints from residents of the adjoining subdivision which contains some 100 homes.

There are continued instances of trespassing by humans and by video drones. Many of these videos can be found on Wikipedia. The Six Flags site appears to be a special location for urban adventurers.

Appraisal

At the June meeting, the Board selected the McEnery Company to appraise the Six Flags site. That appraisal has been completed. Of note, the appraisal included two tracts of land - the amusement park which comprise 4-5 parcels and another 65 acres, a non-contiguous parcel. The appraised value of the amusement park is set at \$3 million and the non-contiguous parcel is valued at \$260K. This conclusion includes vertical improvements - buildings and rides. Scrap

metal value is offset by cost of removal. One firm, Web Pro of Baton Rouge, reached this conclusion regarding the costs of removal, which included the rides. Demo Divas quoted the removal of the vertical improvements and other salvageable materials at a value to be offset by the salvaged materials. Accordingly, the appraisal included a \$0 value for the rides.

The appraisal is approximately 287 pages. Pages 1-5 provide the summary of the forgoing information. At the main site, the appraised value is approximately \$18,500 per acre. The value of the non-contiguous parcel is \$4,000 per acre. That parcel is unimproved wetlands, a marshland, and would require significant mitigation.

Page 60 of the appraisal provides a view of what could take place at the site – a “best use”. It recommends to the IDB a) obtain a recent survey of the parcel; b) obtain an environmental study of the site which will be needed for a commercial sale. Mr. Wolf then introduced Mr. Jason Comer a real estate attorney at Adams and Reese. He gave an overview of the items recommended in the appraisal. He advised that the first phase of an environmental assessment would cost approximately \$5,000. He further advised that Adams and Reese is prepared to do the title search work.

In summary, Mr. Wolf advised that IDB options were as follows:

- 1) Do nothing
- 2) Offer site as rental using the Board’s standardized short-term use agreement at a rate of \$5,000 for 3-day access.
- 3) Send out inquiries to those who want/wanted to purchase the rides. The City suggested previously that the rides remain intact.
- 4) List the site for sale.
- 5) Auction the rides.
- 6) Donate the property to the City. (This has been previously addressed but no formal vote to-date)

Further as an option discussion item, Mr. Wolf directed the Board to an email written by board member Mr. Jeffrey Schwartz which was sent to all board members. That email addressed several ideas as well, including 1) the creation of a committee comprised of the City’s economic agencies and departments, i.e., GNO, Inc., NOLABA, Rebecca Conwell, in an effort to recraft a vision/plan to redevelop the site; and 2) securing a real estate management company for the site. (See a copy of the email attached).

He further reminded the Board that the IDB has received offers, in the past, for purchase of the rides. The City, however, did not want to take that action. Ms. Rebecca Conwell of the City interjected that the Review Committee was ready to move forward with an auction of the rides but former IDB counsel, Ray Cornelius, recommended that such a move not be considered at that time.

Mrs. Good stated that her appreciation for removal of the rides from the property, (unless the City comes up with something better), would be recommended to eliminate the constant trespassing. In following the recommendation in the appraisal, moving forward with the demolition of the site, the IDB's costs in doing so would be offset by the salvage value. Mr. Philipson reiterated and reminded the Board that today, the Board is discussing its options with no action being taken at this time.

There was an inquiry for an explanation as to what was involved in conducting phase one of an environmental study/assessment. Mr. Comer advised that such a study would entail a look at the IDB's records of the site such as surveys, plans, site visits, and interviews with neighbors, etc. Some of these documents are already on file. Phase two would be more detailed.

As discussion concluded, Mr. Philipson directed Ms. Martin to prepare and send to each board member a composite of the items discussed today. He reminded the Board, that conducting phase one of the environmental study, the title search and surveys would be at the expense of the IDB. He then asked for a motion authorizing Adams and Reese to move forward with the study and the title search.

By motion of Ms. Mindy Brickman, and seconded by Mr. Theodore Sanders, the Board approved the commissioning of Adams and Reese to conduct a title search and survey, and to hire the appropriate company for phase one of the environmental assessment which is not to exceed \$5,000. According to Mr. Comer, the time frame for completing this task would be approximately 30 days. Mr. Philipson stated that once phase one has been completed, the Board will have the option to move forward with phase two of the environmental assessment.

After all discussions, the Board voted unanimously on the motion.

The President then opened the floor for public comment.

Ms. Lynnette Sparrow of the Oak Island Homeowners Association was recognized. She came to express concerns of the homeowners about the slime and standing water that is now overflowing from the Six Flags site into the backyards of those homes that lie adjacent to the site. The standing water has created a very bad mosquito problem. To date, there has been no protection from the City. She also expressed concern about the grass cutting.

Mr. Philipson advised that the mosquito issue is a City matter and that the IDB is looking into the standing water problem which may or may not be a Six Flags issue. Ms. Martin informed Ms. Sparrow that the IDB goes to great measure to ensure the grass on those properties owned by the IDB is maintained. She further advised that grass was cut about six weeks ago. Ms. Martin offered to provide her contact information should any questions or concerns come up in the future.

Mr. Ed Blouin was recognized. He requested a copy of the appraisal. Mr. Wolf stated that the appraisal, as public record, would be placed on the IDB's website after the meeting.

Ms. Tonya Pope of Jazzland was recognized. She suggested that the IDB sell her the property pursuant to her offer of \$2 million as she thought this would be the IDB's best option. She requested, as an interested party, that the rides not be put up for auction. Mr. Philipson stated that with the appraisal, the IDB has a market value for the property and that there may be other offers as a result thereof. Mr. Green informed Ms. Pope that as a quasi-governmental agency, the IDB could not sell the property for less than the stated value in the appraisal.

There being no further discussions and all agenda matters were addressed, the President asked for a motion to adjourn which was offered by Mr. Saizan and seconded by Mr. Green.

