



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

**JANUARY 19, 2010 AT 12:30 P.M.
10TH FLOOR CONFERENCE ROOM-AMOCO BUILDING
1340 POYDRAS STREET**

Present:

Justine T. Augustine	Ronald G. Baptiste, Jr.	Farrell J. Chatelain, Jr.
Walter C. Flower III	Dr. Ronald J. French	Susan P. Good
Glenda Jones-Harris	Helen LeBourgeois	Alan H. Philipson
Darrel J. Saizan, Jr	Edwin M. Shorty, Jr.	C. David Thompson

Absent:

James Paul Johnson	Allison P. Randolph, III
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
O. Ray Cornelius, Bond Counsel-Adams and Reese

Guests:

Mark. Wilson, OPCMIA
Scott Murphy, Iron Workers
Murray Nelson, Office of Congressman Joseph Cao
Damon Burns, Morgan Keegan
Brigid DeLoach, McCormack, Baron
Damon Jeanpiere, Sr., Rock Enterprises Construction
Charles Rattley, FriiPwr USA, Ltd.
Bill Langkopp, GNO Hotel & Lodging Assn.
Ernest Gethers, City of New Orleans, Dept of Economic Development
Don Allison, Advantous Consulting
Terri Franklin, Regions Bank
Monika McKay, Columbia Residential
Jeannie Tidy, Downtown Development District
Richard Brent, FriiPwr USA, Ltd.
Charles Rattley, FriiPwr USA, Ltd.
Troy Franklin, FriiPwr USA, Ltd.
Donald Mosely, FriiPwr USA, Ltd.
B. J. Carson, Werner Co.
Beth Zeigler, Hancock Bank
Amber Seely, Renaissance Neighborhood Development Corp.
Stanley McDaniel, McDaniel Group

Denis Milliner, Bank of New York
Jay Arena, C-3 Hands Off Iberville
Cody Marshall, C-3 Hands Off Iberville
Carol Rocque, Securities Corp./Damon Rocque
George Mahdi, Neighborhood Unity/Merge
K. Osiris, TKOP
Stephen Stuart, Bureau of Governmental Research

The meeting was called to order at 12:31PM by the President, Mr. Walter Flower. An introduction of all guests was had. After roll call, a quorum was confirmed. By a motion of Dr. Ronald French, and seconded by Mr. Alan Philipson, and with a unanimous vote of the board, the minutes of the December 15, 2009 meeting were approved.

FRII PWR USA, LTD. - \$4M GO BOND

The President requested the representative of the FriiPwr project, Mr. Richard Brent to provide an overview of the project. He stated that the project was for the manufacturing of hydro-electric generation system that can serve as an alternative source of electricity. The system can store energy that can be sold, and it can change the energy grid making homeowners virtual power providers. It also can serve as a source of power for areas where distribution of power is not in place. Mr. Brent added that the proposal is for the manufacturing of the system; that currently the developer is located in Baltimore near a NASA facility. He envisions local hiring to be at approximately 80-90% with the potential of exporting local hires as the company grows. They are looking to put in place some 1,000 – 1,500 sales jobs not including that of skilled laborers who will work in the facility. He further advised that this is a start-up business and that he is the only principal with national and international advisors. The initial investment is a half-million dollars. In answer to a question by Mrs. Good, Mr. Brent informed the Board that in year two, as shown in Exhibit E, they seek to get \$150M from the Department of Energy as a grant.

Mr. Flower then asked the Board if it was ready to present a motion for preliminary approval. Dr. Ronald French asked what level of scrutiny or endorsement would be implied from the Board's vote in this instance. Mr. Ray Cornelius responded that granting preliminary approval does not suggest support but rather it gives the developer the opportunity to secure financing and time to clear up any deficiencies in the application. The grant of the PILOT program, however, is different. Mr. Flower added that if something is intrinsically not pleasing, the Board would talk about it. Mr. Cornelius continued stating the Board should act its conscious. By motion of Mr. Edwin Shorty and seconded by Mr. Ronald Baptiste, Jr., the board voted unanimously to grant preliminary approval to FriiPwr USA, Ltd.

CHATEAU CARRE

Ms. Amber Seely, representative of Renaissance Neighborhood Development Corp., a subsidiary of the Volunteers of America, developer of the Chateau Carre, took the floor. She provided an overview of the project and its current status before the Board, advising she now brings the claw back language required by the Board for approval of the PILOT. Mr. Cornelius interjected that in this particular case, Wayne Neveu of Foley & Judell is serving as "bond" counsel and that Adams and Reese is serving as "issuer" counsel. Mr. Flower informed the Board that he has

witnessed countless emails between counsel to provide the claw back language with regard to first right to cash flow, hiring, material purchases, use of local contractors and the IDB's ability to audit. He asked that before there is discussion of the annual fee that first we should discuss the claw backs.

Mr. Cornelius reminded the Board that it approved the amount of the PILOT (\$35K first 5 years, \$40K second five years and \$45K the third five years of the 15-year PILOT). The challenge has been creating the language for the claw backs which are to include language covering a guaranty of increased payment for failure to meet the requirements, as well as language covering any revenue over and above that which was projected with the IDB being in first position. He stated that these issues cross over from the Chateau Carre to the New Savoy Phase II, adding that the Board indicated that it would like to treat these two matters the same. He added that in cases of non-performance, there would be a penalty of 1% of the developer's fees. He stated that he will do whatever the board wishes on these issues.

Ms. Seely then advised, in answer to a question concerning the rights to attach the cash flow, that provisions have been included in the language that would trigger an attachment in the case of more income being generated than projected with a third party review.

Mrs. Helen LeBourgeois asked if this was the only claw back to which Ms. Seely advised all others are also addressed. To be sure of what was stated, Mr. Koch asked if it was his understanding that the developer will stand behind any shortfalls in hiring, materials purchases – the claw backs. Mr. Cornelius then interjected that the IDB and the PILOT would be placed in priority position, adding that his recollection of the summary provided by Ms. Seely was accurate but is still subject to verification.

Mrs. Good asked if the language will be included in the Lease, as it hasn't been in the past. Mrs. LeBourgeois then asked if there was language related to the audit and how the language/reports would be presented to the Board. Mr. Baptiste stated the Board needed something in writing. Mr Cornelius advised that there are language issues on what has been presented thus far and, therefore, is still under review at this time. Ms. Seely added that RNDC is ready to go. Mr. Flower stated that the language of these claw backs must be approved by Mr. Cornelius. Mrs. Good asked if the claw back language related to the cash flow and additional PILOT payments would be in the full amount of the taxes that would otherwise be due. This question was echoed by Mr. Koch.

A motion was then offered by Mr. Koch and seconded by Mrs. LeBourgeois for approval of the PILOT and the associated claw back language which language is subject to the approval of Mr. Cornelius. Upon a vote of the Board, the motion passed unanimously.

STANLEY MCDANIEL – STATUS UPDATE RE HIRING AUDIT

Mr. Flower offered the floor Mr. McDaniel of the McDaniel Group for an update on the audit of the C. J. Peete and St. Bernard projects.

Mr. McDaniel presented a brief presentation, providing first an overview of the work that he was commissioned to perform in connection with the verification of local hiring and related wages,

material purchases and use of local contractors on the two aforementioned sites in an effort to measure the economic impact. He stated that he has had success in working with the developers, especially the C. J. Peete, in obtaining data and is still working on the wages, employment and purchase of materials.

Mr. Flower reported on a meeting in which he and Mr. Alan Philipson met with Mr. David Gilmore, the new HANO Administrative Receiver. The meeting was scheduled so that Mr. Gilmore would know that the Board felt that HANO was not being cooperative with material/document requests of Mr. McDaniel in connection with the audit nor were the developers or HANO understanding the importance of local hiring, etc. in the City's recovery process and the economic impact of the jobs involved in these two projects in particular. Mr. Gilmore was advised that jobs for skilled laborers and youth in the City are greatly needed and can be provided through these HANO job sites. After explaining the Board's position to Mr. Gilmore, he agreed and stated that he understood what was being requested; that he would commit to helping to raise the employment level and purchase of materials locally. Mr. Flower then deferred further comments to Mr. Philipson.

Mr. Philipson commented that he was pleased with the meeting with Mr. Gilmore and it was his impression that Mr. Gilmore was sincere in understanding the desires of the IDB 100%; that we put the past behind us to move forward with great momentum in light of Mr. Gilmore's commitment.

Mr. Flower added that on behalf of the IDB, they agreed to table the efforts on the hiring aspect of the audit; that Mr. Gilmore promised to have a report to the IDB by year's end; that Mr. Gilmore agreed in principal to maximizing the use of funds in the interest of the City. Discussions at that meeting included the possibility of jointly devising a mechanism that would cross-match position with youth and skilled laborer and that hopefully, the IDB will take lead in this effort; it is also hoped that HANO will get other businesses to tie into this concept to broaden the number of available jobs. This commitment could create a whole new culture. Mr. Saizan encouraged the concept and stated that he hoped to meet Mr. Gilmore, suggesting further other possible partners, e.g., National Assn. of Minority Contractors and the Urban League. Mrs. Good stated that the Union and AFL-CIO could also be added to the list of partners.

