

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
SEPTEMBER 12, 2017 AT 9:00 AM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Justin Augustine, III
Susan P. Good
Lesli D. Harris
Darrel J. Saizan, Jr.
Eric Strachan

Mindy Brickman
Eugene J. Green, Jr
Todd O. McDonald
Jeffrey Schwartz
David Thompson

Walter C. Flower, III
Edith G. Jones
Alan H. Philipson
Theodore Sanders, III

Absent:

Troy A. Carter

Also Present:

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

Guests:

Marc Robert, II, Robert's Fresh Market
Marc Robert, III, Robert's Fresh Market
Rick Fernandez, Robert's Fresh Market
Kev Abney, CRI
Tonya Pope, Jazzland
Greg LaRose, Times-Picayune
Ernest Gethers, City of New Orleans
Brenda Canada, NOLABA
Steven Kennedy, REO, LLC
Rebecca Conwell, Mayor's Office
Jessica Williams, The Advocate
Andrew Valenti, City Business
Courtney Thomas, Mayor's Office
Tamara Agins, Mayor's Office
Daryl Anderson, Office of Councilmember James Gray
James A. Gray, Councilmember
Richard Briscoe, Gulf South
Newton Blanchard, IUEC Local 16
Mike Sherman, Sherman Strategies
Frank Scurlock, Transformation Village

Morris Kahn, Kahn Tax Advisors
Peter Connick, Butler Snow
Hope Sherman, Edwards NOLA LGD
Avery Forest, Sherman Strategies
LaSwanda Jones, Downtown Development District
Courtney Stuckwisch, City of New Orleans
Darlene Robert, Robert's Fresh Market
Zach Monroe, Sabiston Consultants

President, Alan H. Philipson, called the meeting to order at 9:09 A. M. A roll call was conducted and a quorum confirmed. An introduction of guests was held.

APPROVAL OF JUNE 13, 2017 MINUTES

By motion of Mr. Darrel Saizan, with a second by Mr. Justin Augustine, there was a unanimous vote of approval for the June 13, 2017 minutes by the Board.

The President requested to re-order the agenda items. With no objections, discussion began with Item 8, Six Flags.

SIX FLAGS

The President introduced Councilman James Gray. Councilman Gray stated that he has, as a councilman and as a resident of New Orleans East, shared the frustration of many wanting to get something done at Six Flags. He has had the opportunity to meet with both concerned citizens, as well as those who have shared their hopes of redeveloping the site. Although, as he stated, everyone was guaranteed that a choice would be made by July, then August, and now September, he has been advised by the Mayor that additional time is needed by the City. He added that everyone is working very hard to ensure the best decision will be made. The time frame is not an additional six months, but rather just "a little more time". The City is very close, but as of today, there is no definitive decision and again asked for patience. He then asked if there were any questions. Being none, the President thanked Councilman Gray for his input and comments.

Ms. Rebecca Conwell spoke and reminded all about the CEA (Cooperative Endeavor Agreement), advising that those involved with the decision making are leveraging the best possible direction. Projects this large take a lot of time with constant communication with experts. With East New Orleans comprising 60% of our City's landmass, there is great potential for growth. She continued that there is no recommendation as of this date however, she stated emphatically that we are working fiercely to reach that best decision. Until then, she asked for further patience and confidence.

The President thanked Ms. Conwell for the update. Mr. Augustine then stated that this project is important to the City. The one thing that should be done is to get it right with no missteps. Making the right decision means everything. He also advised that he, as well as other members of the IDB, are residents of East New Orleans and want the best. He urged patience and other members of the Board concurred.

MARKETFARE ST. CLAUDE

Mr. Marc Robert II was recognized and passed out an executive summary concerning this two-phase construction project. The summary covered the project's location and the plans for developing the supermarket and the other commercial facilities that are to be included. He then introduced Mr. Marc Robert III who explained why they are seeking a PILOT. He advised that this is an integrated project with the supermarket and out-parceling for other tenants. Identification of all tenants have yet to be completed. There are letters of intent – one being with an animal hospital and the other a 24-hour fitness center. The supermarket will be full-service with perishable goods, prepared foods, fresh meats, etc. The project will service basic needs and will accept SNAP (food stamp) benefits. It will employ 80 new full/part time employees. The Developers are working with their contractor, Duhe, and Sonya Oliver of the City's Office of Supplier Diversity, to achieve DBE goals and to ensure DBE compliance.

