



**MINUTES FROM THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

**JANUARY 26, 2006
44TH FLOOR – ONE SHELL SQUARE**

Attendees:

Tyrone Wilson, Torey Bullock, Farrell Chatelain, James Smith, Eddy Oliver,
Kyle Stoever, Jim Thorns, Nina Marchand, Irvin Joseph

Absent: Bruce Bolyard, Glenda Jones-Harris, Joseph H. Authement, Ernest
Legier, Jr., John B. Williams.

Guests: Stephanie Decker
Tres Mr. Bernhard
David Wolfe

The meeting was opened by the President with roll call. It was agreed that a quorum was present.

Sharon Martin, the new operations coordinator, was introduced the board.

After the introduction, a discussion was held regarding the role of IDB in re-building New Orleans. The board was also informed that travel expenses incurred in coming to meetings would be reimbursable. A discussion was then held on necessity of having a quorum at each meeting and measures to be taken to ensure that IDB matters could be handled promptly and expeditiously.

FILM FACTORY/LIFT

Tres Bernhard, legal counsel to the Film Factory, LLC (LIFT Project) was introduced. Mr. Bernhard was given the floor to explain the LIFT project, the facility, its objective, infrastructure, shooting space, personnel base and community ties. He explained that Part I involved the financing of the bond issues of the actual studio. Part II – a training school as Louisiana has only

two class "A" film crews. Part III involves the raising of capital from the 1st District Development Fund. Mr. Thorns questioned whether LIFT will, as part of its program, lease a mobile unit to locals for up-linking and down-linking. Mr. Bernhard advised not at this time. He was further asked if there would be an educational partnership component, i.e., Delgado City College who was interested in developing, as part of its campus curriculum, a film industry education program. Mr. Bernhard advised that at this time, which is very early in the game, LIFT is not sure who its educational co-partner will be and further, not sure how the partnership will be constructed. LIFT will, however, offer course curriculum suggestions to help with growing the job market in this area. Mr. Mr. Bernhard was specifically asked to find some way to deal with the children of the Lafitte Project

The LIFT time line was also reviewed by the board. .

After general discussion, a motion for preliminary approval of the LIFT project was duly made by Mr. Kyle Stoever, seconded by Mr. Tyrone Wilson and was unanimously passed.

The Board subsequently discussed the need for a Public Hearing at its March meeting scheduled for March 21, 2006. Mr. Bernhard advised that he anticipated a formal announcement of the LIFT Project would be made between March 7 – 9, 2006 via a press conference, prior to the State Bond Commission meeting. Additionally, it was conveyed that the cost/benefit analysis should be completed by Metro Source by the next board meeting and Ms. Martin would make the necessary contact with Metro Source to pace the mechanism on motion.

IDB MOVE

The Board was informed that the IDB office previously located in the Amoco Building had to relocate and the office is now temporarily located at 1661 N. Claiborne Avenue in the office building of Mr. Jim Thorns. Mr. Thorns then requested approval for the purchase of necessary equipment for operation of the temporary office. A motion was duly made by Farrell Chatelain, seconded by Torey Bullock and unanimously passed for the purchase of necessary equipment.

A second motion was duly made and passed unanimously allowing for the temporary move not to exceed \$2,500.00.

Mr. Stoever then informed the board that it was necessary to get the business operations back on track in the aftermath of Hurricane Katrina and that the collection of fees was one item that was in arrears; that he was in contact with the accounting firm of Bruno and Tervalon who was in position to give assistance in getting the invoices out once the current information was confirmed. Currently there are 3 – 4 projects on which fees should be collected.

NEW BUSINESS

Creation of Executive Committee

The next item of business was the recommendation for the recreation of an Executive Committee that would act on behalf of the Board regarding IDB daily activities requiring board approval. It was explained that the Executive Committee would act on an item and the matter would be subsequently ratified at the next board meeting. Discussion was held and Attorney David Wolfe provided answers to questions further advising that the amendment would be organized pursuant to the Articles and By-Laws of the Corporation. All restrictions would be outlined.

A motion was duly made by Mr. Bullock and seconded by Mr. Chatelain to reflect that in accordance with the Articles of Incorporation of the Issuer, as amended (the "Charter"), and the

By-Laws of the Issuer, as amended (the "By-Laws"), particularly Paragraph 7 of the By-Laws, there is hereby formed a committee of the Issuer to be known as the "Executive Committee of the Industrial Development Board of the City of New Orleans, Louisiana, Inc." (the "Committee"), which Committee shall have as its members all Directors of the Issuer. The Committee shall meet from time to time, upon notice given by the Secretary-Treasurer of the Issuer to each and every time and place as shall be set forth in said notice, and all such meetings shall be open to the public. At all meetings of the Committee, the presence of five (5) Directors (including either the President or Vice President of the Issuer) shall be necessary and sufficient to constitute a quorum for the transaction of business by powers of the Issuer, to take any and all action, and to approve or authorize the taking of any and all action by the Issuer not inconsistent with the Charter and By-Laws, except as follows: (i) the election of officers of the Issuer, (ii) the amendment of the Charter or By-Laws, (iii) the final approval of the issuance of any bond of the Issuer, (iv) the appointment of counsel, except employment of bond counsel at the time of preliminary approval of a bond issue, or (v) any other action which, in the opinion of bond counsel to the Issuer, requires action by the full Board. All actions of the Committee are subject to ratification within 120 days by the Board of the Issuer, provided that no action taken as a result of any action of the Committee shall be invalid or void as a result of the failure to obtain ratification within the 120 days. The Committee shall keep regular minutes of their proceedings and report the same to the Board. If at any meeting of the Issuer a quorum is not present, and if sufficient Directors are present to constitute a quorum of the Committee, then those directors may convene a meeting of the Committee without any further notice, and may at that time take any and all actions which the Committee is empowered by this resolution to take.

The vote on the motion reflected 9 YEAs and 1 NAY, Mr. Oliver opposing. The motion for the creation of an Executive Committee passed.

Other Business

In new business to be discussed, Mr. Thorns informed the board that he received a call from Nationwide Homes, a company that manufactures modular homes who is interested in locating land in New Orleans to erect/establish (tax exempt) a manufacturing plant. Ms. Decker then advised that legislation (Gulf Opportunity Zones) was recently passed that would allow for tax exempt bonds to be issued to corporations and some residential entities with no bottom, no limit. IDB will and could be a major player in this structure. After informing the board of all the information he had on Nationwide Homes, he advised that he will take a closer look and possibly travel to Atlanta and to one of its sub-division before the next IDB Board meeting.

The next meeting of the Board is scheduled for March 21, 2006 at 12:30 PM on the board room of Adams and Reese.

The president then opened the floor for any other business. Mr. Joseph questioned the time line for the search of a new office location. He was informed that IDB was not being charged office space while at Thorns Consulting.

A new guest entered the meeting and Mr. Philip Jones was introduced who offered his business' services to do cost/benefit analyses, requesting to be placed in rotation with any other company offering the same business.

There was a motion for adjournment that was seconded by Mr. Wilson, and was unanimously passed. The meeting adjourned.

Secretary Treasurer

FEBRUARY 2006

BOARD MEETING

CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans

MARCH 2006
BOARD MEETING
CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans

APRIL 2006
BOARD MEETING
CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans

MAY 2006
BOARD MEETING
CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans

JUNE 2006
BOARD MEETING
CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans

**INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

**BOARD MEETING
JULY 24, 2006**

ATTENDEES:

Board Members present: Kyle Stoever, Ernest Legier, James Smith, Farrell Chatelain and Jimmy Thorns

Guests present: Howard Crosby (Chaffe, McCall, Legal Counsel)
Jessica Kesler (Chaffe McCall, summer clerk)
Carliss Knesel (Hancock Bank)

Legal Counsel: Stephanie Decker and Ray Cornelius

Staff present: Sharon Martin

The meeting of the Board was called to order by its president, Jim Thorns, at 12:20 PM with roll call.

Five members, including the president, were present constituting an Executive Committee assemblage in accordance with the Executive Committee Resolution adopted by the board at its January 6, 2006 meeting.

Absent an agenda, Jim introduced Mr. Howard Crosby, legal counsel to Home Depot, who made a full presentation of the Home Depot application which facility is to be located at So. Claiborne Avenue and Earhart Boulevard as presented in the application, a copy of which is attached and made a part of this representation of the minutes of the meeting. It is planned that the project shall start in August 2006 and anticipated to be completed by Thanksgiving 2007. The Home Depot is seeking a 20-year abatement and it has proposed that Home Depot-USA is ready to buy the bonds. Home Depot is hoping to help rebuild New Orleans by locating a new Home Depot in the community and, it is anticipated that the Home Depot Foundation will look into the development a playground for the area. In answer to Mr. Thorns' question regarding the inclusion of any other businesses of the area joining in, Mr. Crosby stated that at this time there are no other businesses included in the current proposal or configuration to support Home Depot. Mr. Crosby was then apprised of the requirement of a cost benefit analysis. With the cost benefit analysis, he was advised that it will be necessary for the contracted firm, chosen

by the IDB, to receive all data associated with the project. Mr. Crosby stated that the higher costs in developing this project were a result of water lines that will have to be relocated. Jim requested that such data and all like data be available to the analyst for the CBA study. After an inquiry, the board was advised that there are no sewer line problems. A standard Home Depot parking lot will be available and that parking will also be available under the bridge including lots across the street that will be developed.

A request for a timeline was made by Jim Thorns so that it can be sent to all board members. Stephanie Decker advised she would comply and send same. He further urged

After discussion in connection with the foregoing, Stephanie Decker read the resolution for preliminary approval of application, authorizing a preliminary agreement and the issuance of revenue bonds not to exceed \$25 million. By motion of Ernest Legier and a second by Farrell Chatelain, the resolution passed.