The meeting adjourned at 1:23PM

Susan P. Good, Secretary-Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
SEPTEMBER 13, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Mindy Brickman Troy A. Carter Walter C. Flower
Eugene J. Green, Jr Edith G. Jones Kyle Jones
Alan H. Philipson Darrel J. Saizan, Jr. Theodore Sanders, III
Jeffrey Schwartz Eric Strachan C. David Thompson

Absent:

Justin Augustine, III Susan P. Good Todd O. McDonald

Also Present:

Sharon Martin, Administrator, IDB
Joyce Matthews, Administrative Assistant, IDB
David Wolf, Adams & Reese, Bond Counsel
James Moffett, Adams & Reese, Bond Counsel
Jason A. Comer, Adams & Reese, Counsel

Guests:

Dolly Narhi, WDSU News Desk
Andrew Valenti, City Business
Beau Evans, Times-Picayune
David Meyer, Barrier Construction
Dottie Reese, HRI/DMM
Margaret Montgomery-Richard, HRI/DMM
Jeff Adetson, The Advocate
Ed Blouin, Village de L'Est Improvement Assn.
Arthur Busby, Community Legion
King Logan, Starlight Studios
Lauren Marshall, Woodward Design-Build
Nick Stodd, Woodward Design-Build
Damon Brumfield, City of New Orleans
Brad Shannon, Palmisano Contractors
Leigh Ferguson, Downtown Development District
Mario Washington, Housing Authority of New Orleans
Scott Cull, 3090 Management
Lisa Ross, Orleans Parish Assessor's Office
Jeb Bruneau, Advantous
Josh Collen, HRI
Chris Clement, HRI
Sidney Barthelemy, HRI

Guests cont'd

Christian Generes, Landis Construction

Scott Niemeyer, Deep South Studios

Stephen Stuart, Bureau of Governmental Research

Stanley McDaniel, The McDaniel Group

Stephen Daste, FFC Capital

Wes Palmisano, Palmisano Construction/1730 Tchoupitoulas, LLC

Steven Kennedy, REO, LLC

Courtney Stuckwisch, City of New Orleans, Office of the Mayor

Rebecca Conwell, City of New Orleans, Office of the Mayor

Hayne Rainey, City of New Orleans, Office of the Mayor

Katy Dupre, New Orleans Business Alliance

Adam Crepelle

Marcel Wisznia, Wisznia Architecture+Development

Zack Moore, Sabiston

Maurice Baird, Office of Councilman James Gray

Tonya Pope, Jazzland

Denise Washington, Achieve Realty

Morris Kahn, Kahn

Ernest Gethers, City of New Orleans, Office of the Mayor

President, Alan H. Philipson, called the meeting to order at 12:37 PM. An introduction of guests was held. A roll call was conducted and a quorum was confirmed. By motion of Mr. Eugene Green, Jr., with a second by Mr. C. David Thompson, the Board voted unanimously for approval of the August 9, 2016 board meeting minutes. The President presented the agenda, advising there were corrections and an amendment thereto. He then deferred explanation of same to counsel, David Wolf.

Mr. Wolf advised that Item 6, namely Deep South Studios and the request for reconsideration of the PILOT is to be corrected to reflect that the request is not by the City of New Orleans but rather a request by the Developer. Secondly, the amendment will be the addition of a presentation by HRI at which time an update on the DBE and local hire status related to the Rampart Street Homewood Suites will be provided.

It was moved by Mr. Thompson, and seconded by Mr. Green, and unanimously approved by the Board, to amend the agenda to include the correction and the amendment.

1730 TCHOUPITOULAS, LLC

Counsel updated the Board that both the cost/benefit and the “but-for” analyses are currently being worked on in this matter. Once completed, meetings will be held among the IDB Review Committee, the City, the Developer and the Consultants to discuss the analyses and resolve a PILOT proposal to present to the Board for consideration and approval. At this time no action is required by the Board with the exception of the ratification of the preliminary approval which was voted upon at the July 12 Executive Committee meeting.

Mr. Wes Palmisano, the Developer representative, was recognized and distributed a project overview which highlighted proposed aspects and plans for the site (**copy on file**). He stated that construction of this project will be a benefit to the City. The location, in a downtown corridor, along Tchoupitoulas Street, could serve as a catalyst for that area's growth. He reminded the Board of the current proposed 80 permanent jobs that are slated to be created at the site with growth potential of 100 more over the period of 3-5 years. He added that he has been working to create a partnership with a separate entity that includes training programs related to the construction industry (particularly, carpenters, etc.) at the facility through which certification can be attained. Mr. Philipson asked how this training program would differ from that being done through companies such as Gibbs, etc. Mr. Philipson then shared his concerns regarding the proposed potential for retail which is included in the project. He inquired as to how it is anticipated that such retail would work at that location.

After several questions from the Board concerning 1) the training program and related employment designated for Orleans Parish residents; 2) the potential for retail; 3) the partnership between 1730 Tchoupitoulas (1730)/Palmisano Construction and ABC (Amalgamated Builders and Contractors out of St. Rose); 4) whether the employees of 1730 would be given a discount as a result of a partnership or be trained free of charge; 5) will rent paid by ABC; 6) will certain training slots be dedicated to Orleans Parish residents; 7) how will the training program be run i.e., how many semesters; how many students per class; 8) whether the 100 jobs to be created will be permanent or temporary and will they be for the newly trained. Mr. Palmisano responded, stating that training will be by demand and by companies wishing to provide additional training to its employees. It is anticipated that 1730/Palmisano and ABC will engage in a partnership for training at the facility and that 1730/Palmisano employees will be given a discount. Further, 1730/Palmisano will recruit on a regular basis, for its two year, 2-semester program (spring and fall); and that ABC has a standard cost of \$900 per semester which is typically paid by employers/construction companies. After passing the training test, the students will be certified by ABC. 1730/Palmisano is not a part of the union.

