

INDUSTRIAL DEVELOPMENT BOARD
ORIENTATION
HELD
OCTOBER 29, 1997
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Jimmie Thorns, Bruce Bolyard, James W. Smith, Kyle E. Stoever, Oscar J. Rainey, John B. Williams, Frank O. Barrett, Bruce Larkins, Stanley Myers, and Michael Lawrence

Absent:

Nina Marchand, Irving A. Joseph, Ray Charles Crawford, Lisa Ponce de Leon and Marie Ormond

Others:

Ray Cornelius- Foley & Judell, Henry Charlot-Regional Loan Corporation (RLC), Marshall Carver- Historic Restoration, Inc., Gwen B. Owens, Gwen Carter, Jill Sylvain, Ernest Gethers, C.J. Blache, Arnold Baker, Lois Ivery and Paul Bryant

Mr. Jimmie Thorns, Chairman, called the meeting to order at 4:20 p.m. Ms. Owens proceeded to call the roll. It was ascertained that a quorum was present.

Mr. Thorns asked all of the visitors to introduce themselves.

Mr. Frank O. Barrett, the new boardmember was asked to give a brief history. After the brief history, Mr. Barrett was sworn in as a member of the IDB board by Mr. Cornelius.

Mr. Thorns asked if the minutes were acceptable or if they needed to be amended or changed. The board did not indicate any changes to the minutes. A motion was made by Mr. John Williams and seconded by Mr. Bruce Bolyard that the minutes be adopted. The minutes were adopted.

Mr. Thorns gave a brief overview of the purpose of the IDB board. To be pro-active, the IDB needs funds to be active in the City and to make a positive impact. He spoke about other agencies

that can help developers bring projects to fruition. Some were: HUD 108, Regional Loan Corporate (RLC) funding, etc. The IDB wants to create a process when applicants come requesting assistance.

Mr. Bolyard asked what had happened to the Pic'n' Save monies. Mr. Thorns replied that the deal was not completed.

Mr. Bolyard asked about the audit of the IDB board. The staff is in charge of the matter. The staff will prepare a RFP to select an auditor to do the IDB books. This matter will be discussed in depth at the next board meeting.

Mr. Thorns adjourned the board meeting to go into the orientation session.

Mr. Arnold Baker/Mr. Paul Bryant-Open Access Plan

Mr. Arnold Baker was the first speaker. He gave a brief summary of the City's Open Access Plan. Mr. Baker talked about some of the seminars that his office has hosted and about the creation of the Small Business Procurement Center.

Mr. Paul Bryant went over the Open Access Plan in more details.

- * The plan was established by Mayor Morial's Executive Order MHM 96-002
- * The plan is based upon the results and recommendations referenced in a comprehensive study conducted by the National Economic Research Associates (NERA).
- * Contracts in excess of Ten Thousand Dollars (\$10,000.00) should include a Bidders commitment to make good faith efforts to comply with the intention of the Open Access Plan.

Mr. Ernest Gethers-Enterprise Zones

The Enterprise Zone program is a job creating program. It allows a business or company to expand while relocating to New Orleans.

- * The local rebate is 2 ½ percent
- * The state rebate is 4 ½ percent
- * The company has to meet certain criteria:
job creation

5 new jobs created

= 10% increase of new jobs

- * The business has to be in a designated Enterprise Zone or Economic Development District.
- * There are 314 Enterprise Zones and 2 Economic Development Districts
- * Enterprise Zones are located in high unemployment areas with most of the residents receiving public assistance.
- * An Advance Notification Form must be filled out prior to beginning of construction. If construction starts before an Advance Notification Form has been filed, you will not qualify.
- * Most Enterprise Zones are located in residential areas. The zones can be swapped or moved.
- * Economic Zones areas are bounded by boundaries of any government building that has been abandoned.
- * Tax Credits can be carried over for 10 years
- * \$25 dollars per new employee

Mr. Gethers has a listing of streets that are in the Enterprise Zones upon request.