Roll: Thorns – Yes
 Stoever – Yes
 Chatelain – Yes
 Legier – Yes
 Smith – Yes

The vote passed unanimously.

Jim advised that final approval would take place next month or at the next board meeting based on the timeline to be presented. This project will now move to the State Bond Commission, and then to the Cost Benefit Analysis which determines among other things tax incentives. Jim advised Mr. Crosby that the Cost Benefit Analysis will be presented pursuant to a standard agreement between the Industrial Development Board and its contractor, Metro Source. While the agreement is between the IDB and the contractor, Home Depot is responsible for its cost.

Further, the Board was advised that The Home Depot project is on the fast track with hopes of meeting with the State Bond Commission by August 17. Home Depot will need to meet again with the Board in late August for final approval. Jim urged Mr. Crosby to make the council person for the district (Councilman District B) aware of the project, as well as the assessor for the area. Mr. Crosby advised the council person for the area is advised and so is the assistant, Ann Redd. Jim further urged that the Mayor be made totally aware. Mr. Crosby then advised that Home Depot is attempting to set up a meeting to make a full presentation to the Mayor within the next two weeks.

The next order of business was the discussion regarding an absolute necessity for a quorum at the next meeting. Ray Cornelius then advised that also in the pipeline is the development of an industrial cleaners that will service the hotel industry in New Orleans; and a hospital.

After discussion of the foregoing, further discussions were held regarding the need of the preparation of a letter to inactive board members addressing their ability to continue to serve as active members of IDB. Discussion was then held on term limits and the Board's need to inform respective City Council members of any vacancies. The roll was then read and the following members were asked to be sent a letter regarding their future commitment: Joseph Authement (Mandeville), Bruce Bolyard (Vale, CO), Glenda Jones Harris (Houston); Eddy Oliver (New Orleans) and John Williams (New Orleans/Baton Rouge). Jim announced that once a vacancy is created, he will meet and advise the respective Council member. It was then suggested that a letter requesting the board members commitment be sent, and that a copy of a simple letter of resignation for their signature be included in the transmittal to facilitate in sending in the resignation, if one was required.

In the next order of business, Jim advised the Board that he has been invited to speak at several national conferences in which he addressed the IDB and its major objectives in the rebuilding of New Orleans. In particular, a meeting at Laguna Beach, CA with the National Housing Rehabilitation Association, (an organization comprised of real estate developers and financiers); the Continuing Legal Education Conference of Lawyers and Judges in Jamaica; and the NCAHMA Summer Institute at Martha's Vineyard. He requested reimbursement for associated costs. It was then motioned by Farrell Chatelain and seconded by Kyle Stoeber that Jim Thorns be reimbursed for associated costs not to exceed \$1800 per conference. The vote passed unanimously.

ANNUAL FEE COLLECTION

The next issue of business addressed by the Executive Committee was IDB billing to current project principals. Kyle advised that billing was completed in May and that to-date fees have been collected from Crescent Crown and LGD Rental. Outstanding at this time is Wal-Mart, however, he advised that Sharon has been in touch with Wal-Mart and she was assured the check is being processed and should be received soon. On the other hand, however, there is a problem with Savoy. Kyle advised that he was informed by Wayne Neveu that Savoy is in financial straits. Neveu, however, is strongly urging Savoy to maintain a good rapport with the IDB and further will urge them to pay the outstanding fee. It was suggested that Savoy be put on notice of their delinquency and advise that payment is expected.

Jim then informed the Board, that he engaged in conversation with Trey Langus of the HRI who informed him that he was of the understanding that Wal-Mart was to make payments on behalf of HRI (LGD Rental) and Wal-Mart pursuant to an agreement. Kyle attempted to clear this confusion by advising that any such agreement would have been between HRI and Wal-Mart. IDB would not have been involved in such an agreement. Jim asked Kyle to get with Trey Langus to clear up the confusion.

Further in connection with the collection of administrative fees, Ms. Carliss Knesel was introduced. She will serve as IDB's trustee in the collection of fees for 2006. Mr. Cornelius advised that he started preparing an agreement prior to Katrina for a trustee but did not have sufficient information to complete it. Starting with the Home Depot project, however, he stated that IDB can make sure that Ms. Knesel manages complete accountability of the schedule for the collection process. Ms. Martin is to provide Ms. Decker with the information she needs to finish the trustee agreement.

Jim then informed the Board that HANO has a new Executive Director and further advised that per Wayne Nevue there are other projects in the pipeline in light of the demolitions that have taken place. Jim then stated that he hopes we [the Board] have learned something from previous projects with HANO in order to make better any upcoming projects including Cost Benefit Analyses; that St. Thomas was a challenge that brought in the Bureau of Governmental Research; that if Savoy were to happen today, it would be handled differently. We should be sure that each contract benefits the City in every way and that a system should be developed whereby the Board can trace and account for all activities submitted with the project.

On another note, Jim advised that the IDB was not included in project's ground breaking or ribbon cutting. This is a major form of advertising. In the future, the IDB will be more involved and actively present in any ribbon cutting and ground breaking of project in which the IDB has had major input. This will be a requirement to the client to keep the IDB involved at every level.

SIGNAGE

The Board was advised that in spite of letters and phone calls, the Fisher and Magnolia properties there is still no signage at these two locations.

TIMES PICAYUNE

Kyle advised the Board that \$2,895 is still outstanding to the Times Picayune on behalf of the IMG project. As advised by Stephanie Decker, IMG is now in bankruptcy. Kyle inquired as to how the Board can be placed on the IMG list of outstanding. Mr.

Cornelius was asked to make sure that the IDB's claim is included in the IMG bankruptcy. It was further agreed that the IDB should pay the Times Picayune the outstanding amount and that in the future, IDB will not guarantee payments to the Times Picayune for any advertisements that have not made through and with the approval of the IDB. It was then set by motion of Kyle Stoever and seconded by Ernest Legier that payment be made to the Times Picayune and a means to pursue collection from IMG and inclusion in its bankruptcy proceeding be undertaken. The vote passed unanimously.

Further, in connection with this issue, the Board discussed the future handling of requests for advertising through the Times Picayune. Included in this discussion was the requirement of 1) advanced payments for advertising or 2) incorporate the fee advertising in the deposit or 3) the client could be advised to make the deposit at application, receiving the discount through IDB or make payment directly to the T-P which amount would be greater. Mr. Cornelius suggested that application fees be kept "as is" and as a condition for final approval a \$3500 payment would be required for any publication costs. If the cost is more than \$3,500, an additional amount would be requested. If the amount is less than \$3500, a refund would be made to the client. It was suggested that an inquiry be made to determine the average cost for the posting of public hearing notices. The public advertisement is generally required between the preliminary and final approval.

OFFICE MATTERS

Office Space Requirements was discussed but with no definitive answers. The IDB office is still located temporarily in a space in Jim Thorns' office.

AUDIT

Mr. Stoever advised that we are currently working on the 2005 audit and that a semi-annual report of expenses and revenue will be ready for the board at its next meeting.

Mr. Thorns then advised the Board that Mr. Irvin Joseph's wife passed last month and that no one knew about it until today. It was motioned by Farrell Chatelain and seconded by Ernest

Legier that plants be sent to Mr. Joseph on behalf of the IDB, acknowledging his loss as he is and has been a loyal member of the IDB. The vote passed unanimously.

Adjournment: On motion by Kyle Stoever and seconded by Farrell Chatelain, and which unanimously passed, the meeting adjourned at 1:55PM

Respectfully submitted,

Kyle E. Stoever
Secretary-Treasurer
Industrial Development Board for the
City of New Orleans, LA, Inc.

AUGUST 2006
BOARD MEETING
CANCELLED

note: Post-Katrina. Many members still living
outside of New Orleans



**MINUTES FROM THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

SEPTEMBER 6, 2006
44TH FLOOR – ONE SHELL SQUARE

ATTENDEES:

Jim Thorns
Ernest Legier, Jr.
Nina Marchand

Kyle Stoever
Torey Bullock
Glenda Jones-Harris

Tyrone Wilson
Farrell Chatelaine

and

Ray Cornelius
Stephanie Decker
Sharon Martin

Bond Counsel for IDB
Bond Counsel for IDB
Administrative Consultant

GUESTS:

Creig Brown- Metro Source
Irving Joseph – Board member
Stephen Hattier – Morgan Keegan & Co., Inc.
Darryl Cunningham – Louisiana Community Development Authority
Maurice Brown – Morgan Keegan & Co., Inc.
Creig Brown – Metro Source
Kyle Jones – Capital One
Darryl Berger, Jr. – Canal Place One Phase III
Darryl Berger, Sr. – Canal Place One Phase III
Gary Elkins – Counsel, Canal Place One Phase III
Valentino Rovere - The St. Julien
Eugene Green – Pres., New Orleans Regional Business Park
Dexter Joseph – Sewerage & Water Board
Paul Simoneaux – Counsel, Canal Place One Phase III
Rev. Winfield
Henry Charlot, Downtown Development District
Gilbert Smith, USA Raceway
Stephen Stuart – Bureau of Governmental Research

The meeting of the Board of the Industrial Development Board of the City of New Orleans was called to order at 12:25. Mr. Thorns advised that Mr. Irving Joseph has moved from the City of

New Orleans and would be a non-voter at the meeting. Board members remarked on his stellar service as a board member. Applause was given

All guests were introduced. A motion to move for the acceptance of the July 24, 2006 Board meeting minutes was made by Ernest Legier, Jr. and seconded by Torey Bullock. The vote was unanimously accepted.