Mr. Darrel Saizan inquired as to whether the training would provide jobs to Orleans Parish residents. He added that the IDB tried this training/employment concept in the past with some success. He asked if there was any consideration for training of professionals for front office jobs. If so, he encouraged the Developer to engage in conversations with and outreach to local schools, organizations and colleges.

Mr. Philipson brought discussions to an end, requesting a motion for ratification of the July 12 vote. By motion of Mr. Green and seconded by Mr. Saizan, the Board voted unanimously to ratify and approve the "preliminary approval" granted to 1730 Tchoupitoulas, LLC at the July 12, 2016 Executive Committee.

DEEP SOUTH STUDIOS

Mr. Wolf presented an overview of this agenda item, advising that the Board previously gave approval of this application with a PILOT at the January 2015 board meeting. This project proposed the construction of a movie production studio and is represented by Mr. Scott Niemeyer. He now comes before the board to request, from the City and the IDB, an additional \$1M consideration to the PILOT as an incentive to bolster EB-5 participation. Mr. Wolf then deferred an update of the project to Mr. Niemeyer who thanked the Board for its unanimous approval in January 2015. He advised that since that approval, the State has modified, altered and reduced its film industry incentive program. That reduction has affected financing in the film industry. The State's new position is impactful and has caused a loss of jobs throughout the State and the City in the film industry. This change has also made it difficult to raise capital in terms of adding EB-5 participants which are no-risk subscribers. He now is seeking additional municipal

support in the amount of \$1 million dollars which would aid in its pursuit of EB-5 participants. This additional investment in the project shows EB-5 agents the interest and support of the City in the project which the agents have indicated investors are asking to see. Mr. Niemeyer stated that he and others continue to

work at the State level to encourage a robust motion picture industry incentive. Mr. Thompson then inquired as to the amount raised to date, as well as the name of the law firm being used to assist in attracting EB-5 participants. He added that it is his understanding that some think EB-5 activity is not a good investment. Mr. Niemeyer advised that its legal counsel in this matter is Baker Donelson. He added that most of the participants are coming from China; that sales efforts are and have been underway and that most of the marketing is done in China. It is these investors who are looking for the municipal support from us. He emphasized that a showing of additional support by the IDB and City provides a level of confidence in the project that will help tremendously in obtaining EB-5 participation and could mean lots of jobs at the core.

Mr. Thompson then asked how the additional tax relief being requested was calculated, i.e., what is the formula. Mr. Niemeyer advised that while this figure may appear arbitrary, it is based on the last two years of activity of the EB-5 program. Mr. Thompson asked if the IDB/City agreed to the additional \$1M, would that aid in attracting the \$48M that is being pursued through EB-5 participation. Mr. Niemeyer replied, "Yes". He added that job creation has already begun at the site with the clearing of the property and the hauling efforts that have taken place to date. These efforts were achieved by way of his [Niemeyer's] personal equity in the project. The tax relief would help to create additional jobs.

Discussions continued including the issue of the flight of film companies that were in Louisiana and New Orleans who have now taken their business to Atlanta. Niemeyer stated that he continues discussions with State legislators to understand the need to have these businesses return to Louisiana. Mr. Philipson, after all discussions were had, recognized Councilmember Nadine Ramsey and deferred to her for comment. She stated she appears today to show support of the Deep South project, adding that she wishes to see these challenges met as expressed by Niemeyer. She added that the IDB's support for the additional request would send a clear message that the City supports the project.

Ms. Rebecca Conwell, the Mayor's Senior Advisor for Economic Development, added that the City supports the project and that it looks forward to the jobs created as well as the commitment by the IDB to the film industry.

Mr. Philipson thanked Mr. Wolf and everyone for their comments and interest, adding that the IDB is enthusiastic about the project. The IDB knows the problems being experienced by the film industry due to the legislative incentive changes. He added that the IDB, has in the recent past, lodged its request with the State for reconsideration of these changes.

Further appreciations were registered by Mr. Green who stated that he would be ready to vote today on the request for additional support of the project. Mr. [Senator] Troy Carter stated that as a Senator, he is familiar with the cutbacks due to legislation which deals with incentives to the film industry, and conversely, the impact of the tremendous value of the untold jobs that could be created if changes were made. This project would not only be located on the west bank of New Orleans but would have a regional impact. It would affect not only New Orleans but also Jefferson and Plaquemines Parishes. He applauded the City Council and the City for its support of the project and suggested that the IDB provide its support as well.

The President then opened the floor for public comments. There were none.

Mr. Thompson then inquired as to the ad valorem tax flow considering an additional \$1M infusion. Mr. Wolf directed the Board to a copy of a chart that was included in their folder. See below chart:

Mr. Wolf provided the following overview of the request, stating that the IDB would be approving an amendment to the PILOT Payments previously approved and incorporated in the draft of the Lease Agreement that was approved at its January 13, 2015 board meeting. The current proposal would provide a PILOT “Credit” to the Developer for all Base PILOT Rents and Supplemental PILOT Rent payments in excess of the sum of \$3,129 per year (which sum will be the minimum annual Base PILOT Payment in any case), until such time as the cumulative amount of such PILOT Credits reaches One Million Dollars (\$1,000,000). Once the cumulative amount of PILOT Credits reaches \$1,000,000, then the Developer would commence making PILOT payments for the remaining term of the PILOT period in accordance with the previously approved terms. Further, all other terms and conditions expressed in the original draft of the Lease Agreement and in the resolution adopted by the IDB on January 13, 2015, would be ratified and confirmed. The IDB and the Developer acknowledge that there is no commitment whatsoever to any PILOT or other financial subsidy for future phases of the Project or any new projects. Any future applications and/or projects will be considered new and considered by the Board based on their own merits, including whether to provide any PILOT and, in the event of any PILOT, the structure of such PILOT. He reminded the Board that no action is required by the Board today.