Mr. Flower then introduced Rev. Kahlil Osiris, a gentleman with whom he has been working and who is now working in New Orleans with the Recovery School District and an organization called "Cease Fire" an organization which has been funded by the City Council in the amount of \$250,000. This agency works with youth, guiding them from crime to working citizen. Mr. Osiris took the floor providing a history of the idle youth and its link to crime. He advised that he has been working with Mr. Flower and finds that there is an opportunity, through the IDB's efforts, to provide jobs to those who are qualified, interested in training in the construction field and who are drug free. The cross-match of youth and job opportunity is a great way to give back.

Mr. Flower then recognized Mr. Jay Arena of C3 Hands Off Iberville. Mr. Arena reported on the need for good jobs. From their monitoring and investigation of these sites, developers are not

hiring locals and guarantees are needed from the developers of these projects to hire locals. He stated that any agreement between the IDB and the developer needs “teeth” to be effective.

Mr. Flower thanked Mr. McDaniel for his report and thanked Messrs. Osiris and Arena for their input and overviews.

NEW BUSINESS

ELECTIONS

Mr. Flower then informed the board that yearly elections were due. Nominations were begun but were interrupted by a motion offered by Mr. C. David Thompson and seconded by Mr. Baptiste nominating for re-election all previous officers: Mr. Flower-President; Mrs. Jones-Harris-Vice President and Mrs. Good-Secretary/Treasurer. Discussions were held. By unanimous vote of the Board, all current officers were re-elected.

On another issue, catering of lunch, Mrs. Good reported that she had done some research since the last meeting for catering services. The non-profit organizations, Café Reconcile and Liberty's Kitchen train individuals in the culinary genre. . The IDB could offer an opportunity to these entities to service our catering needs for board meetings as they were a part of the community. After discussions, the board recommended that Ms. Martin compare the services of these companies in an alternating manner to determine their quality of service. Use would depend on these companies' abilities to service the IDB's needs in a timely manner.

OLD BUSINESS

The board discussed the change of date for the February board meeting in light of the meeting date falling on Mardi Gras, Feb. 16. After discussion, the board voted to hold the February meeting on February 23, 2010. The meeting will be held at the offices of Adams and Reese.

FINANCIAL REPORT

Mrs. Good presented the financial report, advising the members that a copy of the November and December 2009 financials were included in each Board member's folder. She emphatically recommended that each board member take the time to review the reports each month as part of their fiduciary responsibility.

She further advised that she has made it possible to get all bank statements on-line to facilitate the accountant and the office administrator.

She advised further that she checked the insurance coverage purchased by the IDB and that, in fact, no directors insurance was purchased. Ms. Martin reminded the Board that board insurance was unavailable to the IDB and the coverage, as explained by bond counsel, was through State statute. Mrs. Good requested Ms. Martin to have a copy of the state statute covering director's insurance be available for the next meeting.

OTHER BUSINESS

Mr. Cornelius requested Board in-put on the formula for annual fees on projects that request a PILOT. He stated that currently the Board's policy is 1/10 of 1% of the "as built" appraisal provided by the developer. He suggested that in light of the "as built" appraisals coming in such low figures that maybe the Board may want to look at 1/10 of 1% of the project's cost. For instance:

New Savoy Phase II

In this project, the cost would be \$30M. The "as built" appraisal provided had several values ranging from \$5.5M, \$6.3M and, upon recall, \$19M in LIHTC credits to the developer. He stated that the IDB should not be compelled to interpret the appraisals as are being submitted by the developers of late. If the fee is based on the cost, the formula would be much simpler. He suggested either 1/10 of 1% of the cost or 1/15 of 1% of the cost. In the case of the New Savoy II, the fee would be \$30K (1/10 of 1% of \$30M, the cost). Mr. Cornelius reminded the Board that he requested the developer to get an assessment from the assessor but has not received anything as of yet; that in "housing projects", the Board could honor the assessor's value.

Mr. McDaniel offered that an assessed value should be based, in cases of "housing", on the Income Capitalization approach.

After lengthy discussions by the Board, the President asked for a motion to modify the current fee schedule to reflect an annual fee formula of 1/10 of 1% of the project cost, less any infrastructure costs. By motion of Mr. Farrell Chatelain and seconded by Mrs. Jones-Harris, the Board voted unanimously to accept the formula for annual fees.

ADMINISTRATOR'S REPORT

Ms. Martin informed the board that the Administrator's Report was included in their packets and stressed that reports from the C. J. Peete and the New Savoy on hiring and use of local contractors were also included in their folders.

The meeting was adjourned at 2:10 PM.

Susan P. Good, Secretary Treasurer

FEBRUARY 2010
BOARD MEETING
CANCELLED



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

**MARCH 16, 2010 AT 12:30 P.M.
10TH FLOOR CONFERENCE ROOM-AMOCO BUILDING
1340 POYDRAS STREET**

Present:

Ronald G. Baptiste, Jr.	Walter C. Flower III	Dr. Ronald J. French
Susan P. Good	John L. Koch	Helen LeBourgeois
Alan H. Philipson	Allison P. Randolph, III	Darrel J. Saizan, Jr
Edwin M. Shorty, Jr.	C. David Thompson	

Absent:

Justin T. Augustine III	Farrell J. Chatelain,	James Paul Johnson Jr
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese
Wayne J. Neveu, Bond Counsel-Foley Judell

Guests:

Monika McKay, Columbia Residential
Stan McDaniel, McDaniel Group
Karl Kehoe, Real Estate Tax Group
Rhonda Williams, Assessor Darren Mire's Office
Pamela Hammond, Elkins, PLC
Lise' Landry, Hancock Bank
Beth Zeigler, Hancock Bank
Stephen Stuart, Bureau of Governmental Research
Ernest Gethers, City of New Orleans, Dept. of Economic Development
Damon Burns, Morgan Keegan
Brigid DeLoach, Urban Strategies
Carol G. Rocque, Damon Rocque Securities Corp.
Damon W. Jeanpiere, Sr., Rock Enterprises Construction, LLC
Mark W. Wilson, OPCMIA
David J. Bjone, Davidson Design
Byron P. Poydras, Bank of New York-Mellon
Denis Milliner, Bank of New York-Mellon
Matt Morrin, Enterprise
Lorraine Washington

Yusef Freeman, McCormack Baron Salazar
Brian McConduit, Precision Construction
Landon Green, Smart Buy
Paul Cordez, Guarisco & Cordes, LLP
Cloyd Van Hook, Guarisco & Cordes, LLP
Terri Franklin, Regions Bank

The meeting was called to order at 12:43PM by the President, Mr. Walter Flower, who provided commentary on the honoring of former member, Glenda Jones-Harris, by City Councilmember Cynthia Willard-Lewis at a recent City Council meeting. Mrs. Jones-Harris' life's accomplishments were acknowledged. An introduction of all guests was had. Upon roll call, a quorum was confirmed. By a motion of Mr. C. David Thompson, and seconded by Dr. Ronald French, and with a unanimous vote of the board, the minutes of the January 19, 2010 meeting were approved.

ZELIA, LLC

Mr. Flower informed the board that he, Mr. Philipson and Mr. Randolph met recently with the Zelia group and felt they had made important progress in their efforts to ensure IDB ideals and goals would be accomplished.

The floor was then given to Mr. Paul Cordes, representative for Zelia, LLC. Mr. Cordes informed the Board that Zelia has reviewed the proposals and analyses. They are still working with an underwriter seeking the best financing structure. Today they are seeking approval of a PILOT proposal of \$215K per year for the first 5 years with a step up to be phased in over the next 10 – 15 years with claw backs to be negotiated. The first step up would increase the PILOT payment to \$701K per year adding that this amount (\$701K) is what the 2010 taxes are. The \$701K would remain in effect for the remainder of the PILOT term including the possible 5-year extension. However, during the step up phase the PILOT would be subject to review of the revenues which, if at any time there has been an increase in revenue that exceeds that which was projected, the PILOT could be increased. After year 2026, the full amount of the taxes will be due.

Mr. Flower interjected that the schedule/pro forma that was presented by the Zelia group will be reviewed by Ray Cornelius and David Wolf, both of who were present at the recent Zelia meeting. Mr. Flower advised that Mr. Cornelius will review the top gross revenue projections provided by the developer beginning in year five. He stated further that based on the projections for the first five years, it was felt that the proposed \$215K as an initial PILOT payment was reasonable. Zelia has committed to a strong hiring of locals and Carl Woodward, the general contractor, anticipated 60% metro hiring with 40% of that percentage dedicated to Orleans Parish. The question was then asked how close would those percentages be as related to contracts with local contractors and sub-contractors. At this time, Mr. Cordes stated that both Zelia and the Bensons understood the need to stimulate the local economy. He did not have an answer to the question at this time but said he would get answers to the additional information being requested and added that he felt there would be strong compliance in local participation.