The next order of business was Savoy Place. Kyle Stoever presented an explanation that Savoy was still delinquent and advised that a conference call with representatives of the Michaels Development Co. was arranged among the parties by Ms. Martin. Mr. Stoever encouraged payment of outstanding fee. The principal indicated that the Michaels Development was in the process of reviewing financing arrangements and may terminate agreements but that payment of the outstanding amount would be paid.

Membership statuses:

The current status of board membership was discussed. Mr. Thorns advised that he was in the process scheduling meetings with City Council members to update each on the status of any vacancies to be filled.

New Business

1. 200 Carondelet Street – The St. Julien

Mr. Thorns offered to the floor to Valentino Rovere, who made a presentation of its application which was previously presented to the Board. He stated further than the building was acquired in 2000 and that the building was fully permitted prior to the storm. Starwood has shown interest and the project would create some 250 jobs. The project is on the site of the Old American Bank Building (the building name remain on the edifice). The St. Julien seeks preliminary approval of its application. Mr. Thorns informed Mr. Rovere that one of the requirements of the IDB is the procurement of a Cost Benefit Analysis, which consultant is selected by IDB and for which services the St. Julien will be solely responsible. Mr. Thorns further stated that the benefits of the analysis must show all benefits and costs to the City; the benefits must outweigh the costs. The cost benefit analysis will be conducted while the St. Julien is pursuing State bonds. Ms. Decker would prepare and present a Time Line for IDB's consideration. Ms. Decker advised that she would be requesting information in order to prepare the timeline.

Board discussion ensued and Mr. Thorns interjected that the project must ensure local participation in its rebuilding. Valentino advised that there were two locals involved thus far; the law firm of Elkins, P.L.C and a local interior designer both of which will be working with locals.

After discussion, a motion by Tyrone Wilson was rendered and seconded by Farrell Chatelain for preliminary approval of the application. The vote unanimously passed.

2. Canal Place One – Phase III (3CP)

Mr. Thorns then opened the floor to Mr. Darryl Berger, Sr., owner and representative for the Canal Place III project. He introduced: Mr. Roger Odgen as co-owner, Gary Elkins and Paul Simoneaux as counsel, and Mr. Darryl Berger, Jr. Mr. Berger, Sr. provided an overview of the project entailing that it would be an expansion of Canal Place and is called Phase III. Total project cost approximately \$200,000,000. He explained that the project would create jobs for locals; it will have a local, national and international impact on the economy; and is instrumental in the rebuilding of New Orleans after Hurricane Katrina. It will be one of the largest tax payers in the area. Considering its sales in the retail businesses at Canal Place (stores, hotel, parking, and millions of visitors), there will be over 5,000 people employed at that site once Phase III is completed. The expansion is presented in the application via photographs and charts, showing the proposed building in context with the other structures plus the proposed tower. The building is still in design. The new structure will be a 30-story tower with mixed use. It will consist of the 1st and 2nd floor housing high-end retailers that will complement SAKS Fifth Avenue; the new structure will provide additional parking. The biggest single component will be a 5-story hotel (top 5 floors) which should be delivered in 2009 – 2010. The hotel will contain 242 rooms, with ballroom space available. The very top will be the residential component. There will be high-end condos which are not a part of the financing being requested. The condos will be built with additional financing. The project will draw major tourism and add to the economy. The cost will involve GO Zone legislature Private Activity Bonds; tax exempt financing; and will be an expansion lead project.

Mr. Thorns asked how Hurricane Katrina affected 38,000 hotel rooms industry in the metro market. Mr. Berger advised that some smaller properties will be out of the market. Some hotels, mainly in the downtown area, will be re-opened, constituting about 29-30,000 rooms. Some 2,000 rooms will be lost as a result of Hurricane Katrina. Mr. Wilson inquired as to parking. How many provided on 2nd level. Answer: 75 spaces; with 1st and 2nd level there will be 75 – 150 parking spaces.

Mr. Cornelius reiterated that the condos financing would not come from IDB. However, he asked Mr. Berger, if he wanted the IDB to put in the taxable portion, that is, blend the condo portion in with the rest of the project since this is a preliminary approval, that is, if he wanted both phases of the project to include taxable base to keep from doing non-taxable based on the condo cost? Mr. Berger responded that he had not thought of including both in the project. Mr. Cornelius interjected that he may want to retain flux. Mr. Berger then stated that he wanted just the amount today they are seeking to be considered. But, stated that the suggestion was a creative thought. He will consider it once he determines the advantage.

Mr. Thorns then stated to the Board that preliminary approval was being sought and that it was needed prior to applying to the State Bond Commission. He further indicated that a time line would be required explaining how the project would come together. He interjected the IDB requirements: 1) the commissioning of a Cost/Benefit Analysis which must prove the benefits to the City; 2) 3CP must agree to the Cost Benefit Analysis and provide the necessary documents to the chosen consultant required to produce the CBA; 3) this Cost Benefit Analysis is paid for by the client, but the consultant is chosen by IDB. Mr. Thorns then asked if there were any infrastructure problems and Mr. Berger responded, "no", with the exception of the energy substation which is the only eye sore in the area.

A motion for acceptance of the application was set by Mr. Farrell Chatelain and seconded by Mr. Tyrone Wilson. The vote passed unanimously by the Board.

Mr. Thorns then introduced Mr. Eugene Green.

HOME DEPOT

An update on this matter was provided by Mr. Creig Brown of Metro Source, the consultant performing the Cost Benefit Analysis (CBA). He informed the board that Metro had yet not received the materials necessary to begin the CBA. His last conversation with Home Depot representative indicated that materials would be Fed Ex'd by Monday. Mr. Thorns requested a time line He Brown responded that a time line could be provided after the materials are received. Final determination reflected that Mr. Brown and Ms. Decker would get together to re-shuffle the time line.

NEW BUSINESS

Ms. Decker announced the intent to apply by USA Raceway and introduced Mr. Gilbert Smith, who provided the following presentation of the proposed project: USA Raceway would be an open drag strip in New Orleans East. It would constitute a drag racing strip of ¼ mile of both regular racing cars to highly modified racing cars.

He explained that there is currently a lot of drag racing in Metairie and New Orleans East. The USA Raceway would provide weekly events for pay and major events for professional events.

Mr. Thorns asked how much land would be needed? Per Mr. Smith explained: Enough to house 1 hospitality suite; as much land as needed to house 18 wheelers for vehicles entering the race; a ½ mile long; a ½ mile in shut down; concession stands; restrooms. The location would be near Bayou Salvage close to Old Gentilly Road. They have identified 450 acres. The only other drag race strip is Belle Rose outside of Donaldsonville and they hold sportsman events. USA Raceway would pull national events; qualifying events and racing all weekend. Mr. Smith is a racer. The project would employ 5,000 people with 10 – 15 permanent positions and up to 250 during national events.

Mr. Thorns expressed that the IDB would be interested in the project and encouraged Mr. Smith to complete and submit the application.

OLD BUSINESS

Mr. Stoever presented updates on:

Semi Annual Report. A copy of the report was presented to all board members. He explained that “casual labor” was for labor provided in connection with the Amoco Building move to IDB’s temporary location.

Audit: The audit should be completed by October’s board meeting; that Ms. Martin is working with Bruno & Tervalon to get them the information they need to complete the udit.

Savoy: In this report, Mr. Stoever updated the Board on the Savoy matter, stating that pursuant to his conversation with representatives of Michaels Development, they may be seeking refinancing. Mr. Wilson asked if IDB had received anything from bond counsel on the status of the project. Stoever explained that a letter had been sent to Mr. Cornelius. Mr. Cornelius interposed that he will try to coordinate same with Mr. Wayne Neveu, former bond counsel and counsel for that project. Mr. Thorns then stated that he is planning a meeting with the new Commissioner for HANO.

IMG Healthcare

Mr. Stoever explained that IDB paid the outstanding \$2800 bill to the Times Picayune and requested that this debt be added in the bankruptcy proceedings of IMG Healthcare. He further

suggested that a format be established. Ms. Decker stated that she is in touch with IMG counsel but there is nothing there. The creditors list is long. Mr. Thorns interjected that the land is worth some \$1,000,000 and is an asset and recommended that collection be pursued. Mr. Stoever then stated he would like to see this type of occurrence avoided in the future and suggested that a process be followed. He also asked if Adams & Reese would serve as collection attorney for the debt. Mr. Wilson suggested that a fee be established up front and made a part of the fee schedule to IDB.

Liberty Bank

Mr. Stoever presented to the Board a historical account of dealings with the Bank and a copy of the letter proposed by Mr. Stephen Daste and advised that problems continue. He stated because IDB and he were not receiving copies of bank statements, IDB was cited for non-compliance in the last audit. Daste has left the bank. Stoever advised that IDB was getting half the rate offered by other banks and the 4.9% was being offered currently on T-bills, Liberty is paying 2.5%. Mr. Thorns asked that a letter be sent to get this matter fixed.

LCDA

Mr. Thorns passed out literature on the Louisiana Community Development Authority and introduced Mr. Darryl Cunningham of the Louisiana Community Development Authority. Mr. Thorns stated that LCDA provides services similar to that of the IDB and that the LCDA was prepared to work on a project in New Orleans on St. Charles Avenue which was formerly the Hotel Monaco until he had the opportunity to talk with Mr. Cunningham. Mr. Cunningham advised they were planning to convert the former hotel into a Hilton Hotel. Mr. Sam Freedman is the principal in this matter. John Besh (restaurateur) will open a restaurant and that Mr. Wynton Marsalis is planning to open a Jazz Club. The hotel will have some 300+ rooms. Expected opening dated is December 29. The Hilton Hotel also owns Homewood Suites located near the La Pavilion Hotel on Poydras. Mr. Cunningham stated that under normal circumstances, they would not ask for tax exemption. But the existing project taxes were \$400,000 per year .and have been tremendously lowered sine Hurricane Katrina. After investigating the new cost may go through IDB, the project will generate some \$9-\$10M in sales and this is good for the economy. The group may present its application at the next meeting depending on how the principal wishes to proceed. The project could offer employment to some 200 – 250 people. It was suggested that the principals talk to their district assessor, the mayor and council person to apprise them of the developmental plans. Mr. Thorns explained that the IDB adopted a policy some years ago to protect the City and its tax base and this is done through the Cost Benefit Analysis. He further stated that the IDB would be interested in the project. Mr. Cunningham then asked what would be the in submitting the application. He was explained that there is an application fee; an abatement fee and the consultant's fee to do the cost benefit

analysis which ranges somewhere between \$15-\$20,000. Mr. Thorns further stated that the Cost Benefit Analysis becomes contractual and is the basis upon which the IDB issues the PILOT; it cannot be breached. The term of the PILOT was also discussed and Mr. Cunningham asked what was the largest PILOT ever given by the IDB. The largest was 20 years.