It was then moved by Troy Carter, seconded by Theodore C. Sanders, III, to approve the PILOT relief requested (see attached Resolution). The resolution passed with 12 yes votes and 3 members absent.

IBERVILLE ON SITE

Mr. Josh Collen, Sr. Vice President of Development at HRI Properties, was recognized. He stated that he had various updates to provide on the status of the phases of the Iberville, as well as the Rampart Street Homewood Suites, projects including updates from DMM & Associates, which company monitors local hire and DBE participation.

Mr. Collen advised that Phase V and VI are scheduled to close in October, 2016 with construction scheduled to start immediately thereafter. Phase I and Phase II have been completed and are leased and occupied. Phase III has been completed with 75% of facility leased, and 60% occupied. Phase IV closed in November of 2015 and is 55% complete. He added that Woodward has done a great job on these projects. Phase V and VI totals 130 residential mixed-income, multi-use facilities and 3 townhouses. The final two phases will be residential. Phase VII will be pursued next year as they are waiting on the determination of the State concerning the terms of 9% tax credits by the La. Housing Corp. (See Report included in Board packet. Copy on file. As related to DBE participation and workforce training; to-date, \$30M in DBE contracts have been engaged; Phase I & II, final HRI/DMM reports that the total of DBE participation is \$13M or 31.6% of IDB contract value. Phase III completed as of July, has a participation value of \$36.3M or 29% of IDB contract value. Phase IV, 55% complete with a tracking to date of \$10.1M or 35% of IDB contract value, which, based on current activity, would yield a target past the threshold of the DBE participation.

With regards to workforce, Phase I & II hired over 40.06% Orleans Parish residents; 87 low-income Section 3 new hires; Phase III 43% and another 18 new hires. (See attached report updates re Iberville for additional updates in re training).

Mrs. Edith Jones inquired for clarity on the anticipated participation of NOLMAR going forward. Mr. Collen advised that NOLMAR self-performed its contracted terms.

Rampart Street Homewood Suites

Mr. Collen advised that Palmisano Construction is the general contractor on this project. He added that the project has off-site economic development tied to the Iberville, mainly jobs. This project is currently on schedule and DMM has been contracted to assist with outreach and identifying vendors and subcontractors to increase DBE participation. Rampart Street is gearing up for its training program to be launched in December/January with a goal to bring in new trainees. The goals for this project is set by a labor agreement in the building trades with a current 52% in applications as its goal. The DBE goal is currently under 18% or \$4.5M. Progress towards the labor agreement goals is approximately 52% or \$13M; residential workforce goal is at 44% and work completed on-site to-date is 63% complete. **(Copy on file).**

SIX FLAGS

Counsel advised that no action is required today in this matter. He then provided an update on the first phase of the Environmental Study, advising that Jason Comer of Adams and Reese solicited bids per the direction of the Board. Vertex Engineering came in as the low bid. Preliminary work has begun with an arranged onsite tour by Vertex through staff. It is anticipated that the final product will be ready by the IDB's next board meeting.

With regards to the surveys of the property, Adams and Reese has copies of a survey of the main portion of Six Flags but not the non-adjacent parcels. Outreach was made to the survey company that conducted the original survey and they are checking their records. Mr. Comer was reintroduced to the Board.

Mrs. Jones asked if the IDB ever received a determination on the standing water situation. Ms. Sharon Martin, the IDB administrator, advised that she met with staff of Barriere Construction who walked within and around the Six Flags site seeking to determine the path of the sewer system inside and outside the Six Flags site. By way of uncapping a drainage hole on Lake Forest Blvd., Ms. Martin was shown that water was barely or slightly being pumped from Six Flags. While in this search, Ms. Martin stated that she asked Barriere to view the drainage system lines on Michoud Boulevard as well. Similar failure of drainage was discovered. She is anticipating a report from Barriere on their findings. These findings are to include recommendations to remedy the pumping from the site.

REPORTS

Financials

In Mrs. Susan Good's absence, Ms. Martin advised the Board that a copy of the financials was included in their folder.

Administrator's Report

Ms. Martin advised that a copy of her report was included in each member's meeting folder. She added that a letter was sent to the City seeking to participate in its retirement program. She is now awaiting a response.

The President advised that all matters on the agenda had been covered. He then asked if there was any new or old business to be discussed. Being none, he opened the floor for public comment and/or input. There was none.

There being no further business or discussion, the meeting was adjourned by motion of Mr. Carter with a second by Mr. Jeffrey Schwartz.

Susan P. Good, Secretary-Treasurer

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS,
LOUISIANA, INC. September 13, 2016**

The following resolution was offered by Troy Carter and seconded by Theodore C. Sanders, III:

RESOLUTION

A resolution amending and supplementing the prior approval of a "Lease Agreement and Agreement to Issue Bonds" in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$26,700,000 of Taxable Revenue Bonds (Deep South Studios Project - Phase 1) of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., to provide additional PILOT incentives requested by the developer of said Project; and providing for other matters with respect to the foregoing.