Over the next ten (10) years, they anticipate \$140M in sales which would generate \$7M in city sales tax. Their hope is that the other retail tenants (5-7) will produce an additional \$2.5M in sales taxes during that same time period.

Given the historic nature of the site, they have already incurred additional costs in connection with structural and infrastructural requirements. A three-page packet was distributed detailing such. As a result, they have had to scale back the community area to make the project work. Their proposal is that without a PILOT, the project will not work and much of the profitability will be lost. The developers maintain that the proposed tenants are concerned about the profitability margin and are seeking to engage in a five-year lease to see if their respective projects will survive.

He then advised that they have also applied for historic tax credit and have joined in with Hope Federal Credit Union. From this endeavor, they are the recipient of \$1M as a fresh fruit innovator of which a half million is forgivable and the other half million is at low interest.

Mr. Saizan asked as to why the site was designated as "historic". Mr. Robert II advised that it has nothing to do with architecture but is based on the first Schwegmann store having been located at that site. It was the first full service supermarket in the city. This is reason for it being placed on the national register, having historic value.

Mr. Philipson advised that the PILOT which is being requested will be discussed during negotiations by and among the IDB Committee, the City and the Developer, once the Cost Benefit and the But-For analysis have been completed and reviewed.

Mr. Augustine interjected that this project ties in with the transit-oriented plans of the RTA for St. Claude Avenue. The nature of this project helps to grow transportation services of that area, where the street car is critical.

Mrs. Susan Good interjected that she recalls an application for a Robert's project at this same location. She questioned whether this a revival of that application. Mr. Robert, III confirmed that after Hurricane Katrina, there was an application to the IDB for GO Zone bonds and other tax credits for development of the site. However, a lawsuit was filed against the landlord and the insurer which did not clear up until much later.

The President then asked for a motion to grant preliminary approval to the Marketfare St. Claude project. Same was offered by Mr. C. David Thompson and seconded by Mr. Saizan. The Board voted unanimously to grant same.

EDWARDS NOLA LGD

Mr. Mike Sherman was recognized and began by thanking the IDB for its approval of the PILOT on Edwards NOLA Mid-City, stating that without the PILOT, the construction of 382 apartments would not have been possible. All contracts are in place to-date of which \$6.7M are in DBE contracts, representing 47% participation and, that local hiring is off to a good start.

Edwards now seeks to develop a 4-story, 210 unit apartment complex facing Annunciation Street. Zoning has been approved, and the project has the support of Councilmember LaToya Cantrell. The developer is not seeking a subsidy PILOT but rather a “stabilization” PILOT in order to secure financing. This project will not be a multi-family project. It will be located at a former Robert’s supermarket site. The project is set to change the area from a lower density to a higher density including a unique design with parking. These units will not be luxury apartments. They are designed to accommodate workforce salaries. There will be ten (10) rent-restricted units in conjunction with the affordable units. There are no garages but there will be parking with internal green space, and a pool. They will be designed to look like a series of homes. The developer now seeks preliminary approval.

The President opened for questions and comments by the Board. There were none. The floor was then opened for comment/questions by the public. Being none, a motion was then offered by Mr. Saizan, with a second by Ms. Mindy Brickman. By unanimous vote the Board voted to grant preliminary approval to the Edwards NOLA LGD project.

Financials

Mrs. Good informed the Board that to-date, there was nothing unusual to report. She did state that new computers are needed. With regards to Six Flags, she advised there were sufficient funds to cover monthly costs based on a report conducted by Ms. Martin. A recap, however, was requested because of a discrepancy of the balance in the Six Flags account. Ms. Martin will resolve this issue and will report a final figure once the discrepancy is found. There were no questions.

IDB City of Retirement Participation

Ms. Martin informed the Board that Mr. Philipson addressed a letter to Mr. Jesse Evans, the President/Chair of the New Orleans employee retirement system, seeking her participation in the retirement program. Each Councilmember was copied on this correspondence. She added that she has been with the IDB for eleven years, the last nine years as a full-time employee with no retirement plan. She asked each member to please speak with their respective councilmember seeking their support of this request. Mr. Eugene Green inquired as to whether a simple ordinance could accomplish the participation. Mrs. Good advised that the City allowed participation of Ms. Martin in the healthcare program, and felt the same should be afforded her in the retirement system.

There being no other business for discussion, the President requested a motion to adjourn. By motion of Mr. Green, with a second by Mr. Saizan, the meeting adjourned.

Susan P. Good, Secretary-Treasurer