Film Factory

Mr. Thorns asked for an update on this matter and Stephanie Decker advised that no letter of credit had been signed yet. This project is currently in a holding pattern.

HOME DEPOT

Mr. Cornelius stated that at the last Executive Committee meeting, preliminary approval was granted to the Home Depot project and that it was to be ratified at this Board meeting. The preliminary approval granted at the September 6, 2006 Board meeting was motioned for ratification by Mr. Kyle Stoever and seconded by Mr. Farrell Chatelain. The vote passed unanimously.

The meeting adjourned at 2:35 PM. The next meeting of the Board will be October 17, 2006.

Kyle Stoever
Secretary Treasurer



**MINUTES FROM THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

OCTOBER 16, 2006
44TH FLOOR – ONE SHELL SQUARE

ATTENDEES:

Torey Bullock
Nina H. Marchand
Tyrone Wilson

Farrell Chatelaine
Kyle Stoever

Glenda Jones-Harris
Jimmie Thorns

Absent: Ernest Legier, Jr.

New Member: W. Raley Alford

Sharon Martin Administrative Consultant
Ray Cornelius Bond Counsel for IDB

GUESTS:

Mr. Darryl Berger - Applicant/Carrollton Revitalization
Mr. G. H. Kolb - Applicant/Carrollton Revitalization
Stephen Stuart - BGR
Alvin Meister (G. C. Multi - Greystar a/k/a The Saulet)
Paul Simoneaux - Counsel for Carrollton Revitalization
Creig Brown - Metro Source3
Brian Gibb - Applicant/930 Poydras, LLC
Ryan Berger - Carrollton Revitalization
Darryl Berger, Jr. - Carrollton Revitalization
Frederick Yorsch
Selim Berkol - Applicant/Pelican Square Residences
Tara Henderson - Applicant/Pelican Square Residences
Carliss Knesel - Hancock Bank of Louisiana
Trevor Williams - Metro Source

The meeting was opened at 12:17 P. M. by the President, Jimmie thorns. Roll Call was had. Mr. Thorns then advised the board that Mr. James Smith was ill and that flowers and a fruit basket were in order. He requested that same be taken care of immediately.

The next order of business was the introduction of guests. All guests were asked to sign in.

The next order of business was the approval of the minutes of the Sept. 9, 2006 Board meeting. Acceptance passed unanimously with any correction needing to be made.

Pelican Square Residences

Mr. Stoever introduced the next order of business and represented that the Ad Valorem Committee meeting was held to review the Cost Benefit Analysis prepared by Metro Source in connection with this project. He then asked Mrs. Tara Hernandez for a brief overview. She advised that the application came before the Board in July of 2005 just prior to Hurricane Katrina at which meeting preliminary approval was granted. She further advised that the project represented the development of 326 units of new apartment construction. The original budget was \$45M but that has more than doubled since Hurricane Katrina and it is now at \$85M, a tremendous increase. Much of the expense has been alleviated by Go Zone Bonds and the New Market Tax Credit allocation (\$36M) which will cover a majority of the expenses. In the interim, she advised that HRI is seeking a 15-year PILOT from the IDB. In addition to the 326 units, there will be a 6-story garage and 2,000 SF of retail space. Also, as a plus, are the taxes from the sale of each condo. She reiterated that the PILOT will be for the apartment and garage construction, not the condo construction. Property taxes will rise from \$41K (current) to \$668K at the end of all condo sales. This will be a boon to the economy. The tax benefit to the City will be immediate as condos are sold. There will be 108 condominiums; pre-sale to begin in 2008. Mr. Brown of Metro Source interjected that this is a unique situation as two years after condo sales, property taxes will begin to rise. Mrs. Hernandez informed the board that currently the estimated range for condos per square foot is \$400; they are offering \$373 PSF; the range would, therefore, be \$325 - \$350,000 as an average up to \$6700,000. A timeline was requested on behalf of the Board by Mr. Thorns at which the board was advised the project would take 18 months - the garage being completed within 12 months. Mrs. Hernandez advised that they are scheduled to appear before the City Planning Commission on 11/25/06. An issue of importance as pointed out by Mrs. Hernandez is that the property is under a 99-year lease to HRI. If they are unable to work because of the PILOT, they will continue as a parking lot; either way, the City benefits.

Mrs. Marchand asked about the number of permanent jobs being created and was advised that 101 permanent jobs would be created. There will be 10 to 12 on-site positions; 300 during construction and some retail jobs. Mr. Thorns then explained that the IDB will be evaluating, for a quantitative report, all benefits to the City. The IDB's intent is always to provide a means for a developer but the ultimate goal is making the City beneficiary of the greater good. The benefits to the City must outweigh the costs.

A motion to accept the modified proposal was made by Tyrone Wilson and seconded by Nina Marchand. The vote passed unanimously. Mr. Thorns again stated the need for a time line. Mrs. Hernandez advised that she will send.

Mr. Cornelius then asked if the Board would take a position on the ad valorem taxes. He was advised by Kyle Stoever that the Committee (The Ad Valorem Committee) recommends, not make decision on actual tax base; that the tax base will be addressed later at a future board meeting and voted upon by the board. Mr. Cornelius then stated, for clarity, that the Board does not reduce taxes and that current taxes are to be paid by the applicant.

Audit Update

Mr. Stoever informed the board the audit was underway and is being worked on and that it should be ready by the next board meeting barring no unforeseen problems.

Mr. Thorns then thanked Mr. Cornelius for the accommodations.

Fee Collection

Mr. Sotever advised this would be two-fold report. Firstly, he advised that the Savoy sent a check to cover the annual fees for 2005 and further advised thatt the Savoy is in discussion right now to determine what they will do with the project. Secondly, he advised that a contract between the IDB and Hancock Bank of Louisiana had been prepared and is ready for approval by the Board. He then introduced Carliss Knesel of Hancock Bank who provided a brief description of the contract, advising that the cost would be \$1,000 to handle up to 24 accounts per year. anything after the initial 24 accounts would cost the IDB an additional \$0 per new client/borrower. This contract with a Trustee relieves board member of any fiduciary liabilities. having this information on computer is best for IDB. he then advised that all fees on projects are coming due this month and will be handled by Hancock Bank of Louisiana.

A motion was offered to accept the contract between the IDB and Hancock Bank of Louisiana by Mrs. Nina Marchand and seconded by Mr. Farrell Chatelaine. The vote passed unanimously.

Mr. Stoever then thanked Mrs. Stephanie Decker for her assistance and expertise in getting this matter completed.

Mr. Thorns then announced Councilwoman Stacy Head's new appointee, and introduced Mr. W. Raley Alford. Mr. Thorns advised that Mr. Eddy Oliver was rolling off the Board appointee's list.

Home Depot

Creig Brown of Metro Source informed the board that he met with Mr. Howell Crosby and gave him a list of needs to conduct the Cost/Benefit Analysis. Unfortunately, Mr. Crosby had an emergency and, to-date, has not provided the required materials. Mr. Brown stated that Metro has been emailing the Home Depot representative and was informed that the materials were coming. Mr. Thorns requested help from Mr. Cornelius in getting the required documents. Mr. Cornelius then updated the board that Mr. Crosby indicated that Home Depot is not wavering but at this point in the application, the gathering of the information appears not to be on the front burner. Mr. Thorns then asked for a modified time line for IDB records.

St. Julien

Mr. Creig Brown advised that he just got an email from Mr. Rovere to start; however, no contract has been entered as of this date. he then stated that he will be talking with Mr. Rovere today. They should be in position to fast track this one.

3CP - Canal Place Phase III

Mr. Brown of Metro Source, advised that the representatives of 3CP have responded to inquiries and documentation requests to being the CBA but was not yet received. A contract is needed in this matter; Metro needs data to conduct the CBA. 3CP, LLC should be going before the State Bond Commission on Thursday. Mr. Thorns advised, that a time line is needed in this matter.

Film Factory

The Board was informed by Mr. Cornelius that the Film Factory was working on a line of credit which they need and that the Film Factory is pursuing this issue. Mr. Thorns asked if this application was a "fishing expedition". Mr. Cornelius advised that it was not; that the Film Factory is spending a considerable amount of time and money on this project. Mr. Thorns offered the assistance of the IDB if it was needed.