WHEREAS, the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (the "IDB") has previously received and approved an application from Deep South Studio, LLC (the "Developer"), with respect to the development of a project consisting of the acquisition, construction and installation of a full-service motion picture, television and digital medial production facility, including sound stages, production offices, support space, back lot production areas and parking, to be located on an approximately 18.75 acre site at 11000 Mardi Gras Blvd., in Algiers (New Orleans), Louisiana (the "Project"); and

WHEREAS, in connection with the Project, the Developer requested and has been given approval of a structured series of annual payment in lieu of *ad valorem* taxes, the details of which with respect to the first phase of the project, consisting of approximately \$26,700,000 of project costs, have been negotiated by the IDB, the City of New Orleans through the Mayor's Office of Economic Development and the Developer, and were previously approved in an amount described in a resolution adopted by the Board of Directors of the IDB on January 13, 2015 (the "PILOT Payment"); and

WHEREAS, The Developer has requested that the IDB approve an amendment to the previously approved PILOT Payment terms to provide additional incentives in the form of reductions to the PILOT Payments of up to One Million Dollars (\$1,000,000), which request has been reviewed and approved by the Mayor's Office of Economic Development;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., acting as the governing authority of the IDB, that the IDB hereby approves an amendment to the PILOT Payments previously approved and incorporated in the Lease Agreement that was attached as an exhibit to the aforesaid resolution of January 13, 2015, to provide that a PILOT Credit will be given to the Developer for all Base PILOT Rent and Supplemental PILOT Rent payments described in Sections 4.03(b) and (c) of the aforesaid Lease Agreement in excess of the sum of \$3,129 per

year (which sum will be the minimum annual Base PILOT Payment in any case), until such time as the cumulative amount of such PILOT Credits reaches One Million Dollars (\$1,000,000). Once the cumulative amount of PILOT Credits reaches \$1,000,000, then the Developer shall commence making PILOT payments for the remaining term of the Lease Agreement in accordance with the previously approved terms thereof.

BE IT FURTHER RESOLVED that all other terms and conditions expressed in the Lease Agreement and in the aforesaid resolution adopted by the IDB on January 13, 2016, are ratified and confirmed.

BE IT FURTHER RESOLVED that in the Lease (see Section 4.04 of the Lease Agreement), the IDB and the Developer will acknowledge that there is no commitment whatsoever to any PILOT or other financial subsidy for future phases of the Project. Any future applications and/or projects will be considered *de novo* on their own facts, including whether to provide any PILOT and, in the event of any PILOT, the structure of such PILOT.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

Member Yea Nay Absent Abstaining

Justin T. Augustine, III X Mindy Brickman X Troy Carter X Walter C. Flower, III X Susan P. Good X Eugene J. Green X Edith Jones X Kyle Jones X Todd O. McDonald X Alan H. Philipson X Darrell J. Saizan, Jr. X Theodore C. Sanders, III X Jeffrey Schwartz X Eric Strachan X C. David Thompson X

And the resolution was declared adopted on this 13th day of September, 2016.

/s/ Susan P. Good /s/ Alan H. Philipson

Secretary-Treasurer President <https://d.docs.live.net/e23072ef6a344b98/Documents/IDB ADMINISTRATIVE FILES - CURRENT/BOARD MINUTES/MINUTES 2016/Minutes of 9-13-16 meeting Draft-Final.doc>

<https://d.docs.live.net/e23072ef6a344b98/Documents/IDB ADMINISTRATIVE FILES - CURRENT/BOARD MINUTES/MINUTES 2016/Minutes of 9-13-16 meeting Draft-Final.doc>

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STATE OF LOUISIANA
PARISH OF ORLEANS

I, the undersigned Secretary-Treasurer of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., (the "IDB"), do hereby certify that the foregoing _____ (__) pages constitute a true and correct copy of the proceedings taken by the Board of Directors of the IDB on September 13, 2016, amending and supplementing the prior approval of a "Lease Agreement and Agreement to Issue Bonds" in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$26,700,000 of Taxable Revenue Bonds (Deep South Studios Project - Phase 1) of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., to provide additional incentives requested by the developer of said Project; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the IDB on this the 13th day of September, 2016.

SEAL) [Approving Resolution - Page 11]

**INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS,
LOUISIANA, INC. September 13, 2016**

The following resolution was offered by Jeffrey Schwartz and seconded by C. David Thompson:

RESOLUTION

A resolution approving the form of and authorizing the execution of Lease Agreements and Agreements to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the issuance of Taxable Revenue Bonds for On Iberville (Phase V and Phase VI), of the Industrial Development Board of the City of New Orleans, Louisiana, Inc.; and providing for other matters with respect to the foregoing.

WHEREAS, the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (the "IDB"), is authorized and empowered under Chapter 7 of Title 51 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 51:1151 *et seq.*) (the "Act"), and other constitutional and statutory authority supplemental thereto, to acquire, own, lease, rent repair, renovate, improve, finance, sell, and dispose of facilities that are determined by the IDB to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of the City of New Orleans through the construction, renovation, or rehabilitation of improvements, other than facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities; and

WHEREAS, On Iberville Phase I, LLC, On Iberville Phase II, LLC, On Iberville Phase III, LLC, On Iberville Phase IV, On Iberville Phase V and On Iberville Phase VI or a related entity or entities (each a "Project Owner" and collectively the "Project Owners"), desire to undertake the development of a project, consisting of the conversion of the 23-acre Iberville Housing Project site bounded by Iberville, N. Robertson, St. Louis and Crozat St. in the City of New Orleans, Louisiana, into a mixed-use housing development (the "Project"), in multiple phases, the first four of which are already underway, as follows:

(a) Phase I (signed & effective November 4, 2013) consisted of the development of the blocks bounded by Iberville, Marais, Bienville and Crozat Streets, into approximately 152 subsidized and market-rate rental apartments, at a cost of approximately \$41,425,000;

(b) Phase II (signed & effective December 20, 2013) consisted of the development of the blocks bounded by Iberville, N. Villere, Bienville and Marais Streets, into approximately 75 subsidized and market-rate rental apartments, at a cost of approximately \$18,095,000; [Approving

Resolution - Page 12]