Mr. Koch questioned the gross revenue figure of \$18M and asked if the shopping center, office building and parking were included in that figure. Mr. Cordes responded that the shopping mall, entertainment district and parking, including leases and parking in the Super Dome were included. He further stated that the LSU Medical Center (the old Lord & Taylor location) lease will end in 2013 with the expectation they will stay until the hospital is built after which they [Zelia] will find other sources and revenues to fill the gap.

Mr. Koch then asked the total square footage of the project and the cost charged per square foot to each lessee. Mr. Cordes advised that the cost is \$24 per square foot on actual square footage with the cost breaking down to \$20 psf and an additional \$4 added for tenant improvements for the State with the common area factored in at 14%. Mr. Koch asked if this equates to \$10 - \$12M in revenue from the Dominion Tower location. Mr. Flower then reminded the Board that Mr. Cornelius would be reviewing the numbers soon. Once reviewed, he [Cornelius] will then meet with the Board to explain his findings. All issues are, of course, subject to claw backs which will be created based on the Board's goals.

Mr. Randolph stated that his concern with such projects was the opportunity for participation by local contractors and small businesses. Mr. Cordes stated they were mindful of small businesses, locally and nationally, and that small businesses keep the community growing. They were going to look at criteria to see what they have and will continue to use small businesses at every opportunity. The Bensons and the Saints are interested in using local small businesses and firms. Mr. Koch asked if local requirements are fair or is there a risk of driving up costs associated with local requirements.

Mr. Cordes stated that it was always made clear that they are not expected or required to have quotas but that fortunately, through their contractor, they are able to secure subs and vendors within the price range set forth in the contract. Outreach programs will be implemented to reach local contractors and vendors.

Mr. Flower, in an effort to make clear the reason for today's review of the matter, again reminded the Board that the purpose is to take a look at the \$215K yearly PILOT payment proposal for the first five (5) years with a review of revenues from year six (6) forward.

Mr. Flower added that the IDB is not interested in penalizing the project but certainly is interested in making sure locals are being hired on all projects/developments. Mr. Randolph added that as long as "best effort" doesn't mean exclusion of small businesses he is for the process. His concern, however, is that small businesses and local vendors and contractors are given the opportunity to participate. Mrs. Susan Good added that she supports the use of local small business but often times, as a consequence of being a small business, insurance requirements make participation prohibitive. Mr. Randolph countered that he understood the insurance issue and the lack of capacity that some small businesses may have, but that every opportunity to bid should be made available to them. He added that we should not underestimate small businesses, and that sometimes the prime contractor can create ways to include small business participation.

Mr. Flower then added that Mr. Gilmore at HANO will also try to create ways for small businesses to participate. Mr. Baptiste stated he had problems with the developers' use of terms such as "strive for" and "best effort", when it comes to the inclusion of smaller businesses on these projects. He asked if there were any other goals established particularly as it relates to DBEs. Such terms seem very generic and "non-qualifiable".

Mr. Flower reminded the board again that the purpose of discussion today was approval of the PILOT with the concept of escalation and claw backs subject to revenue and hiring pattern.

At this time, Mr. Cordes reiterated that Zelia has provided the numbers they were asked to provide. 90% of the vendors are metro area-Orleans Parish businesses and they were not sure of any other requirements. If the requirements were known at the "front end", the percentage could have been higher and suggested that if the IDB has such requirements for use of local contractors/sub-contractors, vendor, etc., that such requirements should be placed on the "front end". Mr. Baptiste reminded Mr. Cordes that the PILOT request is at the "front end" to which Mr. Cordes responded, "Not from our perspective".

Bond Counsel, David Wolf, interposed to the board that what was being considered today was not the final terms. Ray Cornelius would be reviewing the issue further. The main parameters were the \$215K PILOT payment with claw backs in year six (6) thru ten (10) and taxes increasing to \$701K after year ten (10) up to the full amount, subject to revenue projections. A list of contractors is attached (all identified) and nearly 100% are local, including minority participation (DBEs). There will be more information before this matter becomes final.

Mr. Koch then asked what were the level of taxes in 2005 and if the \$700K was the current figure. Mr. Philipson interjected that after year five (5) taxes would escalate to \$700K; after that time the taxes would be market value based on revenue projections.

Based on a question from Mr. Saizan, Mr. Cordes informed the Board that the Entertainment District is leased to the Louisiana Stadium Exposition District which is tax exempt and that same will be managed by SMG. Mr. Benson is the co-developer in this phase of the project and they are still exploring entertainment type venues from both the local and national perspective. He will ask for a representative of the LSED to come a meeting to describe the LSED's involvement. Mr. Koch reiterated the need to know what was driving the \$18M revenue figure. Mr. Cordes stated that they were working from the notion that the Board wanted gross revenue numbers and also from the concept that the developer is entitled to make a profit. Mr. Koch then inquired as to the context of the PILOT requirement from what the State is offering. Mr. Cordes stated that the PILOT is needed as a part of the financial package to replace refinancing 60% – 70% of the Benson family money that has been invested. Their motivation is to contain costs as part of the financial plan to free up Benson funds. He requested criteria for further information being requested.

Mr. Philipson made a motion to grant the current proposal of a \$215K PILOT for the first five years with increase in year six to \$701K subject to revenue review/audit and review of gross revenue calculations as provided by the developer, including the use of sub-contractors and small businesses; all subject to claw backs which will also be reviewed; and that the vote on this

motion today does not constitute a final approval of the all issues. The motion was seconded by Mr. Saizan. A roll was called. The vote passed with 9 – Yeas, 1 – Nay and 1 Recusal.

After the vote discussions continued, Attorney Wolf advised that by the next meeting there should be a final set of documents that will include numbers and claw backs.

Mr. Randolph then interjected that in the spirit of negotiation with no final approval rendered as of this date, he would like to make sure that IDB requirements for use of small businesses and local contractors and sub-contractors (DBEs included) be required upfront by the Board. With regard to the current matter, the IDB would like to see some kind of breakdown on the use of locals including small businesses/DBEs related in dollar amount and percentages associated with each entity.

Mr. Cordes stated that the developer will provide the requested information. Mr. Flower recommended that the requested information be filtered through bond counsel. Mr. Koch requested that in reviewing the documents we have a real estate perspective or someone with work expertise and that the assessor's view point is also included.

Mr. Cordes stated that the target revenue number is not a break even number. It allows some profit which does not ignore the inducement package planted to retain the Saints in the State. There must be an appropriate profit margin/figure.

At this time, Mr. Saizan stated that the Board would like the Hyatt to provide an update as well. Mr. Flower interjected that at this time there may be nothing substantive to report. However, he is aware they are working all speed ahead on getting the financing and that it is still a work in progress.

LAFITTE

Ms. Sharon Martin advised that emails were being distributed regarding the “closing” of the Lafitte. She has brought same to the attention of Mr. Cornelius and asked that the closing problems be addressed in advance of the closing to avoid delays. However, after inquiry, she explained, she was advised that this closing had nothing to do with bonds; that closing fees were already paid last year on the bond issuance portion which was confirmed. At this time she deferred the matter to Matt Morrin, representative of the developer. Mr. Morrin advised that closing on the \$150K had been held late last year and closing fees were paid to the IDB. Now it appears they are able to move forward on construction of the project under the same cost structure with the need now to sign documents. Construction is tied to the "placed in service" date established by Congress and progress on the project has been good so far.

Mr. Flower informed the Board of the meetings that he and Mr. Philipson and he and Mr. Thompson had with Mr. David Gilmore, Regional Director for HANO. At the first meeting they provided Mr. Gilmore with an update that the IDB asked to have an audit conducted through HANO on the C. J. Peete and the St. Bernard developments with regards to hiring and use of

local businesses. Mr. Gilmore stated that he understood the needs and requirements of the IDB and together the IDB and HANO would strengthen local hiring on the HANO projects. Mr. Flower further advised that around the middle or late January, stats on the St. Bernard project revealed hiring of locals at 28% with an 18% wage level; in the case of C. J. Peete, hiring of locals is at 15% and 16% wage level, both of which are quite low, he added. Even Mr. Gilmore realizes that these numbers are unacceptable.

At the most recent meeting with Mr. Thompson, Mr. Flower and Mr. Gilmore, Mr. Gilmore stated that he would put in writing the participation levels for the hiring of locals by contractors and sub-contractors and same language will be imbedded in documents that must signed by the developer to which they must abide even if it creates cost increases in the project. Further, he will assign a senior member of his staff to work with the IDB on creating the job/skill match program. This will not be a job fair but rather a computer program to help the IDB identify those who might be capable and qualified to fill jobs vacancies at the HANO “Big 4” job sites. Mr. Thompson added that he thought the meeting was encouraging, credible and genuine. Mr. Flower emphasized that nothing is set in stone at this time and procedures will be set up by which both IDB and HANO will work on within the federal guidelines. The procedures and participation will include small businesses. He (Mr. Flower) added that Mr. Stan McDaniel has worked hard trying to get information to complete the reports on these two sites.