Signage

Mr. Thorns informed all applicants, the Board and Bond Counsel that an IDB requirement on all projects was "mandatory signage". He advised that standard language for the signs was developed by the Board. This signage must be posted around the perimeter of the project on all sides and that the signage should remain there until ribbon cutting. This is not negotiable. He then stated that the most severe problems have been with HANO. Mr. Stoever then asked to

have this issued opened for Board discussion, advising that the only client to adhere to the requirement was Crescent Crown Distributors at which point Mrs. Hernandez interjected that American Can also complied. He then stated that the Fischer was a \$19M project at which there was no signage. He advised that the IDB should open some type of bid system, allowing local companies to bid on producing the template created by the IDB. Mrs. Marchand stated that she, on the contrary, remembered seeing signs before Hurricane Katrina. Mr. Stoever then stated that this is true but they were not standardized signage. He then stated that he spoke with one developer who thought the IDB should be responsible for posting the signage since they are paying fees yearly and that the Board should be responsible for posting and maintaining signage. Mrs. Marchand stated she agreed. Mr. Stoever then stated that more importantly, without the signage the public does not know of the IDB's involvement in the project. Mr. Wilson joined in by stating that the IDB should require additional fees to cover these costs of signage or that IDB could post signage and then bill the client advising the client that since they are not in compliance, IDB has posed and they now must pay. Mr. Thorns then asked Mr. Cornelius if the IDB would be in position to collect for such a cost incurred. Mr. Cornelius suggested that first letters be sent to those in non-compliance, further stating that as part of the application process include "required Signage" information at their expense. Give two to three weeks to put up signage or Board will post signage and seek payment for same. It was suggested that the consultant get the estimated cost of such a sign. Mr. Cornelius then stated that after these steps are taken, he believes IDB will get paid. Mrs. Glenda Harris stated that the importance of the signage is to advise the public of IDB's involvement; that in such a case, the IDB must take the initiative by sending friendly reminders to each client on projects currently in effect. Mr. Thorns stated that this cost should be separate and apart from the application fee. He then stated that a new policy on signage, made up by a committee, should be developed and asked that this discussion be placed on hold to work this issue. Ray Cornelius said he would send a letter.

Office Space

Mr. Thorns asked Mr. Wilson to help with securing office space by next meeting.

NEW BUSINESS

Carrollton Revitalization

Mr. Gordon Kolb and Mr. Darryl Berger were introduced and asked to make a presentation. Mr. Kolb began making the presentation, advising that the application seeks a PILOT for \$190M for the construction of a Walgreen's store located at South Claiborne and South Carrollton Avenues. There have been many zoning problems but these problems have been attacked. The project entails Walgreen's pharmacy building along with the grocery store being developed by Robert's. Both are important to the neighborhood pre-and post-Katrina. Both will be a major asset to the

community. The timeline on the project is completion by August 2007. Payroll should be \$25-30K per employee. Mr. Berger then continued the presentation addition that signage will not be a problem, nor would the invitation to any ribbon cutting. He thanked IDB for the invite for his younger team members who were present. Mr. Berger then informed the Board that this project is about neighborhood rebuilding. He advised that the Cost Benefit Analysis should look good. He pledged on behalf of Carrollton revitalization to include local participation. He advised that they are tearing down the old firehouse to raise \$100K to retro fit and clean the site. Robert's has made a commitment to the community as well. It will be a seamless development.

Mr. Cornelius interjected that the Carrollton Revitalization was looking for preliminary approval of this project.

A motion was presented by Tyrone Wilson and seconded by Ms. Glenda Jones-Harris. Roll was called and the vote passed unanimously to grant preliminary approval of the application by Carrollton Revitalization, LLC.

930 Poydras, LLC

Brian Gibbs was introduced as the 930 Poydras, LLC reepresentative. he advised that his family bought the property located at 930 Poydras which is now a vacant lot. This application seeks the IDB to issue bonds not to exceed \$55M to a mixed use development project consisting of a 37-story high rise with 222 apartments adjacent to an 8-story, 509 space parking garage facility with retail space (6,000SF). The plan to use the New Market Tax Credits because of insurance and construction. There are no height restriction or issues on this property. He has met with Stacy head, Council person for the area and is scheduled to go before the City Planning Commission. Average rent will be \$1500 per month. Parking will be available for \$170 per month. It will be a self-park facility and open to the public. Taxes will be generated by the parking facility. Green space is required with loading docks. Mr. Thorns asked if they expected absorption to be fairly quickly. "Better than" was the response. Mr. Gibbs requested preliminary approval for a PILOT so they could go before the State Bond Commission. In answer to Mr. Thorns' question, Mr. Gibbs advised that residential living in the CBD is increasing and will increase with density.

A motion to accept and provide preliminary was offered by Mrs. Nina Marchand and seconded by Mr. Farrell Chatelain. Roll was called ant eh vote passed unanimously to grant preliminary approval of the 930 Poydras, LLC application.

Mr. Thorns then informed and reminded Mr. Gibbs of the need to provide a timeline; the important o signage; and the need for a cost/benefit analysis for which cost the 930 Poydras, LLC would be responsible.

In the next order of business, Mr. Thorns asked that each board member come up with a Blue Ribbon Committee to re-evaluate benchmarks, signage, cost/benefit analysis commitment of the client. Those who volunteered to serve on the committee included: Kyle Stoever, Ray Cornelius, Nina Marchand, Tyrone Wilson, Farrell Chatelain. This committee would serve as an Ad Hoc Policy Committee. As the newest member of the Board, Mr. Alford volunteered to serve as committee chair. Mrs. Marchand asked if the document created could be inserted to show a way of measuring.

OLD BUSINESS

The Saulet

Mr. Allen Meister was introduced, representing the Saulet. He advised that the Saulet was in bankruptcy and that currently they were working out arrangements with the lender. If the board doesn't agree to this process, it will send the Saulet back into bankruptcy. Farrell Chatelain asked if the front would still be stucco. Mr. Meister advised they were getting rid of the stucco and were leaning toward hardy board. The problems with the Saulet were not Katrina related. They were construction defects. CG Multi-Family agreed to hold \$22M in escrow to do repairs. The cash flow is "messed up". The Lender and Fannie Mae are trying to get to the escrow. Fannie Mae required an additional \$2M and agreed upon a construction schedule to get the project going again. They want to make sure the PILOT and the bond were unaffected. The documents were sent to Ray Cornelius. The Saulet's end is okay. The need approval from the Board to move forward as presented. Mr. Thorns advised that the agreement between the parties is a continuing agreement since 1999 - now in seven years of ownership. The IDB approved based on infra-structure. Now asking to continue the 15 year PILOT; after 10 years, no change; now asking to allow renegotiation on terms of borrowing to meet obligation. Tyrone Wilson asked "I no change, why do we need action". Mr. Cornelius advised that it was schedule related. Mr. Thorns advised that IDB certainly wants to help but stated that the line of communication was not handled well, stating that the IDB did not know about the bankruptcy until long after the bankruptcy action had been taken.

After discussion, a motion was offered by Kyle Stoever and seconded by Farrell Chatelain to allow renegotiation of terms with Lender on the Saulet.

Tyrone Wilson stated that it was good to see a new member joining the IDB. It was then announced that Eugene Green and U. S. Raceway Group would make their presentation at the next board meeting scheduled for November 7.

Farrell Chatelain motioned for adjournment of the meeting and same was seconded by Nina Marchand. The meeting adjourned at 1:50PM.

Kyle Stoever, Secretary-Treasurer



**MINUTES FROM THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

NOVEMBER 7, 2006
44TH FLOOR – ONE SHELL SQUARE

ATTENDEES:

Board:

Jim Thorns
Ernest Legier
Farrell Chatelain

Kyle Stoever
Tyrone Wilson
Glenda Jones-Harris

Torey Bullock
W. Raley Alford, III

Ray Cornelius, Industrial Development Board, Bond Counsel
Sharon Martin, Industrial Development Board, Admin. Consultant

Absent: Farrell Chatelain, Nina Marchand, James Smith

Guests:

Eugene Green, U. S. Raceway Group
Gilbert Smith, U. S. Raceway Group
Ernest Gethers, City of New Orleans, Dept. of Economic Development
Creig Brown, Metro Source
Bruce Egger, Times-Picayune
Trevor Williams, Metro Source
Carliss Knesel, Hancock Bank

The meeting was opened by the President, Jimmie Thorns, Jr., at 12:16 PM. The minutes were read. Ernest Legier, motioned to approve the minutes, and same was seconded by Glenda Jones-Harris. The Board voted to unanimously accept and approve the minutes subject to any changes.

U. S. RACEWAY GROUP

The President opened the floor to the first order of business: U. S. Raceway Group and introduced Mr. Ernest Green and Mr. Gilbert Smith. Mr. Smith made an overview presentation of the application and the racing facility being proposed, stating that it will be a state of the art facility. Mr. Thorns asked what affect the raceway would have on New Orleans and New Orleans East. Mr. Smith stated they have sited the 440 acres but would prefer not to disclose any details until the matter had been negotiated. He described the potential employment opportunities, the hospitality suite, 10,000 SF of facility, 13,080 linear feet of raceway; 13,080 of

asphalt raceway. During construction, is it anticipated that some 75 – 85 people will be hired; with 25 permanent employees once the project is completed. During any event time, approximately 100 people could be hired. Mr. Thorns then provided a brief background on a similar project for a super speed way in the N. O. East area and asked if it was the same. Mr. Smith responded stating that this project is totally different, further stating that a super speed way does not have weekly attractions but provides for a once a year event for a week at a time. It offers no on-going activity. He stated that drag racing is totally different. It is weekly, daily.

Mr. Thorns asked what other business opportunities are there for other businesses if such a facility is constructed. Mr. Smith stated: mechanics, muffler business, tire businesses, engine builders, testing, and a host of other related business, stating further that there is a lot of money in this project including hotel occupancy. The facility would be open 5-days to 7-days a week, with special events. Mr. Thorns asked to expound on the hotel occupancy. Mr. Smith stated that average race team is comprised of 5 – 8 people per team. This could bring in over 1,000 people in race teams only.

