

**MINUTES OF THE BOARD MEETING  
OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
CITY OF NEW ORLEANS, LA, INC.  
DECEMBER 13, 2016 AT 12:30 PM  
21<sup>ST</sup> 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

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

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.

### **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