STAN MCDANIEL

Mr. McDaniel informed the Board that initially he did have problems dealing with the wage segment of this project. His work continues as related to the use of local sub-contractors and vendors and that he will be able to supply details in his upcoming report. With the information he has gathered and reviewed, he will be able to provide data set for employment. As has been discussed, he recommends that the IDB make sure all requirements are stated upfront to the developer. One thing as seen with local contractor acting as a general contractor, the bulk of the funds are going to businesses outside the parish and state. This number is significant. In the future, when contractor documents speak of percentage of work to sub-contractors, details should include change orders that could affect rates and numbers. He added that McCormack Baron and Columbia Parc have been cooperative. Mr. Baptiste interjected that HOPE VI money should go into the community and can if the developer is doing what Mr. Gilmore is proposing.

Mr. Flower then reiterated that the IDB has the influence to move the job/skill match program forward with the ability to take it to other businesses to get them involved. The IDB will manage the program once it is up and running along with HANO’s cooperation but it will be under the auspices of the IDB.

Mr. McDaniel continued by advising that such a program could drive up the numbers for more seasoned employees and could equate to lower wages. A living wage is what the IDB should be striving for. The program should have a range of opportunities including those for seasoned laborers and youth which also caters to programs such as that managed by Mr. Osiris which involves the youth of the city. Such interaction certainly can be an influence on reducing crime and increasing employment of youth in the city. Mr. Osiris and former police chief, Eddie Compass have been successful, to date, in their program. Every youth goes through a filtering

process. Mr. Baptiste added that HANO, prior to Katrina, had a specific department recruiting employees that brought youth and potential employees directly to the job sites for training. Mr. McDaniel stated that in the case of C. J. Peete, Urban Strategies fills some of that function. They manage a data base which shows that the more bodies involved, the better the results to exhibit use of local resources. Mr. Flower stated that HANO will provide a list of potential applicants which will be merged with a myriad of other lists from other sources/agencies. Mr. McDaniel added that his report will show that under HANO, Section 3 requirements, there have been a low number of companies participating and developer McCormack Baron is trying to bring those numbers up to capacity. Monitoring and verification will be driven by details and technology to uncover the holes. His report will reflect information gathered from meetings with Union members, Mr. Saizan and Art Luhan who has been instrumental in getting him good information.

Mr. Flower stated that some of the time lost on the work to some degree was the inability of HANO to provide the information but the process has been ferreted out by Stan McDaniel. The IDB will still monitor its projects including the Dominion/Zelia project to ensure IDB requirements are followed and if not, why not. The process is important.

ELECTION

The next matter on the agenda to be addressed was the election of a Vice President to fill the vacancy left by Mrs. Glenda Jones-Harris. Mr. Philipson nominated Mr. Randolph to fill the position. Same was seconded by Mr. Saizan. No other nominees were offered. Therefore, by unanimous vote of the Board, Mr. Randolph was elected Vice President.

FINANCIALS

Mrs. Susan Good presented the financial statements for the months of January and February. She informed the board there is a mistake in the reporting of the audit and accounting costs and that these items should be separated. Same will be corrected as of the March report. She further advised the Board that all 1099s and W2s were completed and mailed.

Mr. Flower interjected that there will be a cost associated with establishing the job/skill match computer program although there has been a pro bono offer. He added that with regard to the Auditing Service RFP, one response was received on the first issuance but was rejected and that there were only two responses to the second issuance of the RFP which was issued in a more simplified format. By the next meeting there will be a report on which firm was chosen to conduct the audit.

Mrs. Good then informed the Board that the IDB agreed to assume the cost of the printing of the funeral program for Mrs. Jones-Harris. The Board supported this decision. Mr. Flower advised that the IDB will do a proclamation to Mrs. Jones-Harris' honor by the next meeting. He also reminded board members whose appointment are coming to an end or have lapsed to contact their respective City Councilmember.

Ms. Martin advised that a copy of the Administrator's Report was included in their folders.

The meeting adjourned at 2:16PM.

Susan P. Good, Secretary Treasurer



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

**APRIL 20, 2010 AT 12:30 P.M.
10TH FLOOR CONFERENCE ROOM-AMOCO BUILDING
1340 POYDRAS STREET**

Present:

Justin T. Augustine III	Ronald G. Baptiste, Jr.	Walter C. Flower III
Dr. Ronald J. French	Farrell J. Chatelain, Jr.	Susan P. Good
John L. Koch	Helen LeBourgeois	Allison P. Randolph, III
Darrel J. Saizan, Jr	C. David Thompson	

Absent:

James Paul Johnson	Alan H. Philipson	Edwin M. Shorty, Jr.
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese
Ray Cornelius, Bond Counsel-Adams and Reese

Guests:

Cyril B. Saulny, Cadre' Business Solutions, LLC
Mark W. Wilson, OPCMIA
Keisha Honor, M&M Demo and Construction
Mike Spears, M&M Demo and Construction
Bill Langkopp
Lorraine Washington
Brooke Bacuettes, Transition New Orleans
Paul Cordes, Guarisco & Cordes
Rob Masson, WVUE
Avis Landry, WVUE
Cloyd Van Hook, Guarisco & Cordes
Stephen Stuart, Bureau of Governmental Research
Terri Franklin, Regions Bank
Maurice a. Brown, Melvin Securities
Rhonda Williams, 1st District Assessor
Maria Julianna Auzenne, Auzenne & Associates, LLC
Eric Strachan, Office of Councilmember Jackie Clarkson
Jackie Clarkson, Vice President-Council at Large

Carol Rocque, Damon Rocque
Jim Livingston, city Planning Commission
Damon Burns, Morgan Keegan
John Stockmeyer, Real Estate Tax Group, LLC
Karl Kehoe, Real Estate Tax Group, LLC
Forest Bradley Wright, Eco Park, LLC
Stan McDaniel, McDaniel Group
Ernest Gethers, City of New Orleans
Mavis Early, GNO Hotel and Lodging Assn.
Pharissa Dixon, Housing Authority of New Orleans
Don Allison, Advantous Consulting

The meeting was called to order at 12:40PM by the President, Mr. Walter Flower. An introduction of all guests was had. Upon roll call, a quorum was confirmed. By a motion of Mr. C. David Thompson, and seconded by Mr. Justin Augustine, and with a unanimous vote of the board, the minutes of the March 16, 2010 meeting were approved.

ZELIA, LLC

Mr. Flower deferred the matter to Mr. Ray Cornelius who provided the following PILOT proposal offered by the Zelia Team. 1) Years 1 - 5 a PILOT payment of \$215,000 per year, at which time he reminded the Board that a very large portion of the facility would be State occupied; 2) Years 6 - 11 (or the second 5-year term) \$215,000 per year until the revenue target of \$22M is reached at which time the PILOT would escalate to \$700K. (Mr. Cornelius pointed out that the developer could have secured a RTA (Restoration Tax Abatement) but instead sought a PILOT); and 3) the PILOT payment would remain at \$700K until such time that projected revenues reached \$25M at which time the payment would escalate to market rate subject to discussion of the Board.

The Board discussed the PILOT proposal and other suggested PILOT schedules. The Board discussed the factors involved with the \$22 revenue target which included the tower, parking, the entertainment district and contracted revenue. Mr. Cordes stated that once the entertainment district begins generating a profit based on its tenants, then Zelia will put up as much as 50% profit share once all costs were recovered. He also reminded the Board that the LSU Medical Clinic generates approximately \$129M a year in tenant revenue and this revenue base will end Feb. 2013, unless otherwise extended.

At this time, Council-at-Large, Vice President, Jackie Clarkson was recognized, who offered her support for the Zelia project, adding that its financial impact, futuristically is an investment for the Board to decide. This project, she stated, will be the catalyst for this corridor and its economic development goal, not to mention the jobs that will be created.

Board discussion ensued. The Board was reminded that the PILOT payments are tied to revenue based on the financing package which will have the most accurate revenue and financial information; and that the IDB will have the right to audit the books at the cost of the developer.

A second proposal was offered: 1st 5 years and the 2nd 5-years taxes would be set at \$215K per year; 3rd 5-year period would be at \$700 until the \$25M revenue target is reached at which time taxes would be at the full market rate.

A motion was offered by Dr. Ronald French and seconded by Mr. Baptiste that consisted of the following: 1st 5-year period a PILOT payment of \$215,000; 2nd 5-year period \$700K if the revenue target of \$22M is reached; 3rd 5-year period a payment of \$700K until such time that the revenue target of \$25M is reached at which time the PILOT payment goes to market rate. A vote of the board was taken resulting in the following: 6 Yeas, 3 Nays and 1 Recusal.