Mrs. Harris stated she had concerns about the project and hoped for some explanations. 1) Commitment of \$36 Million. Who owns the 400 acres? Mr. Eugene introduced himself as a businessman and as private citizen and advised that the 400 acres are privately owned, stating that to do this project in N. O. East presents a challenge in terms of location and building. The project is faced with challenges as it must be a state-of-the art raceway using the latest technology to attract national events. The raceway has to be smooth and will use the latest in engineering and technology. Mr. Smith interjected that as a private citizen he sees racing taking place all the time. It's very dangerous. There is an obvious market for a raceway in New Orleans. New Orleans East could be the jump start for a lot of other business opportunities. Right now there are a couple of hotels in New Orleans. The raceway could bring lots of tourism to New Orleans and the N. O. East area. Of the \$33 million being sought, \$10 - \$12 million will be used to develop the land including design, land fill, etc.. The land in the East will require significant filling not counting the engineering and technology that will be required to develop the race strip. Increased acreage will be needed for parking. Mr. Green reiterated and wanted to make clear where the raceway will be located and that negotiations are underway between Mr. Smith and the land owner. 90% of facilities such as the one proposed is outside the city. Unfortunately, right now they are not at liberty to divulge the land owner's name. The raceway will create new jobs.

Mr. Tyrone Wilson questioned if the 400 acres are being sought only in New Orleans and wondered if the lower cost of Algiers, around English Turn is being considered as there is lots of land available in that area. Mr. Green advised that they did not want to limit their possibilities or options but New Orleans East is where they are looking first. Should talks fail, they will open their options to other areas. They are wishing to increase tourism in the New Orleans area. Discussions ensued on this topic of other potential areas, including St. Tammany but there are benefits in bringing the project to New Orleans.

Mrs. Jones-Harris then asked if any economic forecasts had been made in connection with the project. Mr. Green stated that ticket sales would be the main source of revenue but that participation fees could generate some \$6 million a year. He would, however, prefer to leave forecasting up to the economists.

The question was raised concerning the use of funds and the serious commitment of \$32M on debt revenue bonds. Mr. Green stated that this meeting is the first with any public body. Other meetings have been with the private sector. It is recognized, however, that this project presents some challenges in terms of financing but the rewards could be great with the support of the IDB. In looking at other cities, i.e., San Antonio, the cost to develop this same project is 33% less than what it would cost to develop in New Orleans. U. S. Raceway would appreciate the support of IDB in this phase of the process in order to move forward with securing other financing for the project. Mrs. Jones-Harris thanked Mr. Green for his explanations and said she had to address the issues as she represents New Orleans East and their interests. She also recognizes that Hurricane Katrina has displaced many residents and that we should be dealing with the infrastructure challenges and need to make sure that they would not be compromised and she had to be able to understand to make the public understand.

Mr. Green then stated that U. S. Raceway is not asking the public sector to pay back bonds. U. S. Raceway is starting like others, identifying potential sources.

Mr. Thorns stated that he needed clarity on this issue because he did not want to have the impression left that U. S. Raceway was asking the public for money through IDB for financing. Mr. Green requested that it be made a part of the record that U. S. Raceway Group is a private venture and is not asking the public sector to pay for this project. Mr. Thorns then offered clarity and stated that there were only two matters that could be before the IDB for approval 1) U. S. Raceway Group could ask for a PILOT (Payment in Lieu of Taxes) which deals with the ad valorem taxes on the property and 2) bonds of which U. S. Raceway would have to secure a letter of credit and pay back personally with no money out of the public coffers. Infrastructure matters will have to be handled with those entities that handle infrastructure. Mrs. Jones-Harris stated that she was concerned with the public's perception when housing is so badly needed. Mr. Thorns stated that we, the Board, need to communicate clearly that our job which is to enhance the economic climate of the City. Can't focus on issue on whether people can come back. We are charged with creating economic development which creates the jobs to encourage, induce and entice people to come back to New Orleans.

Mr. Green stated that U. S. Raceway will take a piece of vacant land, develop it and increase its value hoping to stimulate growth in the area, even with the challenges that it faces in trying to do so. Property values will increase as a result of the project.

Mr. Stoever then interjected that he remembers many times going to Houma for drag racing and in Gainesville, Fl where thousands of people gathered for such an event. Mr. Smith interrupted by clearing the difference between drag racing and a national track for speed racing. The nearest track similar to the one proposed is in Donaldsonville, La. Therefore, this will be the only one in the area to hold national events. This raceway could have a positive impact on the local economy in many ways: restaurant, hotels, retail. Mr. Wilson asked if there were any current commitments for national events. Mr. Smith stated that the project needed to be a bit more complete before any commitments are accepted. Mr. Wilson then asked about site control and time frame. Mr. Green stated that U. S. Raceway would come back in January with a better picture and with time frame.

Mr. Thorns then offered an explanation of the process through IDB, asking Ray Cornelius, Bond Counsel, to assist if anything is left out. 1) The Board receives your application and the fee, 2) like this meeting, the Board reviews and listens to the presentation of the applicant after which, if all is in order, a preliminary approval is granted which allows you to move forward to the State Bond Commission and making application. Of importance, once you get approval, you can recapture your costs from 60 days back on the project after preliminary approval. Then a time line is developed from this point on until closing and all things to happen in the process from this point on. The IDB requires, on the part of the developer, a Cost Benefit Analysis which is designed to weigh the costs and benefits to the citizens of New Orleans in providing any incentives, i.e., bonding and ad valorem tax benefits. This is measured by an analyst chosen by the IDB. This economist quantifies, with reasons, which gives the IDB the fuel to vote on whether it is to the City's advantage to give either the PILOT or the bonding. The cost benefit analysis is paid for by you, the client. You negotiate the fee with the consultant, and agreement to produce the Cost Benefit Analysis is entered into among the IDB, the Economic Consultant and you, the Client. When you go to the State Bond Commission and get approval then we give you final approval. There is a public hearing held prior to final approval.

Any project enhancing economic situation in the City holds the IDB's interest. Now with the economy in its current condition we are certainly interested in any development that will enhance the economy of the City. Mr. Thorns asked if the process was clear. The response was, yes. Mr. Green again stated that they are not asking for monies from the City and that this was a private sector venture. He, too, is a real estate owner, a businessman, and he is sure that this project will enhance in the re-building of New Orleans. He then stated that the IDB plays a significant role in this process and proceeded to ask for preliminary approval from the Board.

Mr. Cornelius then stated that the application sought \$26 million in bonding but the figure should have been \$32 million. Therefore, the Resolution will reflect "not to exceed \$30 million. If you should need more, then you will have to start over.

Mr. Green assured the Board that the project is evolving as he speaks. He reiterated that the Group is asking for 90% of \$36 million - \$33M. and, that the preliminary approval not to exceed

\$33M. Mr. Cornelius presented the standard Resolution form to be signed by the President and the Secretary Treasurer. Mr. Cornelius agreed to change the Resolution to reflect \$33 million. Mr. Alford reemphasized that preliminary approval is non-binding and does not obligate the applicant or the Board and further stated that the application is not complete and does not conform to application guidelines and format. He stated that he was curious that since the application does not conform is there a back up should the Board grant preliminary approval. Mr. Thorns stated that the preliminary approval could be granted on condition that the standard IDB application is submitted.

By motion of Kyle Stoever, and seconded by Glenda Jones-Harris a vote to grant preliminary approval of the application of U. S. Raceway Group was held. By roll call, unanimously, the Board voted and granted Preliminary Approval of the request. Mr. Cornelius then suggested that the application be subject to notice of approval must be complete in all respects and subject to further action regarding the application. He further stated that this condition will be placed in the Resolution.

Mr. Torey Bullock then asked about the pricing for the tracks and cost of elevation. Are there any specs yet? Mr. Green advised that the environs for the project is challenging and unique as this will be a national facility. If the same project were in a rural area it would be half the cost. It will have a tower, grand stand, grand entrance, all attractive features unlike those in rural areas. To stabilize the land is a significant cost, \$11Million.

Mr. Thorns asked if this would be a hard surface track. The response was yes, concrete with no pot holes. Asked if there were any other questions, concerns or discussion by Mr. Thorns, Mr. Alford requested the required three-year pro forma be included in the application when re-submitted. Will you be able to service the bonds?

Mr. Thorns then requested Roll Call on the motion to grant preliminary approval subject to the re-submission of the standard application. The vote unanimously passed granting preliminary approval to U. S. Raceway Group.

Alford, Bullock, Jones-Harris, Legier, Stoever, Thorns, Wilson

Please note preliminary approval granted subject to the submission of the application and the time line required. Congratulations.

AUDIT

Mr. Stoever that it is in its final stage and further that stated that he has asked to have the process accelerated so as to present to the Board before the end of the year. We have had set backs.

ANNUAL FEE COLLECTION

Ms. Carliss Knesel informed the board that invoices have been mailed to each of the current project contacts. To-date no payments have been received.

SAVOY

Mr. Thorns advised the Board that the developers notified IDB that they will redeem the bonds in this matter. The project will not be moved forward, at least not through the IDB. The only exception is with regards to any outstanding annual fees that might be due. He then asked Mr. Cornelius to provide counsel on this issue. Mr. Cornelius advised that fees due at redemption should be paid.

COST BENEFIT ANALYSES

Mr. Thorns stated that all CBA consulting agreements had to be signed by all parties and presented copies of same to Creig Brown of Metro Source. Mr. Brown advised that Metro was waiting on information from Mr. Howell Crosby, representing Home Depot. Metro Source has been in contact with Mr. Howell but to date the information has not been delivered. Mr. Cornelius stated that he has spoken with Mr. Crosby and the Company is moving slowly in getting documents but the project is still moving forward. He agreed to stay on top of the matter.

Mr. Thorns stated that there were two issues with regards to the Home Depot matter: 1) closure with regards to the Consulting Agreement and 2) modification of the time line. Mr. Cornelius agreed to send notice to the Company.