Ms. Jill Sylvain-Restoration Tax Abatement (RTA)

- * The three districts a project must be located in are:
 - Historic Districts
 - Economic Development Districts
 - Downtown Districts
- * Encourages the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences.
- * Provides for the development and improvements of local communities
- * Encourages the fullest use of underutilized resource and enhancement of tax base
- * Grants property owners the right for five years after completion of the improvements to pay ad valorem taxes.
- * Gives homeowners and commercial property owners the incentive to invest money in the local economy.
- * Preserves historic structures.
- * Assists in the revitalization of neighborhoods.
- * Helps offset the cost of improvement for both residential and commercial property owners.

Ms. Gwen Owens-HUD Section 108 Loan Guarantee Program

- * Is a provision of the Community Development Block Grant (CBDG)
- * Provides communities with a flexible, low interest source of financing for the community and economic development activities.
- * Enables communities to receive loans with low interest rates (only slightly above the rates on obligations issued by the U.S. Treasury)
- * Is a particularly valuable funding source for economic development activities.

Mr. Thorns introduced Mr. Cornelius. The Board was created by the City Council as a public municipality of the City. The members serve on the board without compensation. Members must abide by the code of ethics and serve on the board without liability. The board is a corporation designed to benefit the City.

The bonds are tax exempt because the board is a public entity. Reciprocal Immunity is not in the constitution and is the reason the IRS has decided it can tax IDB bonds.

The board has been inactive for the past years except for the U.S. Gypsum project.

The Pic 'n' Save taxes would have been \$1M a year. MacFurgals was paying \$500,000.00 in California for taxes. The property at that time was not on the tax rolls. The property was city owned.

The following points were made related to the process:

There are certain types of lands that qualify for ad valorem taxes.

Public land used for public purpose qualifies.

There is a limitation on how public funds can be used.

The Board needs to come up with a plan how to select projects for funding.

Payments cannot exceed what the company would have paid in taxes.

There is a 5/5 ten year industrial exemption for an industrial entity.

The Board will meet again on Saturday, November 1, 1997 at the Radisson Hotel New

Orleans, 1500 Canal Street for a retreat. The facilitator for the Retreat will be Mr. C.J. Blache. Mr.

Blache stood and made a few remarks.

Mr. Thorns made a motion that the meeting be adjourned. A motion was made and seconded and the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD MEETING
HELD
AUGUST 20, 1997
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Jimmie Thorns, Bruce Boylard, James W. Smith, Marie Ormond, Ray Charles Crawford, Kyle E. Stoever, Nina Marchand, Oscar J. Rainey, Stanley Myers, and Michael Lawrence

Absent:

Irving A. Joseph, Bruce Larkins, Lisa Ponce de Leon and John B. Williams

Others:

Ray Cornelius- Foley & Judell, Assessor Tom Arnold, JoAnn M. Tervalon, Gwen B. Owens, Gwen Carter, Kwanza Abdul-Khaliq, and Jefferey Arnold

Mr. Jimmie Thorns, Chairman, called the meeting to order at 3:45 p.m. Mrs. Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Mr. Thorns asked if the minutes were acceptable or if they need to be amended or changed. The board did not find anything wrong with the minutes. A motion was made and seconded that the minutes be adopted. The minutes were adopted.

Mr. Thorns discussed having an audit done of the IDB records. He gave a brief overview of what was involved in doing this audit. It cost \$2,000.00 dollars to perform the audit. Mr. Thorns recommended limiting the audit to a maximum of \$2,500.00 dollars. It was recommended that a Professional Contract be used to seek qualified candidates to perform the audit. A list of candidates will be presented at the next IDB meeting.

It was brought to the board's attention that some of the members were new, others were reappointed, and some of the rules have changed since the last meeting of the board in 1994.

The Board's power was expanded in the 1997 legislation to do any project that created minimum economic development.