At this time, Mr. Randolph interjected that the Board asked for some semblance of a plan from the developer regarding their planned use of local small businesses and local hiring which plan would ensure the enjoyment of locals in this development. Mr. Cordes responded stating that he is still waiting on criteria from the IDB. The President then asked for a committee to work on the construction of the criteria which resulted in the following volunteers: Mr. Ronald Baptiste, Mr. Justin Augustine; Mr. Farrell Chatelain; Mrs. Helen LeBourgeois and Mr. Allison Randolph. Mr. Randolph agreed to chair the committee.

AUDITOR

The President informed the Board that because the first Request for Proposal for Auditing Services (RFP) garnered two responses, a second, more streamlined, RFP was issued to the original seven or eight interested firms. Again, only two responses were received: One response from the Rigby firm for \$16,000 a year; and the other from Roth, Murphy which merged with Car Riggs for \$8500 a year. The term of the agreement would be for three years with a two-year option. The President then asked for approval by the Board of a selection of Roth Murphy as the IDB auditor. Mr. Cornelius, for clarity, asked if the Board's desires were to have a 3-year contract, terminal each year for cause or one with a 3-year term but which can be terminated by the Board for cause at any time. The Board opted for the latter.

By motion of Mr. Augustine and seconded by Mrs. LeBourgeois, the Board unanimously approved the auditing service proposal of Cr Riggs, formerly Roth Murphy.

Mr. Flower then offered an item not on the agenda. he introduced guest, Ms. Pharissa Dixon, who, he stated worked with Mr. David Gilmore, the Regional Commissioner of the Housing Authority of New Orleans. Mr. Flower reminded the Board the IDB's proposed job/skill match program is borne out of the audit being conducted on behalf of the Board by Mr. Stan McDaniel that dealt with the hiring at the C. J. Peete and St. Bernard projects. he then reminded the Board of its agreement to move towards setting up a job/sill match program on which project Ms. Dixon would be working, that would bridge the gap by creating a data base through interactive projects. The Program would included email alerts (starting with the IDB PILOT projects involving HANO); provided access to opportunities at satellite locations both mobile and kiosks, as well as computer modules based on jobs and employee skills that are provided by the developer and the job seeker and, finally, the program would include both seasoned workers and youth.

Mr. Baptiste then interjected that JOB 1 does a similar program and the other is HOPE VI and that he has seen this being done through HANO. Ms. Dixon added that other agencies are charged with providing this information to the public. It was added that the IDB's involvement would be short-term in the program at this time. The attempt is to get the program in-place within the next 6 - 8 weeks.

Mr. Flower the informed the Board that the cost to set the program in place, after discussing with different consultants, was \$12,600; that the cost included on-going administration; training of people although there are hopes of getting volunteers involved; and, the IDB would commit the initial \$12,600. Ms. Helen LeBourgeois asked if there were any legal ramifications if the Board diverts its interests to something of this nature. Mr. Cornelius counseled that the IDB was spearheading this project; that the charges of the IDB have been expanded over the years broadening its economic development powers; he further stated that he thought it would be reasonable and that the IDB's involvement would be by virtue of a cooperative community endeavor agreement which the government and quasi-governmental agencies can collectively do. Assurances have been given by Mr. Gilmore of HANO's involvement. This would be an investment in the community and the IDB would serve as a catalyst in the effort. This effort can expand to other businesses other than those projects under the IDB's purview.

A committee was created to meet with Ms. Dixon to further discuss the job/skill match program. The committee consisted: Mr. Flower, Dr. Ronald French, Mr. Ronald Baptiste, Mr. Darrel Saizan and Ms. Sharon Martin, the IDB Administrator.

Mrs. Good then asked if it was necessary to offer a motion to amend the budget to approve the \$12,000 plus cost for the computer program. Mr. Cornelius suggested that when the bill is received for payment then a motion to amend the budget could be offered.

A motion was offered by Mrs. LeBourgeois and seconded by Dr. French, for the approval of an amount not to exceed \$12, 600 for the cost of the creation of a computer program, including program creation, administration, etc., subject to a Cooperative Endeavor Agreement between the IDB and HANO. By vote of the Board, the vote passed with 10 Yeas.

Ms. Dixon then thanked the Board for its support of the program and its involvement in the process.

FINANCIALS

Mrs. Susan Good presented the financial statements for the month of March. She advised that the report would be changed to reflect a column showing the annual budget amount in the budget report. This correction will also be reflected in the January and February reports and all future reports ad of the March report.

ADMINISTRATOR'S REPORT

Ms. Martin advised that a copy of the Administrator's Report was included in each member's folder. She then reminded the Board of the requirement to submit their Tier2.1 Personal Financial Report to the Louisiana Board of Ethics by May 15, a copy of which was also included in the Board folders.

Mr. Cornelius interjected that the Hyatt issue is encouraging at this time but that he was not at liberty to provide any details. he added that the developer and investor contributions have increased significantly. Mr. Flower added that the Hyatt parent company has now come into the process. Mr. Augustine asked that the Hyatt be reminded that the RTA is moving forward with its rail project along the Loyola corridor.

The meeting adjourned at 2:20PM.

Susan P. Good, Secretary Treasurer



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

**MAY 18, 2010 AT 12:30 P.M.
45th FLOOR CONFERENCE ROOM-ONE SHELL SQUARE
LAW OFFICES OF ADAMS & REESE
701 POYDRAS STREET**

Present:

Walter C. Flower III
Dr. Ronald J. French
Allison P. Randolph, III
Edwin M. Shorty, Jr.

Farrell J. Chatelain
Darrel J. Saizan, Jr.

Helen LeBourgeois
Alan H. Philipson

Absent:

Justine T. Augustine III
James Paul Johnson Jr.

Ronald G. Baptiste, Jr.
John L. Koch

Susan P. Good
C. David Thompson

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese
Ray Cornelius, Bond Counsel-Adams and Reese
Jade Russell, Bond Counsel-Adams and Reese

Guests:

Cyril B. Saulny, Cadre' Business Solutions, LLC
Mark W. Wilson, OPCMIA
Keisha Honor, M&M Demo and Construction
Mike Spears, M & M Demo & Construction
Bill Langkopp
Lorraine Washington
Brooke Bacuettes, Transition New Orleans
Paul Cordes, Guarisco & Cordes
Rob Masson, WVUE
Avis Landry, WVUE
Cloyd Van Hook, Guarisco & Cordes
Stephen Stuart, Bureau of Governmental Research
Terri Franklin, Regions Bank
Maurice A. Brown, Melvin Securities
Rhonda Williams, 1st District Assessor

Maria Julianna Auzenne, Auzenne & Associates, LLC
Eric Strachan, Office of Councilmember Jackie Clarkson
Jackie Clarkson, Vice President-Council at Large
Carol Rocque, Damon Rocque
Jim Livingston, City Planning Commission
Damon Burns, Morgan Keegan
John Stockmeyer, Real Estate Tax Group, LLC
Karl Kehoe, Real Estate Tax Group, LLC
Forest Bradley Wright, Eco Park, LLC
Stan McDaniel, McDaniel Group
Ernest Gethers, City of New Orleans
Mavis Early, GNO Hotel & Lodging Assn.
Pharissa Dixon, Housing Authority of New Orleans
Don Allison, Advantous Consulting

The meeting was called to order at 12:43PM by the President, Mr. Walter Flower. An introduction of all guests was had. Upon roll call, a quorum was confirmed. By a motion of Mr. Darrel Saizan, and seconded by Mr. Alan Philipson, and with a unanimous vote of the board, the minutes of the April 20, 2010 meeting were approved.

ZELIA, LLC

Mr. Ray Cornelius, bond counsel, presented a Resolution to the board which seeks an approval of the Board to authorize the issuance of bonds in the amount of \$60M, as well a form of the Lease Agreement, which approval will allow the developer to go forward with securing financing. He advised that the market is not conducive at this time but the approval of the issuance and the form of the Lease Agreement will allow the developer to move forward with alternative vehicles of financing with a PILOT in place. This resolution will be subject to all conditions of the Board and, when the terms of the bonds are approved, the IDB will take title to the property and the PILOT will go into effect. The developer is not sure if he will be using conventional or GO Zone bonds. Discussion of the status of the extension of the GO Zone Bond Act was held, leaving the understanding that both houses of Congress have approved the bill but the bill has been delayed subject to some technical issue.

The outstanding requests for use of locals by the Board were addressed, i.e., if the Board approves the resolution, does this preclude the developer from honoring the Board's directive regarding use of locals, including whether or not the approval of the resolution would preclude the developer from coming back to address those issues with the Board. Mr. Cornelius advised that nothing is "final" at this time and that should there be any further discussions between the Board and the developer, he will gladly facilitate those discussions.

The President then asked for a motion to approve the Resolution for Issuance of the Bonds and the form of the Lease Agreement. Same was offered by Mr. Farrell Chatelain and seconded by Mr. Saizan. Upon vote the resolution passed unanimously.