Mr. Thorns asked Mr. Brown to provide a written update on all outstanding projects.

ST. JULIEN

Mr. Brown advised that Mr. Rovere is out of the country until November 15, 2006. No information received as of this date.

CANAL PLACE III

Mr. Brown advised that completion of the Cost Benefit Analysis is anticipated by November 15, 2006, further advising that the Bergers are willing to provide the required information to conduct the CBA.

CARROLLTON REVITALIZATION, LLC.

Mr. Brown advised that these are the same individuals involved in the CPIII project and they are willing and are delivering requested information if available.

930 POYDRAS, LLC.

Mr. Brown advised that they have met with Mr. Gibb.

FILM FACTORY

The Board must re-meet this matter. There are questions. It appears that this matter is pretty much completed. The Film Factory has had not contact with IDB. Mr. Thorns advised that it has already had a ribbon cutting ceremony and the IDB was not invited. Thorns recommended that the Film Factory matter be re-visited and a new time line on this project and the other projects and that one is requested and received on each project. It needs to be brought current. Reason for time line? To make sure we are all on the same page at all times. It's an integral part of the process.

AD HOC POLICY COMMITTEE

Mr. Raley Alford advised that the Committee has not yet met. He has been assembling information on the policy and procedures of similar organizations operate taking into account good and bad policies and procedures. He wishes to create an agenda before meeting to ensure a quality meeting. All items will be addressed. Mr. Cornelius advised that the last time criteria were addressed was in the 1980's. Since then there have been changes by the State Legislature, in GO Bond financing and federal regulations which will allow the IDB to do things that it could not previously undertake. He hopes to have an agenda by January 2007. Jim suggested that as much time as necessary be taken and suggested that he take advantage of the other committee members.

Mr. Thorns then introduced Mr. Don Allison who advised that he was with Advantous a consulting firm in Baton Rouge and advised that they are interested in bond projects.

Mr. Stoever interjected and reminded the Board that HANO promised to provide the Board with activity reports in connection with the Fischer, Florida, and Guste projects. This is another policy issue to be addressed – monitoring of projects. We have never received any such reports. There should be specific performance requirements on the PILOTS given by the Board. He

suggested that a meeting with HANO be arranged. Mr. Thorns stated that Mr. Cornelius should be at this meeting and any other board member interested. The Board was advised that the City is moving towards demolishing some of these developments, and that HANO is seeking developers to re-develop the blighted properties. We need to be on top of this process and aware of what is going on.

The next issue of business was the December meeting. Mr. Thorns advised that it has been his policy as president that no unnecessary meetings be held if there was no agenda. Under the circumstances, there appears to be no significant issues for a December meeting. However, if something should develop then this meeting date will be reconsidered and, if necessary, could be handled by the Executive Committee. Time lines will drive meetings in the future. Until they are provided there will probably not be a meeting until January.

Motion for adjournment by Tyrone Wilson and seconded by Glenda Jones-Harris to adjourn the meeting. The motion for adjournment passed unanimously.

Kyle Stoeber
Secretary/Treasurer



**MINUTES FROM THE EXECUTIVE COMMITTEE MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

DECEMBER 13, 2006
45TH FLOOR – ONE SHELL SQUARE

ATTENDEES:

Board:

Jim Thorns
Tyrone Wilson

Kyle Stoever
W. Raley Alford, III

Nina Hebert Marchand

Ray Cornelius, Industrial Development Board, Bond Counsel
Sharon Martin, Industrial Development Board, Admin. Consultant

Absent: James Smith
Farrell Chatelain
Glenda Jones-Harris
Ernest Legier

Guests:

Howell Crosby, Counsel-Home Depot
Sarah Price, Counsel-Home Depot
Dr. William Oakland – Economist, Metro Source
Trevor Williams, Metro Source
Creig Brown, Metro Source
Ernest Gethers, Dept, of Economic Development, City of New Orleans
Stephen Stuart, Bureau of Governmental Research
Don Babers, HANO
Judith Moran, HANO

An Executive Committee meeting was called to order by the President, at 12:15 PM. It is noted for the record that in the absence of a quorum and in an effort to maximize on the time, and Executive Committee meeting was called t order and consequently, the meeting did not follow the presented agenda for the meeting.

The president then introduced the Board Chair of HANO, Don Babers. HANO wished to submit several applications for bonding seeking preliminary approval on same. He deferred the presentation to Ms. Judith Moran. Ms. Moran presented an overview of the projects stating there were approximately 10 wishing in which HANO is seeking tax credit to have them bundled under one bonding agreement in the range of \$5M - \$18M. Mr. Thorns interjected that he had

received by email a request for preliminary approval. The email, which was presented, listed the types of projects to be considered. He realized that the process and presentation by HANO was not by standard application but only wished to place before the Board the opportunity to extend preliminary approval so HANO could move forward with its plans. Prior to a motion, Mr. Tyrone Wilson objected. Mr. Thorns asked the motion first be placed then a discussion held. Ms. Marchand moved to accept and same was seconded by Mr. Alford. Mr. Wilson continue his opposition and expressed that he did not believe such a preliminary approval should be granted by the Board to HANO as HANO has failed to comply with requests of the IDB in connection with previous projects on which final approval had been granted. That requested reports to the Board were never received and encouraged the Board not give approval until prior requests for reports have been met. Mr. Alford and Mr. Stoever both agreed. Mrs. Marchand stated that she was inclined to grant preliminary approval under the condition that HANO would provide to the IDB all past reports within a reasonable period of time. After much deliberation, the motion to grant preliminary approval failed. Mr. Babers assured the Board that he will have all non-compliances cleared and cured before the next meeting.

AUDIT UPDATE

Mr. Stoever informed the Board that the audit report is close to completion, advising there was a great deal of difficulty finding receipts to support many purchases. This was partly due to the forced move from the AMOCO Building because of Hurricane Katrina. As a result much back-tracking was conducted but the pending issues are minor and by next meeting, the report should be completed.

Mr. Stoever further advised that the IDB was offered office space at the AMOCO Building by Ms. Donna Addkison. He stressed that the IDB is in desperate need of an audit compliant office. Mr. Thorns brought Mr. Alford up-to-date on the issues surrounding the temporary move to the space he has provided in his office to conduct IDB business and ended by thanking Mr. Cornelius for us of his conference room for IDB meetings. Mr. Stoever concluded his report on the audit that stating the bulk of the audit work has been done and the final report should be ready for distribution by the January meeting.

FEE COLLECTION UPDATE

Ms. Martin advised that Ms. Carliss Knesel of Hancock Bank could not be in attendance today. She continued by advising that one payment has been received: Crescent Crown. There are two outstanding: LGD Rental (The St. Thomas) and the Savoy.

Mr. Thorns then inquired as to the status of the Six Flag matter in which the IDB became involved as a matter of public convenience to the City and the mayor. Mr. Cornelius advised that he will get the City attorney's office involved. He believed that Six Flags must either replace any rides or equipment with something of equal value. IDB will not suffer but the City

may suffer if the matter flows as recently presented. Mr. Cornelius will handle this matter. IDB has no financial obligation. Mr. Thorns stated that as citizens and as a board, we are still interest in making sure each matter is to the City's benefit. Remember the IDB got no credit for this transaction.

It was suggested that the City Attorney's office be called to secure a copy of the lease provisions. It is understood that the IDB has no financial exposure in this matter. IDB was there to accommodate the City in this transaction in a bond matter of \$108M wherein there remains \$23 million. Can IDB get any leverage from the proposed sale or transfer of the rides and equipment currently being pursued by Six Flags. \$57M of the funds came from HUD. The President encouraged conversation with the City in this matter. He emphasized that the IDB did not get credit for this transaction. Mr. Cornelius will copy the Board with letter.

STATUS OF COST BENEFIT ANALYSES

A status report was provided to the Board on the following projects by Trevor Williams of Metro:

The St. Julien – Mr. Rovere asked to have this project placed on hold for the time being. Mr. Wilson stated that it is his understanding that they are having financing problems at this time. Mr. Thorns again emphasized the need for a time line, insisting that one is needed on each project in order for the IDB to know what events are taking place and when and that this time line assists IDB in forecasting meetings of the Board. Mr. Cornelius stated that this is a problem and is one in which we have little or no control because if a time line is presented in can change depending on activity of applicant. He further advised that there is a standard form and that one could be placed when preliminary approval is granted. Mr. Thorn stated that modifying the time line is no problem but the applicant must keep IDB abreast of any changes as the time line allows IDB to plan its work. IDB would hate for anything to fail because of its inaction as a result of not having been notified of a time line modification. Can put in preliminary agreement requirement for time line and any modifications as well as in the application.

Carrollton Revitalization

Metro is still collecting data to conduct this analysis. No time line available.

930 Poydras, LLC

It is estimated that this Cost/Benefit Analysis will be completed by mid-January. Mr. Cornelius will work with Sharon on the time lines by the next meeting. Time line not updated. Sharon and Ray will work on time lines. Ray will start right after the meeting.

U. S. Raceway Group

Sharon advised the Board that the formal and completed had not yet been filed. A request for same by IDB had been made as a follow up. Got email from Eugene Green are going to negotiations for the acreage and are now ready to submit. JT insist on time line.

Film Factory

Mr. Thorns wanted to know if a time line had been presented by the Film Factory. Mr. Cornelius advised this one was a little difficult but that there has been activity in the matter. They are in the process of getting credit. They have made some progress and right now the project looks encouraging.

After a review of the items on the agenda, Mr. Thorns requested a motion to adjourn the Executive Committee meeting as Mr. Chatelain's arrival to the meeting presented a quorum of the Board. A motion to adjourn was presented and seconded.