(c) Phase III (closed & effective December 18, 2014) consisted of the development of a portion of block bounded by Basin, Bienville, Tremé and Conti St., and a portion of the block bounded by Bienville, Marais, Conti and Tremé St., into approximately 105 subsidized and market-rate rental apartments, at a cost of approximately \$31,086,000;

(d) Phase IV (signed & effective November 19, 2015) consisted of the development of the blocks bounded by Iberville, N. Roberson, Conti and N. Villere Streets, and the two existing buildings on the northeast side of Bienville St. between N. Villere and Marais Streets, into approximately 164 subsidized and market-rate rental apartments, at a cost of approximately \$43,100,000;

(e) Phase V will consist of the development of a portion of the block bounded by Bienville, Marais, Conti and Tremé Streets into approximately 80 subsidized and market-rate rental apartments, at a cost of approximately \$24,100,000;

(f) Phase VI will consist of the development of a portion of the block bounded by Bienville, N. Villere, Conti, and Marais Streets, into approximately 50 subsidized and market-rate rental apartments, at a cost of approximately \$17,100,000; and

(g) the remaining Phase VII will consist of the development of the remainder of the Overall Iberville Redevelopment Project into approximately 80 subsidized and market-rate rental apartments;

each phase of which qualifies as a "development project" and which has been determined by Lessor to serve a public purpose, within the meaning of the Act; and

WHEREAS, pursuant to the Act, property acquired by the IDB in connection with their issuance or agreement to issue bonds is exempt from ad valorem tax and the IDB is permitted to require a payment in lieu of tax in an amount not exceeding what the ad valorem tax would have been on such property if such property were privately owned; and

WHEREAS, it is now the desire of this Board of Directors to authorize the President and/or Vice President and Secretary-Treasurer to execute the two separate agreements, each to be styled "Lease Agreement and Agreement to Issue Bonds" in connection with the development of Phase V and Phase VI of the Project as described above (the "Lease Agreements"), in substantially the form attached hereto as Exhibit B, and for the IDB to acquire the property described as Phase V and Phase VI therein, and such other matters necessary and desirable in connection therewith; and

WHEREAS, this Board of Directors has previously approved, by resolution adopted on August 29, 2013, to further approve a schedule of payments-in-lieu-of-taxes ("PILOT"), closing fees and annual fees that has been negotiated by the IDB, the City of New Orleans and the Project Owners, which resolution further provided that final approval of the lease agreement(s) and other details relating to Phase V and Phase VI of the Project (other than the PILOT and fee payments included in Exhibit A to the August 29, 2013 resolution) shall be by subsequent resolution of this Board of Directors; [Approving Resolution - Page 13]

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., acting as the governing authority of the IDB, that:

SECTION 1. Approval of Lease Agreement. The IDB hereby approves a Lease Agreement and Agreement to Issue Bonds for Phase V and Phase VI, both to be in substantially the form attached hereto as Exhibit A-1 and A-2 with such changes as are approved by bond counsel to IDB, (ii) the execution and delivery of said Lease Agreements, (iii) the acquisition of certain leasehold improvements now or hereafter located on Phase V and VI and the final phase of the Project as described therein, and (iv) such other matters necessary, convenient, appropriate and desirable in connection with the matters approved hereby.

SECTION 3. Negotiation, Execution and Delivery of Documents. The President, Vice President and/or Secretary-Treasurer, or any one of them acting independently, are hereby authorized and directed for, on behalf of, and in the name of the IDB to negotiate, execute and deliver any and all documents described herein, including, without limitation, the Lease Agreements, conveyances to the IDB of certain leasehold improvements now or hereafter located on Phase V and Phase VI and the final phase(s) of the Project and all improvements now or hereafter located thereon and additional instruments, documents and certificates in addition to the documents described herein that are deemed by such officers, upon the advice of counsel, to be necessary, convenient, appropriate or desirable including a memorandum of understanding describing the incentives approved on this date. The signatures of the said officers upon documents specifically described herein together with any documents and certificates as may be otherwise required for necessary, convenient, appropriate or desirable related to matters described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 4. Authorization. The President, Vice President and/or Secretary-Treasurer shall all, or any one of them, upon the advice of counsel, shall be further authorized to negotiate, execute and deliver any future servitudes, easements, mortgages, rights-of-way, releases, conveyances or other instruments with respect to the Project, as may be required by or provided for in the Lease Agreement or in connection with any bonds, or as may be requested by the Project Owners, or as may otherwise be required for or necessary, convenient or appropriate to the Project and any bonds described above.

SECTION 5. Effective Date. This resolution shall take effect immediately. [Approving Resolution - Page 14]

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

Member Yea Nay Absent Abstaining

Justin T. Augustine, III X Mindy Brickman X Troy Carter X Walter C. Flower, III X Susan P.

Good X Eugene J. Green X Edith Jones X Kyle Jones X Todd O. McDonald X Alan H.

Philipson X Darrell J. Saizan, Jr. X Theodore C. Sanders, III X Jeffrey Schwartz X Eric Strachan

X C. David Thompson X

And the resolution was declared adopted on this 13th day of September, 2016.

/s/ Susan P. Good /s/ Alan H. Philipson

Secretary-Treasurer President

STATE OF LOUISIANA
PARISH OF ORLEANS

I, the undersigned Secretary-Treasurer of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., (the "IDB"), do hereby certify that the foregoing _____ (__) pages constitute a true and correct copy of the proceedings taken by the Board of Directors of the IDB on September 13, 2016, approving the form of and authorizing the execution of Lease Agreements and Agreements to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the issuance of Taxable Revenue Bonds for On Iberville (Phase V and Phase VI), of the Industrial Development Board of the City of New Orleans, Louisiana, Inc.; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the IDB on this the 13th day of September, 2016.

