

**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	Susan P. Good	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	Laura H. Brown	Troy A. Carter, Sr.
Todd O. McDonald		

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