Kyle Stoever
Secretary/Treasurer

**MINUTES FROM THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
OF THE
CITY OF NEW ORLEANS, LA, INC.**

DECEMBER 13, 2006
45TH FLOOR – ONE SHELL SQUARE

ATTENDEES:

Board:

Jim Thorns
Tyrone Wilson

Kyle Stoever
W. Raley Alford, III

Nina Hebert Marchand
Farrell Chatelain

Ray Cornelius, Industrial Development Board, Bond Counsel
Sharon Martin, Industrial Development Board, Admin. Consultant

Absent: James Smith
Ernest Legier
Glenda Jones-Harris

Guests:

Howell Crosby, Counsel-Home Depot
Sarah Price, Counsel-Home Depot
Dr. William Oakland – Economist, Metro Source
Trevor Williams, Metro Source
Creig Brown, Metro Source
Ernest Gethers, Dept, of Economic Development, City of New Orleans
Stephen Stuart, Bureau of Governmental Research
Jeffrey _____, HANO
Don Babers, Board Chair, HANO
Judith Moran, HANO

The meeting of the Board of Directors of the Industrial Development Board was called to order at 1:10 PM with roll call. The record shows a quorum present. A move to accept the minutes of the last meeting was motioned by Raley Alford and seconded by Tyrone Wilson. The acceptance of the minutes passed unanimously.

The first order of business was the review of the Cost Benefit Analysis of the Home Depot. Mr. Thorns deferred this report to the Chair of the Committee, Mr. Stoever who informed the Board that the Review Committee met Monday, December 11, 2006. He advised that this is a development site the IDB has previously reviewed with an earlier project submitted the IDB. At the time, Dr. Oakland worked on the project as well. That Cost/Benefit Analysis left the Board

knowing some of the obstacles the Home Depot would face in developing the project. The Home Depot is seeking \$25M in bond financing for a project at the location of So. Claiborne and Earhart Blvd. It involves 19 parcels of property 105,000 square feet of retail, 23,000 square feet of Garden Center with sales estimated at \$30 million annually. The project would employ 180 full-time and part-time employees with starting wages at \$12 per hour plus benefits. The site has been abandoned for the past 25 years and it had environmental problems, with infrastructure needs by City streets, State, BellSouth and Sewerage and Water Board. The Home Depot had a challenge putting this project together. In 2006, \$214,000 in taxes were collected with \$29,000 due. From IDB's standpoint, this project looks like a "win-win" situation both from sales tax and employment and future tax revenue. Mr. Stoever then asked Mr. Howell to give an overview of the development and Sarah Price to provide an overview on the incentives with and for local neighborhood associations and churches to encourage participation and Dr. Oakland will talk about his research and economics of the project.

Mr. Howell began by presenting a booklet to the Board that provide a pictorial of the Home Depot development from start to a graphic on what it will look like when completed. They will be finishing up the cleaning of the area by Friday. The other 18 parcels will be removed and demolished with the help of the LHFA. The standard size of a Home Depot is 110,000 Square Feet and is aesthetically pleasing outside. The cost of this project more than doubled because of the cost of the land acquisition, significant remediation correcting environmental deficiencies and problems.

Mr. Howell stressed that the Home Depot is not seeking any additional entitlement. It paid the City \$100,000 for the street; did not ask for sales tax relief, utilities had to be moved, spent over \$1.5 to move the utilities. Hard costs come in under the same numbers.

Mr. Thorns stated that the \$25M for a PILOT abatement includes infrastructure costs that would have been borne by the City; and that Home Depot is not asking the City for what is customarily sought. It is important to note that upgrade in infrastructure benefits the entire City. It is important for the Board to know all the issues. Mr. Thorns stated that IDB is always asked or has been asked on several occasions, "Why are you doing this for Home Depot". It is important that they know the infrastructure cures is an important consideration and a great benefit to the City otherwise the City would have had to pay for these upgrades. Ms. Price added that the development and the upgrade of the infrastructure will help the area for future developments as other commercial retailers come to the area. Mr. Chatelain stated that there are groups that think the IDB should not support this project. Mr. Thorns stated that the history and the issues of IDB must be made known. The facts should stand for itself. Mr. Thorns wants to make sure the analyst captures this information. Mr. Crosby stated that he could tell some horror stories but the fact of the matter is that this project was a monumental task and that only a few companies would undertake such a project. Home Depot is taking a risk but sincerely wants to help in rebuilding the city bringing in new business to the area. Mr. Alford asked what the typical cost is in developing a new Home Depot. Mr. Crosby advised \$10-\$12 Million. The current cost

estimate of this project is \$25M. Where is the project in term of contracts; how far along is it? Currently the site is being cleared. How much of the \$25M is committed already. The land acquisition was \$4-5M. In this case this was out of pocket. He further advised that land acquisition in suburban areas usually not this expensive. Usually the \$10-\$12 million includes land acquisition. The price per square foot is \$10. Dr. Oakland inquired: Does that include infrastructure? No. There were other under land costs that were incurred to ensure that they are building a more stable store as a result of Katrina.

Mr. Thorns then asked to be brought up to the point: Mr. Howell advised: 1) the lot should be completely cleaned; 2) housing tax credit issues (can't tear down until LFHA approves and that's next week); 3) Ready for remediation – the DEQ involved. He then asked that Mr. Crosby provide the IDB with digital copies of the photos. They can be emailed. It would be nice to include this project in IDB's annual report. All in all, Mr. Crosby advised that this is a great project. Mr. Thorns concurred.

Mr. Stoever then asked Ms. Price to comment on the commitment agreement with the neighborhood. She stated that Home Depot is making all efforts to meet with local communities to address any concerns. She stated that Home Depot will provide, as it does elsewhere, free clinics, New Orleans disaster relief. It has spent some \$70 - \$80 million in the gulf region and New Orleans was included in the disaster relief. The Home Depot has donated materials, provide play grounds; has met with neighborhood associates addressing their issues of concern; planning on donating \$25,000 to Booker T. Washington High School to help in remodeling the school. The neighborhood will be Home Depot's first source for hiring program based on skill and qualification. The Home Depot will offer benefits to both its full-time and part-time employees; offer pet insurance; plans also to, through Garden Centre, partner with local schools to help with career path planning. It still plans to offer free classes working with the free market tax credit. She believes the Real Estate Committee at Home Depot will pass these programs into play then they can donate to the local community programs for job training and home ownership.

Dr. Oakland began his presentation from an economic standpoint, this is favorable project to the City. He stated that central cities don't usually do well as suburban areas for reason as so defined today including the cost of land acquisition. It is very expensive to do retail/land assembling and land remediation. In the New Orleans area, the city developers and contractors wind up paying taxes to Jefferson Parish. This project helps to redress this imbalance. Of the 11 stores in the area only two are within the City. This will affect the 50% payroll the City enjoys. The study will compare the other outlets, e.g., ACE hardware. See chart. The fourth chart will be good, see program summary. The figures are a work in progress. Improvement are assessed at 15% and Land at 10%. The figures may be on the high side and the remediation (as part of the land) should be considered for tax relief. The first year's tax is \$120K would have to be paid off if no PILOT over the life of a 20 year tax relief and pay \$9M against project to the City. This \$121K per year is at present value of \$1.6M.

Mr. Thorns then asked that when payments come to the City, distribution of the millage is based on existing millage, right. The school board may object but in any event, it can be illustrated at the bottom line that the \$7.6M is over a 20 year period.

Dr. Oakland stated that the City would get \$29,000 for the first ten years. It must be considered that this land has been blighted for years and how much would the City have gotten from a \$129K tax liability to 2108. (See chart). Basically the City is in a blue line with receiving \$29K for the first ten years. In the alternative, with a PILOT it will be \$121K per year to 2018. Once finished the City would receive taxes in the amount of \$600K per year, with the anticipation of a great deal of redevelopment in the area. All property owners should have an increase in value. See copy of Cost Benefit Analysis and a copy of the Minutes from the Cost Benefit Analysis Review Committee dated Dec. 11, 2006.

Mr. Alford interjected that he appreciated a 15-year PILOT and that he wants to make sure the level of loss. He questioned whether there were any calculations spread across a 15-year PILOT as compared to a 20-year PILOT. The Analysis was based on a 20-year PILOT. Mr. Thorns advised that normally a low PILOT is created for the first year through 10th year. Beginning with the 11th year the amount escalates back up to 100%. This process is level throughout the PILOT.

Mr. Cornelius asked Mr. Crosby as counsel for Home Depot if they were willing to go with a 10-year exemption with an escalation thereafter. Mr. Crosby stated that it would affect the present value. Mr. Alford asked to have determined the net benefit with the difference between scenarios with present value, and the City getting up front. Can a 15-year PILOT be agreed upon. Mr. Crosby advised that a 15-year PILOT will cut Home Depot's value by \$3M per year if done under the 15 year scenario. Ms. Price advised that this will have to go back to the Real Estate Committee for review.

A motion to approve the Committee's comments approving a PILOT at level payment of \$121,000 for twenty years was motioned by Kyle Stoever and seconded by Farrell Charelain. Mr. Alford requested an amendment to 15 years, requesting a substitution reflecting first 10 years – no tax; after ten year an escalation of 4%. Home Depot is willing to but not below \$121K.

Mr. Alford motioned for the alternative scenario and same was seconded by _____.

Annual Report

Mr. Thorns addressed the marketing and advertising needs and requested authority to move forward with creating the 2006 annual report. A motion to allow Mr. Thorns to proceed with starting the Annual Report, subject to budget review, was motioned by Mr. Stoever and seconded by Mr. Chatelain. The vote passed unanimously.

Ad Hoc Policy and Procedure Committee

Mr. Alford advised that he realizes that the Committee needs to meet and he will have a report for the next meeting.

A motion to adjourn the meeting was set by Mr. Alford and seconded by Mr. Stoever.

Kyle Stoever, Secretary Treasurer