Mr. Cornelius said that federal tax laws have changed in the last few years. There are some restrictions on the type of projects that the IDB can do. He then proceeded into a discussion of the Payment -In-Lieu-Of-Tax (PILOT) Program. He emphasized that the Pic 'n' Save project was a good use of the PILOT program.

Mr. Thorns has some concerns about the use of the PILOT program. He wants the board to develop criteria to follow in using the PILOT program.

Assessor Arnold stated that the assessor office was not against the use of the program but that the board need to put a time limit on the projects.

Mr. Bruce Boylard was sworn in by Ray Cornelius to the IDB.

Mr. Thorns stated that the Board will be receiving some money from the Pic'n' Save (MacFrugals) settlement. The land the project was built on belongs to the IDB because the City gave the land to the board. There was a questions as to whether the board would receive any of proceeds from the sale of the land. Mr. Thorns feels that the board should receive some of the funds. Mr. Thorns had a meeting with the Mayor and he promised the board some the funds from the sale of the land. The board would like to put some of these funds in a pool to be used as start-up funds for projects.

Mr. Cornelius said there may be a way to work with the City Attorney to have these funds put in escrow or given to the board with restrictions on how the funds may be used.

Mr. Thorns asked two questions of the board members 1) are you willing to participate in a retreat, and 2) when will the retreat be held? Some members of the board wanted to make the meeting mandatory.

An all day retreat has been scheduled for Saturday, September 6, 1997, from 9:00 a.m.-5:00 p.m., at the Ernest N. Morial Convention Center. Letters will be sent to the City Council and Assessors asking them to participate in the retreat. The objective of this retreat is to decide in what direction the board will be going and to get some serious funding in the IDB. Mr. Myers wondered if they could have an hour or two of training during the first part of the morning of the retreat. The board is planning to have two facilitators at the retreat. They will be looking to the local universities for the facilitators (UNO or SUNO). The retreat will be broken up into two sessions. The morning session will be a technical workshop and the Strategic Planning session will be held in the afternoon.

A budget needs to be established for year to cover routine expenditures for the board. The staff will put forth a line item budget to cover the board for a year.

Mrs. Tervalon will be creating a calendar to schedule all meetings up to the end 1998.

The next meeting is scheduled for Saturday, September 6, 1997 (retreat), 9:00 a.m.-5:00 p.m.

Mr. Thorns made a motion that the meeting be adjourned. A motion was made and seconded and the meeting was adjourned at 4:52.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD MEETING
HELD
JULY 23, 1997
AT
1515 POYDRAS STREET, 12TH FLOOR
BACK CONFERENCE ROOM

Attendees:

Jimmie Thorns, Irving A. Joseph, Ray Charles Crawford, Kyle E. Stoever, Nina Marchand, Oscar J. Rainey, Lisa Ponce de Leon, Bruce E. Harkin, Stanley Myers, and John B. Williams

Absent:

Bruce Boylard, James W. Smith, Marie Ormond, and Michael Lawrence

Others:

Ray Cornelius- Foley & Judell, Assessors Patricia Johnson & Errol Williams, Tom Winingder-President-Jazzland Co., Cheryl Teamer, Eugene Green, JoAnn M. Tervalon, Gwen B. Owens, Gwen Carter, Jill Sylvain, Kwanza Abdul-Khaliq, and Ernest Gethers

Mr. Jimmie Thorns, Chairman called the meeting to order at 5:15. Mrs. Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Mr. Thorns made a motion to amend the agenda. The motion was seconded and the agenda was amended.

Cheryl Teamer gave a brief overview of the bills presented before the legislature during the last legislative session.

1. Legislature passed Bill #1451 to expand the definition of the IDB. Legal council suggested the language to allow the IDB to take up any project that removes blight and creates jobs.

2. A New Orleans East Economic Development District has been created. Taxes can be levied and collected, but are not to exceed \$10M.