POYDRAS PROPERTIES HOTEL HOLDINGS (The Hyatt)

Discussion of the issuance resolution was deferred by the President to Mr. Cornelius. Prior to the request for approval, however, Mr. Cornelius shared an update on the financing of the project, advising that the Hyatt does have the funds and that the developer is looking towards closing. He advised that approval of the issuance and the form of the Lease Agreement are instrumental in negotiating the loan agreement with Starwood. Starwood has agreed to lend a large portion of the funds needed to move the project forward to financing and, when these funds are added to the Hyatt (parent) and the developer's contributions, along with the PILOT, the project appears feasible. He further advised that he is asking the Board to approve the issuance of the bonds in the full amount of \$225M, and the form of the Lease Agreement. He reminded the board that \$22.5M had already been issued last year in this matter, and that the project may be moving forward with a conventional loan.

At this time, Mr. Flower reminded the Board that the developer assured the IDB that 60% of those employed during the rehabilitation would be locals and once the hotel was operating, 90% of the employment base would be locals. Mr. Saizan reminded the board also that the developer agreed to hold seminars that would allow locals to see what skills are needed to fill jobs.

The President then asked for a motion to approve the issuance of \$225M in bonds, as well as approval of the form of the Lease Agreement. A motion was offered by Mr. Philipson and seconded by Mr. Saizan. Upon vote of the Board, the motion passed unanimously.

THE MCDANIEL REPORT IN RE C. J. PEETE AUDIT

Mr. McDaniel provided the Board with background on the matter, advising that the purpose of the audit he has conducted was to determine hiring practices and use of local businesses pursuant to the claw backs of the Lease Agreement between the IDB and the Developer (HANO). In his update, Mr. McDaniel advised that the agreement called for 25% use of local subcontractors. He advised further that because the Developer chose Carl E. Woodward as its local general contractor, this 25% requirement was fulfilled. However, he stated that the hiring of locals at this site revealed a 15% local hire mark with wages about 60% of all total wages. This he stated is very low.

Mr. Flower reminded the board of his and Mr. Philipson's meeting with Mr. David Gilmore, the Regional Commissioner for HANO and Mr. Gilmore's commitment to ensure that guidelines and targets on hiring and use of locals on future projects of HANO including B. W. Cooper and Lafitte would be established and raised. With the implementation of the job/skill match program, both seasoned and youth workers will be sought to fill the jobs posted even though most jobs may be low-end jobs. Further he stated that Mr. Gilmore expressed that even meeting the established goals may cost the developer a few more dollars, and the targets of the commitments will be met and monitored. The implementation of the guidelines will set a higher standard of commitment on the part of the developer with accountability.

Councilmember-at-large President, Jackie Clarkson, was acknowledged. She requested that the City Council be kept abreast of the DBE requirements being created by the IDB. Mr. Flower

interjected that the youth side of the job/skill match program would start with Central City through a program called “Cease Fire” a part of the Recovery School’s Circle of Change which focuses on mentoring and finding opportunities for youth. The IDB’s job/skill match program will, he stated, affect the entire city. Mrs. Clarkson then continued stating that all agencies must collaborate to make a DBE program effective and that an established DBE requirement will help to bring all this to fruition. Mrs. Clarkson was then made aware by Mr. Allison Randolph that an IDB committee was created to make policy on the “use of local businesses” on those projects in which a PILOT is granted. The Committee wishes to discuss the topic with representatives of the City, especially the issue of DBE certification and the City’s role to support the process.

Mr. Gregory St. Etienne, the new Deputy Mayor of Operations for the City was recognized. He informed the Board that Mayor Landrieu has decided to push all city contractors to include local employment in their contracts, as well as the revamping of the DBE process. Such a mandate will impact all agencies, including the IDB with the hopes of achieving the same goal as that being sought by the IDB.

Mr. Flower offered that it would be helpful to come together in an open forum with guests of the general public so that all can become familiar with new guidelines. Mr. St. Etienne added that as a further step, the City will redesign its offers of incentives and enforcement, i.e., incentives to motivate economic development with penalties. Mr. Randolph added that the IDB would like to be an intricate part of the process. Mr. St. Etienne then offered the Board to set the appointment with his assistant. Mr. Flower informed Mr. St. Etienne that the IDB has already begun to take steps to ensure and monitor the terms and conditions of Lease Agreements between the IDB and developers. Mr. Cornelius then added that the IDB has been working hard to have claw backs imposed including employment of locals and that while not perfect, it has been a coordinated effort on the part of the Board.

Mr. McDaniel then continued with his report, advising that the last leg of compliance was use of subcontractors. In the case of C. J. Peete, quarterly reports were submitted. However, in a more detailed review of documents from on-site visits or the production of requested documents, he found that the documents submitted by the developer lacked specific information to make a reasonable determination of the use of locals. In many instances subs were acting as conduits to the general contractor who subbed the bulk of the work to out-of-state contractors, diluting the economic impact resulting in most of the funds going out of the State of Louisiana. The Board acknowledged this loophole and agreed that it was a typical problem. Mr. Randolph stated that whatever requirements are imposed on the General Contractor should trickle down to all subcontractors so that all are held accountable to the spirit of the agreement between the IDB and the developer. In conclusion, Mr. McDaniel stated that pursuant to the language of the agreement, C. J. Peete is in compliance with the PILOT agreement. He added, however, that the IDB should consider strengthening requirements of the developer concerning goals for economic impact, i.e., when a developer submits an application, he should be made aware upfront what economic impact is expected especially if the developer is seeking a PILOT. The IDB should make sure the goals are measurable with timetables and that language be created to cover loopholes that currently exist. Mr. Flower added that we are also trying to ensure that the IDB has the ability to conduct an audit of the developer’s records which the developer must pay for and cooperate with. Mr. McDaniel also stated that data for such audits should be presented

and formatted so as to make the audit more standardized. Mrs. Clarkson interjected that the problem is not setting standards but rather holding the developer accountable to the requirements and enforcing and monitoring with penalty if there is a failure to meet the commitment.

Mr. Flower deferred the matter to Mr. Cornelius who advised that penalties for non-compliance have been negotiated and is still evolving. Currently, failure to meet the terms of agreement between the IDB and the developer, result in the developer paying high taxes. Currently State legislation establishes a lien similar to a tax lien which can be enforced. He added that if you accelerate a loan, however, the prime lender may require the PILOT to prime the loan. All projects may not fit the same standardized criteria. It was added by a board member that the IDB's objective is to make sure opportunities are enjoyed by all locals.

Mr. McDaniel then stated that his final point included the Purchase of Local Materials, e.g., that a requirement for purchase of materials locally should also be included in the goals of the developer. Another consideration, should be a pre-bid conference bringing in the Unions to discuss issues of concern so that people will know what jobs are available in advance.

In conclusion, Mr. McDaniel stated that in accordance with the language of the agreement between the IDB and the Developer, C. J. Peete is in compliance with the language but not the spirit. Mr. Flower added that this may be technically true but factually, employment is too low.

FINANCIALS

Ms. Sharon Martin, Administrator, advised in the absence of Mrs. Good that a copy of the Financial Report was included in each Board member's folder.

ADMINISTRATOR'S REPORT

Ms. Martin advised that she has been in constant telephone conversation with members/representatives of different union construction disciplines, i.e., carpenters, plasterers, etc., and that many were present at the Board meeting today, all seeking an opportunity to let the Board know what training each discipline offers, as well as seeking an appointment with the Board to further explain their investigations of some of these construction sites. Mr. Flower then asked Mr. Mark Wilson to present. Mr. Wilson advised that Urban Strategies a training arm of the McCormack Baron companies, offers training unlike that offered by the union. It offers an apprenticeship program that provides math, basic installation schooling but the applicant often times can't go anyplace after that. The Unions' training programs are a certificated apprenticeship program. Mr. McDaniel confirmed that Urban Strategies is a part of McCormack, Baron Salazar (the developer) who offered 69 jobs year-to-date in the C. J. Peete project all with low wages, adding that 16 – 18% of workers in Orleans Parish were at the very low end and that he is not sure that the classification fits the wage that is set. Many Board members expressed concern as to why certain information related to job classification and the prevailing wage were not available. Discussions across the table ensued concerning the issue of the David Bacon Act and prevailing wages. Other members of different unions including Mr. Rodriguez and Mr. Barry Kaufman spoke on the prevailing wage issue and agreed that wages were low and that some developers were paying cash to their laborers. Mr. Kaufman added that in spite of all that was being discussed, one project that did provide prevailing wages was the Harrah's project and

it had someone monitoring the project – the reason for its success. It was agreed by all that compliance rules need to be in place.

As an aside, Mr. Cornelius advised that he needed the approval of the Board on an Estoppel document required in the LGD II Rental matter. The matter changes the primer lender to CapOne. He advised that he has verified the issues involved in the document and the Estoppel can be done. By a motion offered by Mr. Philipson, and second by Mr. Saizan, the vote of the Board was unanimous in granting approval of the Estoppel in the LGD II Rental matter.

