

**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
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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:

DEEP SOUTH STUDIOS

APPROVED PILOT PROPOSAL – (ADOPTED BY IDB BOARD 1/13/15)

The PILOT is capped at the full amount of taxes that would otherwise be payable, AS APPROVED BY IDB AND CITY OF NEW ORLEANS (SEE LEASE AGREEMENT DRAFT FOR LANGUAGE).

(a) "Annual Base PILOT Rent".

<u>PILOT Year*</u>	<u>Tax Year ending Dec. 31</u>	<u>Payment Due Feb. 1</u>	<u>Annual Base PILOT Rent</u>	<u>Annual IDB Administrative Fee</u>
C	2016*	2016	\$ 3,129	\$ 26,700
C	2017	2017	3,129	26,700
1	2018	2018	57,956	26,700
2	2019	2019	86,933	26,700
3	2020	2020	115,911	26,700
4	2021	2021	144,889	26,700
5	2022	2022	202,845	26,700
6	2023	2023	260,800	26,700
7	2024	2024	318,756	26,700
8	2025	2025	434,667	26,700
9	2026	2026	492,623	26,700
10	2027	2027**	550,578	26,700

* In this table, the first two years are the period of construction of the Project (denoted as Year "C"). "Year 1" is the first year in which the Project is placed in service and would otherwise be liable for the payment of *ad valorem* taxes. If the project is placed in service such that the first tax year on which *ad valorem* taxes would otherwise be due would be a year other than 2018, then the years in the 2nd and 3rd columns above shall be adjusted accordingly.

** The final payments shall be due on **December 31, 2026**, upon conclusion of the Lease Term (year subject to change as described in previous note).

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 officers, 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:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
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
Secretary-Treasurer

/s/ Alan H. Philipson
President

**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;

- (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;

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.

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

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
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
Secretary-Treasurer

/s/ Alan H. Philipson
President

**EXHIBIT A-1
to Approving Resolution**

FORM OF PHASE V LEASE AGREEMENT

**EXHIBIT A-2
to Approving Resolution**

FORM OF PHASE VI LEASE AGREEMENT