3. A Lakeview Crime District has been created. Tax not to exceed \$100 per parcel.

Mr. Tom Winingder gave a brief presentation of the proposed amusement park (Jazzland).

He noted that the project has been in the works for several years and that it has had solid public support during the entire time. He gave a brief status report on the proposed financing structure of the project. Public financing has been critical and the City of New Orleans has shown considerable support through a Section "108" HUD loan and the State of Louisiana has put \$10M into the Capital Outlay Budget for the project. Mr. Winingder also expressed an interest in using the Payment-In-Lieu-Of-Taxes (PILOT) Program.

A brief slide show on the project was shown. Jazzland will create a 100 acre Theme Park designed for a family audience. Jazzland will be a pay one price theme park. Ticket prices for adults will be \$22.00 and for a child \$15.00. There is no competition within 300 miles of the project and it will support a market of 15M people. There are 40 theme parks located in the U.S. The closest theme park to Jazzland is Astro World in Texas. The total projected cost for the project is \$175M.

The economic impact of the park will be:

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|-----------------------------------|--------|
| Construction period spending jobs | \$230M |
|-----------------------------------|--------|

| | |
|-------------------------------------|--------|
| Annual Spending Operations/Visitors | \$314M |
|-------------------------------------|--------|

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| State Sales Taxes | \$10,630 |
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| Local Sales Taxes | \$ 7,840 |
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| Total Taxes | \$18,470 |
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|-------------------|-------|
| Construction Jobs | 2,339 |
|-------------------|-------|

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|--------------------|-------|
| Total Jobs Created | 4,663 |
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After the presentation there was a brief question and answer session from the Board to Mr.

Winingder.

Assessor Erroll Williams talked about the PILOT. He wanted the IDB to be aware of the problems with past projects that have utilized the PILOT program. Mr. Williams appealed to the Board to include provisions to protect the City in structuring future PILOT agreements. He noted that in bankruptcy procedures that the taxes normally go to the 1st financing position; however, with the Payment In Lieu of Taxes, it falls to a much lower position.

Mr. Ray Cornelius went into detail concerning the PILOT Program. He suggested that before granting a PILOT agreement in the future that the City should notify all of the taxing bodies to be affected. A notice should be published in the newspaper, and a public hearing should be held.

Nina Marchand made a motion that the minutes from the previous meeting be approved. The motion was seconded and the minutes were approved.

There was no old business.

Mr. Thorns suggested having a retreat with the Board and Staff to decide on the direction of the Board in the future. He also suggested having a meeting with Gwen Owens and Eugene Green before the upcoming meeting to be held on Wednesday, August 20, 1997 at 3:30 p.m. Mrs. Tervalon will be sending out notices and the agenda to the Boardmembers.

Mr. Thorns made a motion that the meeting be adjourned. The motion was seconded and passed. The meeting adjourned at 6:15 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

SPECIAL INDUSTRIAL DEVELOPMENT BOARD

MEETING

HELD

APRIL 10, 1997

AT

1515 POYDRAS STREET, 12TH FLOOR
CONFERENCE ROOM "B"

Attendees:

Jimmie Thorns, Irving A. Joseph, Ray Charles Crawford, Oscar J. Rainey, Bruce E. Larkin, Stanley Myers, John B. Williams, Marie Ormond, and Michael Lawrence

Absent:

Bruce Boylard, E. Howell Crosby, Lisa Ponce de Leon, Nina Marchand, James W. Smith and Kyle E. Stoeber

Others:

Ray Cornelius- Foley & Judell, Galen Brown- Lamothe & Hamilton , Avis Russell-City Attorney, Eugene Green, JoAnn M. Tervalon, Gwen B. Owens, Cynthia Sylvain-Lear and Ernest Gethers

A special meeting of the Industrial Development Board was called to order by Mr. Thorns at 3:10 p.m. on Thursday, April 10, 1997. Roll was taken. Mr. Irving Joseph made a motion to go into executive session to discuss the MacFurgal's Fire settlement, it was seconded by Mr. John Williams. At 3:40 Mr. Williams made a motion to come out of executive session, it was seconded by Ms. Marie Ormond.