In continuing the discussions and presentations of the Union, Mr. Philipson stated that Mr. Chatelain was correct in saying it is vital to get employment up to protect the people of the City but by the same token, we cannot whitewash and chase business away from New Orleans attempting to establish prevailing wages, the IDB must be flexible. He agreed that it is possible for the IDB to ensure that locals are hired.

Mr. Flower again stated that the meeting with the Mayor and/or his representatives should be created. Mr. Randolph requested Ms. Martin to arrange this meeting as soon as possible.

The meeting adjourned 2:16PM

Susan P. Good, Secretary/Treasurer



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**JUNE 15, 2010 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine III	Ronald G. Baptiste, Jr.	Susan P. Good
Dr. Ronald J. French	Farrell J. Chatelain	John L. Koch
Helen LeBourgeois	Darrel J. Saizan, Jr.	Alan H. Philipson
Edwin M. Shorty, Jr.	C. David Thompson	

Absent:

Walter C. Flower, III	James Paul Johnson Jr.	Allison P. Randolph, III
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese

Guests:

Jeb Bruneau, Advantous Consultants
Lorraine Washington
Jackquelyn Ramsey
Herb Wedemeier, DSW Inns, LLC
Dennis Vollink, DSW Inns, LLC
Karl Kehoe, Real Estate Tax Group
James Templet, Local 60
Mark W. Wilson, OPCMIA
Heather Stefan, La. Workforce Commission
Michael Kaufman, IUPAT D. C. 80, Local 1244
Ray Schlaudecker, Painters & Glazier Locals
Terri Baptiste-Franklin, Regional Bank
Stanley McDaniel, McDaniel Group
Mavis Early, GNO Hotel & Lodging Assn.
Maximus A. Perdomo, Asbestos Workers Union
Ray Calamari, Jr., LCRC Training Program

Monika McKay, Columbia Parc
Gilbert Smith, U. S. Raceway Group
Charlie Manning, LCRC Business Development Director
A. W. Gomez, IUBAC Local #6
Michael Francois, SMWIA, Local #214
Barry Kaufman, LIUNA-Local # 689
Kirk Lee, Cement Masons Local #567
Damon Burns, Morgan Keegan
Scott Murphy, Ironworkers Local #58
Pearlina Thomas, La. Assn. of General Contractors
Carol Rocque, Damon Rocque Securities
Ernest Gethers, City of New Orleans-Economic Development
Don Allison, Advantous Consulting
Louis H. Thomas, LHT Services
Don Paul, Rebuild Green
Greg St. Etienne, Deputy Mayor-Operations/City of New Orleans

The meeting was called to order at 12:37PM by the Secretary/Treasurer, Susan Good. Upon roll call, a quorum was confirmed. An introduction of all guests was had. By a motion of Mr. Ronald Baptiste, and seconded by Mr. Farrell Chatelain, and with a unanimous vote of the board, the minutes of the May 18, 2010 meeting were approved.

DSW INNS, LLC

Mrs. Good deferred the presentation of the DSW Inns, LLC application to Bond Counsel, David Wolf, who provided an overview of the proposed expansion of the Drury Inns and Suites located at Poydras and Carondelet Streets, as well as the developer's request for bonds not to exceed \$15,450,000. The expansion will include additional suites, parking and meeting space. Mr. Wolf explained that the request for preliminary approval of the project is non-binding on the part of the IDB and provides the developer the opportunity to secure financing, as well as the opportunity to file an application with the State Bond Commission (SBC). He added that the SBC has changed its process, and now gives a developer a deadline of 90 days to complete its financing process. He then introduced Mr. Wedemeier and Mr. Vollink, representatives of the developer, DSW Inns, LLC.

Mr. Wedemeier provided a more detailed overview of the proposed project, adding that it, DSW Inns, LLC, is a family-owned business from Missouri. Drury Inns and Suites is a chain with approximately 120 hotels which has received several awards including recognition by J. D. Powers & Associates, Consumer Reports and a few others agencies for its service and product. The current project will add some 60 additional suites including 3 additional floors of hotel space, 4 floors of parking, and 15K square feet of meeting space. He further advised that local architects, civil engineers, etc. are currently working on this project and there will be use of local subcontractors.

After all discussions were had, Mrs. Good asked for a motion for the granting of preliminary approval of the DSW Inns project as proposed. Same was offered by Dr. Ronald French and seconded by Mr. Justin Augustine. Upon vote, the motion for preliminary approval passed unanimously.

LA. Regional Carpenters Council - Charlie Manning

Mrs. Good then offered the floor to Mr. Charlie Manning of the La. Regional Carpenters Council who provided a video entitled "1099 Misclassification: It's Time to Play by the Rules" which addressed the economic impact of job misclassification of workers (both documented and undocumented), the economic impact on the tax system (community, city, state and federal), loss of job opportunities for youth and locals and the general public, and further addressed a system in need of monitoring for control. He also advised that his agency, the Louisiana Regional Carpenters Council, conducts investigations on some IDB job sites. When asked directly if there were any projects approved by the IDB not in compliance, Mr. Manning advised, "a few" and named, in particular, the Federal City project.

He further advised that the building and construction trades were trying to get language in City contracts which would hold the contractor accountable for non-compliance. Others raising their opinion about the law-breaking affects of job misclassification included: Heather Stefan of the La. Workforce Commission, who asked to later come back to the Board to address apprenticeship programs being offered; Pearlina Thomas of the La. Association of General Contractors, who also asked to come back before the Board to present the other side of the story which demonstrates those Contractors who do comply with the law; and, Mr. Don Paul of Rebuild Green, who suggested that agencies such as the IDB put teeth in contracts to ensure developers hire locals. After all discussions were had, Mrs. Good offered her appreciation on behalf of the Board and assured the attendees and presenters that the IDB will continue working on PILOT claw back language that will take into consideration the issues raised by the video including all subsequent discussions, as well as enforcement of the claw backs.

THE MCDANIEL GROUP REPORT IN RE COLUMBIA PARC (ST. BERNARD)

Mr. McDaniel provided the Board with a reminder that the purpose of the audit conducted on its behalf was to determine if Columbia Parc the "Developer", was in compliance with the Local Economic Impact Provisions of the Sub Lease Agreement dated December 9, 2008. Specifically he stated that as an inducement for a PILOT, the Developer agreed to achieve certain economic impacts through local hiring and or employment during the construction and operational phases of the Development. According to the Agreement, Mr. McDaniel advised the Board that there were two ways to comply with the local economic impacts contained within the Agreement: hire a local General Contractor, or a minimum of 25% of all sub contractors must be local or City-Based; in the Agreement, a City-Based business is one that has its principal office and management and or its primary residence located within Orleans Parish.

The Developer's General Contractor was Texas BBL, and therefore, the twenty-five (25) percent local sub contractor hiring for the project would apply.

Further, Mr. McDaniel stated that in addition to the sub contractor requirement for compliance, the Developer was required, via a verbal agreement with the IDB, to provide at least 30% local construction employees. As in the case of CJ Peete, this requirement was waived after conversations with HANO and the IDB. Lastly, the developer was required to submit quarterly reports listing the name and address of local contractors and the contract amounts.

The McDaniel Group's research included the review of requested documents as well as gathering and analyzing electronic data, site visits and telephone conversations. It was found that out of 33 contracts identified by the Developer as local companies, four (4) were not locals; of the total construction budget of approximately \$77M, \$30M was reported to have gone to local businesses. However, after reviewing the data for sub contractors reported to have been local businesses, half of the dollar amount allegedly issued to locals were not locally based. The total then changed from \$30M to approximately \$14.5M. Of the 4 primary businesses identified not to be local companies through the audit, one Texas based company had its registered principal office in Baton Rouge and a local office in New Orleans. According to the company, its local office was used for "miscellaneous paper work when in town". The value of this contract was \$8 million. Another company, also based in Texas and registered in Baton Rouge had a \$3.5M contract and the same local or temporary office as the \$8M contract. It too was determined not to be a local business.

A third business Keymel-Technologies which was listed as a private residence on the West Bank was called into question . This business more accurately served as a conduit for the purchase of appliances and received 10% of the total contract value or cost while 90% of the contract was paid directly to Whirlpool. In other words, when a payment was made to Whirlpool (90% of the total dollars issued), a corresponding payment was made to Keymel-Technologies (10% of the total dollars issued). At issue here is that 90% of the contract dollars flowed out-of-state and therefore, 90% of the contract had no impact on the local economy.

The fourth and final company was The Dalrymple Corp., a \$1.3M contract. In speaking with someone on site, the McDaniel Group determined that this was an Atlanta based company and therefore, should be excluded as a local company. When questioned by the McDaniel Group, the Developer agreed with its findings.

An additional 3 companies were questioned concerning their primary residence status and whether or not they too were local businesses.