(SEAL) Secretary Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, OCTOBER 11, 2016 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.**

October 4, 2016

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, NOVEMBER 8, 2016 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. NOTICE OF THE NEXT IDB BOARD MEETING WILL BE ISSUED IN ADVANCE OF THE SCHEDULED MEETING.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

October 27, 2016

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
DECEMBER 13, 2016 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

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

Absent:

Justin Augustine, III	Mindy Brickman	Troy A. Carter
C. David Thompson		

Also Present:

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

Guests:

LaSwanda Jones, Downtown Development District

Toni Weiss, Tulane University
Stanley McDaniel, The McDaniel Group
Stephen Stuart, Bureau of Governmental Research
Maurice Baird, Office of Councilman James Gray, District E
Tiger Hammond, GNO AFL-CIO
Stephen Daste, FFC Capital
Steven Kennedy, Citizen
Lisa Maurer, Adams and Reese
Lisa Ross, Orleans Parish Assessor's Office
Morris Kahn, TCM
Barry Tharp, Trinity Tharp
Tonya Pope, Jazzland
Toni McCormick, Citizen
Maximus A. Perdomo, Insulators LU#53
Bill Good, Citizen
Jeb Bruneau, Advantous Consulting
Courtney Stuckwisch, City of New Orleans
Brenda Canada, NOLABA
Jessica Williams, The Advocate
Avery Foret, Sherman Strategies
Hope Sherman, Edwards Communities
Jon Wood, Edwards Companies
Chip Fleetwood, DC#80 IUPAT

Scott Cull, 3090 Management, LLC
Rebecca Conwell, City, Mayor's Office of Economic Development
Courtney M. Thomas, Mayor's Office
Ed Blouin, Village de L'Est
Mike Sherman, Sherman Strategies

Hichan K. Hoolr

Andrew Valenti, City Business

President, Alan H. Philipson, called the meeting to order at 12:40 PM. An introduction of guests was held. A roll call was conducted and a quorum was confirmed. By motion of Mr. Walter Flower, with a second by Mr. Eugene Green, the Board voted unanimously for approval of the September 13, 2016 Board meeting minutes.

1730 TCHOUPITOULAS, LLC

The President informed the Board that Mr. Palmisano, the Developer representative, requested a withdrawal of the 1730 Tchoupitoulas, LLC application, adding therefore, no further action is necessary in this matter.

SOUTH MARKET DISTRICT – THE ODEON

The President advised that Mr. Matt Schwartz, representative for South Market District, asked to have this matter deferred until the January meeting.

EDWARDS NOLA MIDCITY APARTMENTS

Mr. Mike Sherman, representing the Developer, provided an overview of the project. The project would be built along the Lafitte Greenway on a site which was previously an industrial area/railway corridor. 382 apartment units are proposed including some retail. He further advised that the Developer has held meetings with the neighborhood associations on this project. The Developer plans to meet both the City's DBE target (35%) and the IDB local hire target (40%) partly through Hire NOLA. Mr. Sherman advised that at this time no general contractor has been selected. In his presentation, he added that with the City's "density" bonus through the City's Plan Development District, the Developer has been allowed to create 382 units rather than the 217 as initially proposed. Each unit will include 1.4 units of parking per apartment for a total of 535 parking spaces. The Developer has also committed to including 14 low-income units (primarily studio units) for those individuals living at less than \$12,600 per year or below 30% AMI. The complex is considered neither high end or low end, per the Developer's comparables. The units fit within the rent structure for work force guidelines. Mr. Sherman stated that without IDB and City support of the project, the project could not be accomplished.

He then advised that the Developer now comes before the Board for approval of a PILOT which has been modified as a result of meetings with the IDB Committee, the City and the IDB consultants. The modified PILOT proposal raises the offer by \$75K per year after year five (5) adding to that total each

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year, a yearly 2.5% increase, after the rent has been stabilized. After year twelve (12), the complex will return to the tax rolls adding millions of dollars in new revenue. Mr. Sherman was asked by Mr. Darrel Saizan the target market for occupancy for these units. He answered that the unit mix will be 1-2 person occupancy, some at 30% AMI, others between 30%-120% AMI, with average rents of \$1200. This rental does not include utilities but does include washer and dryer. He provided comparables of South Market District (downtown), stating rents were 20%-25% lower. The Tulane Avenue units (Crescent Club) are different as they include some tax credit units. There are no tax credit units included in the 382 units at

Edwards NOLA MidCity Apartment project. Through inquiry by Mr. Flower, the Board was advised by counsel that the density increase has no effect on the IDB's position in authorizing a PILOT.

After all discussions were had, the President requested a motion for consideration of the PILOT request. A motion was offered by Mr. Jeffrey Schwartz and seconded by Mrs. Edith Jones. Prior to a vote, the President offered the floor for public comment, advising a three (3) minute limit to commentary.

Ms. Toni McCormick representing the Park View area, a vicinity near the proposed project, was recognized. She stated that her neighborhood wished the IDB to deny the PILOT request. She added the citizens of New Orleans just recently were asked to vote on two more tax increases; that developers looking for tax incentives should make their contributions to the tax base as does any other property owner. She further stated that it was her understanding that parking is not all private at the apartment complex and that some parking will be offered for a fee.

Mr. Stephen Kennedy was recognized and he stated that he understands Ms. McCormick's concerns but that there is a need for affordable housing in the city. He is in support of the project but is concerned about DBE participation and the focus on DBE participation **after** service contracts have been issued. He would like the IDB to be concerned for participation at the front end and not only during construction. He asked the Board to consider the great need for affordable housing but to also think of the need for economic inclusion at the front end.

Mr. Sherman thanked Mr. Kennedy for his comments regarding DBE goals and not just on the construction side. He added that diversity should begin with participation for other professionals at the front end and not limited only to construction. He then pointed out that the site in question was an old railroad property, currently generating \$56,000 in taxes annually.