Mr. Cornelius presented two resolutions to the board.

The first resolution was to approve the sale of the land where the MacFurgal's Warehouse is located in NOBID to WestCoast Liquidators.

Mr. Irving made a motion that the resolution be accepted it was seconded by Mr. Williams. A vote was taken by roll call and approved by all members present.

The second resolution was presented to approve the settlement agreement. A motion was made that it be accepted by all members present.

It was brought to the Board members attention that legislation had been developed to expand eligible projects of the Industrial Development Board (Bill #1235). Mr. Edwin Murray is presenting this Bill for legislation.

Mr. Cornelius told the Board that this bill would expand the Board's power.

This bill does not appear to be controversial. It should be easy to pass. The Jazzland Project could possibly benefit from this Bill. Mr. Thorns said that Mr. Murray is a good person to work with and he represents the City well. It was suggested that the Board members could go to Baton Rouge when the Bill was being presented. This would show the Board's support of the Bill. Gwen Owens informed the Board that Cheryl Teamer was in Baton Rouge representing the City. She could be notified and made aware of this Bill and when it was being presented.

It was noted that Pic 'n' Save was one of the best Economic Development deals in the State. The Industrial Development Board used innovative ways to help the developer save money and to assist the City in getting money. Mr. Thorns acknowledged that the PILOT for Pic 'n' Save should have been indexed to employment.

Mr. Williams made a motion that the meeting be adjourned and it was seconded by Mr. Myers.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

**INDUSTRIAL DEVELOPMENT BOARD MEETING
HELD
MARCH 26, 1997
AT
1515 POYDRAS STREET, 12TH FLOOR
CONFERENCE ROOM "A"**

Attendees:

Jimmie Thorns, Ray Charles Crawford, Kyle E. Stoeber, Irving A. Joseph, Jimmy Smith, Oscar J. Rainey, Bruce E. Larkin, Stanley Myers, John B. Williams, Nina Marchand, Lisa Ponce de Leon, Marie Ormond, and Michael Lawrence

Absent:

Bruce Boylard, E. Howell Crosby

Others:

Ray Cornelius-Foley & Judell, Assessor Patricia Johnson, JoAnn M. Tervalon, Gwen Carter, Ellen Felton, and Richard Jones

The Industrial Development Board (IDB) meeting was called to order at 3:34 by temporary Chairman Jimmie Thorns. Mr. Thorns asked Mrs. Tervalon to call the roll.

Mr. Thorns inquired about the members that had to be sworn in. Ray Cornelius of Foley & Judell swore in Nina Marchand and John B. Williams to the IDB Board.

Jim Thorns gave a list of officers that needed to be elected to fill the Board. The officers are: President, Vice-President, Secretary/Treasurer and Assistant Secretary/Treasurer.

President: The two names placed in nomination for president of the Board were: Jimmie Thorns and Bruce Larkin. Each nominee was asked to give a brief summary of his background. The members voted by roll call. Mr. Thorns was elected President of the IDB.

Vice-President: The two names placed in nomination for Vice-President were Nina Marchand and Bruce Larkin. Jimmie Thorns stated that the Board needed two persons to serve as a Vice-President. A motion was made and passed to have both nominees serve as Vice-Presidents.

Secretary/Treasurer: Stanley Myers was nominated as Secretary Treasury. There were no other names placed in nomination and Stanley Myers was elected as Secretary/Treasurer.

Assistant Secretary/Treasurer: JoAnn M. Tervalon was nominated and elected as Assistant Secretary/Treasurer to the IDB.

Old Business: There was a discussion by the board members to hire an accounting firm to do an audit of the records. Jimmie Thorns made the suggestion to hold off on hiring an accounting firm for now. Ray Cornelius talked about how the Board hasn't been audited in a while. He also said that the Board can have their own auditors/accountant take a look at the records. Jimmie Thorns will discuss the matter of how they should proceed with hiring an auditor with Eugene Green, Assistant to the Mayor.

Ray Cornelius stated that there was approximately \$100,000 thousand dollars in the IDB accountant.

A motion was made and passed for the Board to hire someone and bring them back for ratification before the Board.

Revenue: Jimmie Thorns suggested that the Board pay for parking for members who have come downtown for these meetings. JoAnn Tervalon was asked to look into parking for Board members.

Housekeeping: Ray Cornelius asked the Board to purchase a computer and other items to be used by the staff person of the City. Business Cards, stationary, and names plates are also to be purchased. A motion was made and passed to give officers the ability to go out and purchase equipment for staff to use.

Ray Cornelius gave a brief overview of the purpose of the Board.

Meeting dates: The number of times the Board would meet was put on the table for discussion. Marie Ormond suggested meetings be held early in the morning.

A motion was passed to meet quarterly. Other meetings will be scheduled as needed. A motion

was passed and seconded that the meeting be held every 4th Wednesday at 3:00 p.m. JoAnn

Tervalon will provide a calendar for the Board of these meeting dates.

Kyle Stoever asked about a marketing plan for the Board.

The meeting was adjourned by Jimmie Thorns at 4:30 p.m.

Respectfully Submitted,

Stanley Myers
Secretary/Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD MEETING
HELD
FEBRUARY 26, 1997
AT
1515 POYDRAS STREET, 12TH FLOOR
CONFERENCE ROOM "A"

Attendees:

Jimmie Thorns, Kyle E. Stoeber, Ray Charles Crawford, Irving A. Joseph, Jimmy Smith, Oscar J. Rainey, Bruce E. Larkin, Stanley Myers, E. Howell Crosby, Lisa Ponce de Leon, Marie Ormond, and Michael Lawrence

Absent:

Bruce Boylard, Nina Marchald & John B. Williams

Others:

Harold Judell, Senior Partner- Foley & Judell, Eugene Green, Gwen B. Owens, Ernest Gethers, JoAnn M. Tervalon, Gwen Carter, Cynthia Sylvain-Lear, Ellen Felton, and Richard Jones

The Meeting was called to order at 3:30 by Mr. Harold Judell.

Mr. Eugene Green gave a brief introduction and thanked the Board members for agreeing to serve on this board. The Industrial Development Board (IDB) is a very busy board. The board can create jobs and economic benefits to the City. He also recommended that the board meet quarterly. He also invited the members to feel free to call and ask questions at any time (565-8107).

The staff was introduced. Mr. Harold Judell, Senior Partner, of Foley & Judell swore in the newly appointed board members who were present (12 members were present). Oaths of Office were passed and signed during the meeting.

The board elected Mr. Jim Thorns as temporary chair. Election of officers was deferred to a later meeting.

Mr. Judell gave an overview of the board and the use of the bonds. Bonds are tax exempt and owners can get a lower interest rate on the bonds. If you are using tax exempt bonds you must have a public hearing. Bonds can be used for:

1. Pollution Control Projects
2. Manufacturing factories
3. Hotels
4. Parking garages
5. Airport
6. Single Family homes

Letters of Credit and other instruments are used to enhance the bonds.

The board does not consider unless they feel that the bonds can be sold.

Payment In Lieu of Taxes (PILOT) has financial benefits.

Payments on bonds must be sufficient to pay principal and interest.

The board is driven by job creation. This board tries to find new industries and/or to expand existing companies.

This board can help city generate large projects.

Jim Thorns noted that the board can serve as a catalyst for development. This is a very important board in the city.

The next meeting is scheduled for March 26, 1997 at 3:30 p.m. , 515 Poydras St-
Conference Room "A"

The meeting was adjourned at 4:15 p.m.

Respectfully Submitted,

Stanley Myers
Secretary/Treasurer
Industrial Development Board