Ms. Saizan asked whether each person renting would be assured a parking space, in light of there being 40% more available parking spaces. Mr. Sherman stated there is a fee for parking. There are 535 parking spaces. The ratio is 1.4 to 1 parking spaces, allowing them to sell parking. He added, that the City does not have guidelines for parking but everyone will have access to a space. Discussions were held as to how a tenant would/could pay for parking or how it could be included in the rent rate. Mr. Saizan stated

that he was concerned for tenants who did not have a guaranteed parking space. Mr. Sherman stated that he can assure that a parking fee would not be over \$20 per person per space.

Mrs. Susan Good asked how many years would the \$75K increase per year, with the additional 2.5% increase per year, remain at this level. The \$75K per year would start at year five (5). Ms. McCormick shared her additional concern over what happens if the complex is not leased in its entirety as there are a plethora of luxury apartments yet not rented. In response to Ms. McCormick's concern, Mr. Green interjected that such a question would be hard to answer. Only the market will determine such a case, adding that he does not see a negative impact with the project. As a member of the City Planning

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Commission he wished to commend the City, the citizens and those concerned for the sharing of information. This is an example of when projects bring people together. He stated he was also glad the IDB could offer incentives and oversight; and he appreciated the Developer's willingness to modify its PILOT proposal so that there is greater benefit to the City. Mrs. Jones stated that the City's mandate for the 14 low-income units is commendable since the Developer was not required to offer affordable units. The President then deferred the matter to Mr. David Wolf, IDB bond counsel.

Mr. Wolf advised the Board that a copy of the PILOT proposal was included in their Board packet which shows a Table of PILOT payments. It offers the first three (3) years at \$56,000 which the City presently collects, and as such no taxing body will receive less than what they are currently receiving.

When completed, the 12-year PILOT increases yearly by \$75,000 at year five (5), with a 2.5% increase added thereto. This modified proposal is \$800,000 more than originally offered. The final lease agreement will include all other terms and claw backs, i.e., local hire/DBE targets/claw back penalties for failure to meet targets. As with other projects, there will be reporting requirements.

A vote was then taken resulting in a unanimous approval for the grant of a PILOT in the Edwards NOLA MidCity Apartments project.

SIX FLAGS

Tonya Pope Proposal

The President advised that Ms. Pope's purchase offer will be deferred and placed on the January agenda.

City

Ms. Rebecca Conwell of the Mayor's Office of Economic Development was recognized. Ms. Conwell recognized the amount of work performed by the IDB Board and staff and suggested, with due respect, that the Board consider ending/deleting the RFP for redevelopment. At this point, Mr. Wolf reminded the Board that three (3) years ago, the Board and City adopted a Request for Proposal for redevelopment of the site. A couple of responses were received, one of which was Mrs. Pope's proposal. Neither applicant has to-date provided how their project would be financed. The Board then moved forward with obtaining an appraisal, surveys, and an environmental study in order to move forward with marketing or selling of the property. He added that Mrs. Pope's group has submitted a written proposal to purchase. Cancelling the RFP doesn't change anything. If anyone wishes to submit a proposal, the IDB would look at it. Ms. Sharon Martin, IDB Administrator, advised that she anticipates the submittal of at least one more response to the RFP or an offer to purchase. Discussions continued regarding the necessity to discontinue the RFP and what would be done with the purchase offer currently on the table. It was then asked if there was another reason for the City's request. Ms. Conwell stated that she went on record months ago to get a national perspective of best use. She stated that she is not interested in disrupting IDB plans, but thought this was a good opportunity to regroup. Mr. Schwartz then asked if Mrs. Pope's proposal was revised and stated that he would like to see the Board move forward and that he saw no harm in leaving the RFP open although he is respectful of Ms. Conwell's suggestion. Mr. Philipson added that eliminating the RFP has no bearing on Ms. Pope's presentation in January. Mr. Green asked for the next steps in going to a national real estate company for sale of the property. Mr. Philipson responded, advising that he would be getting together with the City for a joint effort.

There was no motion for the pulling of the RFP at this time. The IDB will continue to work with the City.

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Financials

Mrs. Good advised that both the September and October financial statements were included in the Board's meeting packet but the review of the October statement is the most current. She stated that the Whitney Bank has some \$510K, and \$250K of that amount has been moved to a CD at Regions Bank. She noted that with the payments for security, the Six Flags funds are being depleted quickly. Only \$10,000 was taken in this year as revenue for Six Flags. All other line items are within budget with a balance of a surplus.

Budget

Mrs. Good presented a draft of the 2017 budget which she offered for review with a vote for same in January. She further advised that the draft reflects a CPI increase (.04%) in salaries for the Administrator and the Administrative Assistant. (See highlighted area in the copy attached). The only line item not included in the draft of the budget is the IDB retirement share related to a retirement fund for Ms. Martin. Ms. Good advised the Board will have time to amend the budget once participation is determined. Ms.

Martin informed the Board that while no written response has yet been received from the City on the Board's written inquiry to participate in the City's retirement plan, she has been informed that the IDB was denied participation based on the IDB not being a department, or agency, or board of the City. The IDB was determined to be an independent non-profit. Mr. Schwartz suggested that the IDB check into the retirement plan in which NORA participates as it is similar in political structure. Ms. Martin recognized the suggestion and stated she would so inquire.

A motion was offered by Mrs. Good to accept the budget as drafted including comments. Same was seconded by Mr. Theodore Sanders. The Board voted unanimously to approve the 2017 budget as drafted with consideration for retirement fund participation once determined.

The President asked for any other comments - public or otherwise. There being none and noting that all matters on the agenda had been covered, the President requested a motion to adjourn the meeting. By motion of Mrs. Good and seconded by Mr. Saizan, the meeting adjourned at 1:38PM.

Susan P. Good, Secretary-Treasurer