Excluding these 4 companies from the aforementioned local sub contractor percentage contained within the quarterly reports, the percentage drops from 37% to 19%. Excluding the additional three contracts would cause a further drop in the percentage of local contracts to approximately 18%. Combined, this would produce a 7% variance below the compliance threshold of 25% and, therefore, would trigger a claw back of up to 7% of the Developer fee in addition to PILOT payments.

Mr. McDaniel went on to advise that the project is currently 80% complete and that under the agreement, the Developer has until the completion of Phase 1 construction to comply. He added that all contracts are currently in place and, therefore, the developer is unlikely to fulfill its obligations for local sub contracting compliance under the PILOT Agreement.

Mr. McDaniel reminded the Board, however, that a second phase of this development is scheduled. According to Ms. Monika McKay, developer representative, the second phase is to start this summer. Mr. McDaniel was then asked if the developer showed any signs of having attempted to comply. At this time, Mr. Wolf counseled the Board that it could take the report under advisement, requesting the developer to address the issues in writing by June 30, 2010, with a visible presence at the July meeting to present.

By request, a motion recommending the Board take the audit under advisement, requiring a response both in writing and at the next meeting by the developer, with a possible Executive Session, was offered by Mr. Baptiste and seconded by Mr. Augustine. The motion was subsequently amended by Mr. Baptiste and seconded by Mr. Augustine to reflect that the McDaniel Group audit be taken under advisement; that the developer prepare a written response by June 30; and that a developer representative be present at the July board meeting to address Board concerns. The vote passed unanimously.

"USE OF LOCAL" COMMITTEE UPDATE

Mr. Baptiste reported, in Mr. Randolph's absence, that the Committee has met on the DBE issue and the use of locals in PILOT programs. Being considered is the City's DBE program, as well as other external programs as models in an effort to draft a plan for the IDB's policy and inclusion in the PILOT language. A preliminary draft has been prepared and will be reviewed later this week. Once discussed, the draft will be presented to the Board. A meeting is scheduled with Mr. Greg St. Etienne, the Deputy Mayor-Operations.

FINANCIALS

Mrs. Good presented the May Financials, advising a copy of the Financial Report was included in each Board member's folder. She noted that the application fees were down as not as many applications were filed as projected. She further advised that a meeting is scheduled with the auditor for Wednesday, June 16. It is anticipated that the audit will get started shortly. Mrs. Good informed the Board that a recent expense, which will show on the June Financial Statement, will show the cost for the purchase of a new desktop and the update of the laptop, which will be used as a backup should there be a need to vacate during the hurricane season.

ADMINISTRATOR'S REPORT

Ms. Martin presented the Administrator's Report.

OTHER BUSINESS

Attorney David Wolf provided the Board with an update in the Poydras Properties Hotel Holdings (Hyatt) matter, advising that the developer will do a \$138M conventional loan in this matter and plans are to close one day next week. He added that even though there will be no bond issued, the Board can still grant the PILOT. This will be the same type structure to be used in the Zelia closing. Under this structure, the IDB will still take ownership of the property.

The meeting adjourned 1:56PM

Susan P. Good, Secretary/Treasurer



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**JULY 20, 2010 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine III	Ronald G. Baptiste, Jr.	Farrell J. Chatelain
Walter C. Flower, III	Dr. Ronald J. French	Susan P. Good
Helen LeBourgeois	Alan H. Philipson	Darrel J. Saizan, Jr.
Edwin M. Shorty, Jr.	C. David Thompson	

Absent:

James Paul Johnson Jr.	John L. Koch	Allison P. Randolph, III
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
Ray Cornelius, Bond Counsel-Adams and Reese

Guests:

Damon Burns, Morgan Keegan
Buck Landry, Morgan Keegan
Lorraine Washington
Gilbert Smith, U. S. Raceway Group
Bill Langkopp, GNO Hotel & Lodging Assn.
Joe Rochelle, City Council-Office of Jackie Clarkson
Jackie Clarkson, City Council, Vice Pres-At-Large
Kirk Lee, Cement Mason Union
A. W. Gomez, BAC #6
Maximus A. Perdomo, Insulator Workers Union
Lee Kelso, Green Coast Enterprise
Levi Lewis, Sr., Urban Strategies
Charlie Manning, La. Carpenters Regional Council
Steven Kennedy, CA, Inc.
Al Philips, P. S. Entertainment
Terri Franklin, Regions Bank
Scott Murphy, Iron Workers #58
Tony Cacioppo, Local Un. 669

Ileana Dungan, First NBC Bank
Ricardo Benitez, La. Carpenters Regional Council
Shane Alvarez, LCRC, President-LU 1846
Tiger Hammond, Southeast La. Building Trades
Stan McDaniel, The McDaniel Group
Pam Hammond, Elkins, PLC
Prisca Weems, ECO Park, LLC & The Building Block
Will Bradshaw, Green Coast Enterprises
Forest Bradley-Wright, ECO Park, LLC & The Building Block
Karl Kehoe, The Real Estate Group
Carol Rocque, Securities Corp-Damon Rocque
Greg St. Etienne, Deputy Mayor-Operations, City of New Orleans
Monika McKay, Columbia Residential
C. M. Larga, IBEW
Aon Paul, Rebuild Green
Michael Kaufmann, IUPAT, Local 1244
Jeb Bruneau, Advantous Consulting
Stephen Stuart, Bureau of Governmental Research
Michael O. Smith, Hyatt
Judith Moran, Housing Authority of New Orleans
Pharissa Dixon, Housing Authority of New Orleans

The meeting was called to order at 12:35PM by the President, Walter C. Flower III. Upon roll call, a quorum was confirmed. An introduction of all guests was had. By a motion of Mr. Justin Augustine, and seconded by Mr. Alan Philipson, and with a unanimous vote of the board, the minutes of the June 15, 2010 meeting were approved.

The President acknowledged Mr. Christopher Robertson, developer of the Poydras Properties Hotel Holdings (the Hyatt), advising that the matter went to closing on July 12th. Mr. Robertson informed the Board that it is anticipated that the Hyatt rehabilitation and redevelopment would be complete by November, 2011. The GO Zone bonds and the PILOT, and the IDB's role were crucial to the project's success. Mr. Flower interjected that the Hyatt (parent company) joined in with considerable equity to fill financing gaps.

Mr. Robertson thanked the Board for its involvement, advising that he will report back with the hiring of New Orleans residents as agreed. He added that over 50% of the jobs will be union and that 150 locals have been hired so far. It is anticipated that 500 more would be hired within the next few months.

Mr. Flower recognized Council-at-Large Vice President, Jackie Clarkson. Mrs. Clarkson thanked the IDB for its role in bringing the Hyatt back and echoed the Board's feeling on the hiring of locals. Mr. Robertson has recommended a job fair to the contractor to ensure that locals are aware of the work to be accomplished. Mr. Flower interjected that the IDB is 6 - 8 weeks away from instituting a job/skill match program and he would like to have the Hyatt jobs posted on the site as soon as possible. This would be a great opportunity for all involved. Mr.

Robertson advised that the project has a designated person handling the posting of the jobs and confirmed his interest in interfacing with the job/skill match program. The General Contractor for the Hyatt project is Donahue Favret and they are aware of Mr. Robertson's interest to ensure the hiring of locals.

Mr. Michael Smith, Hyatt manager, reiterated Mr. Robertson's appreciation for the IDB's role, as well as the critical need and commitment to hire locals and the Hyatt's commitment to maintain 90% local employment. He added, however, that unique skill sets may have to be filled by outsiders. He then advised that the Hyatt's computer base may be compatible with the IDB's job/skill match program.

Mr. Ray Cornelius informed the Board that the PILOT was fully utilized and there is no change in what is to be paid as a PILOT or the IDB's annual fee. All is based on \$225M which in the end became a conventional loan rather than a bond issue. The annual fee payment is tied to the value of the project which has a cap of \$50,000 based on the new IDB formula. Payment on both the PILOT and the annual fee will begin in February 2011.

Mr. Ronald Baptiste suggested that now would be a perfect time to engage a compliance review for not only the employment, but also the use of local contractors. Mr. Darrel Saizan advised that the City has a list of workshops and that the IDB should be able to use this list to make sure locals get an opportunity to participate in the construction of the project.

Mrs. Clarkson was recognized and thanked Mr. Robertson for his perseverance in bringing the close of the Hyatt to fruition. She stated that such a project offered significant benefits to the City including employment. She acknowledged the return of Mr. Michael Smith and she also applauded Mr. Ernest Gethers from the City for his role. Mr. Cornelius interjected that for all intents and purposes, the project was done and he has not worked on another project that maximized benefit to the City as this project does.

Mr. Charlie Manning of the La. Carpenters Regional Council ("LCRC"), was recognized. He informed the Board and Mr. Robertson that the LCRC has been monitoring and investigating companies hired by Lammet Sheetrock and Jaime Rodriguez. It has been noted that a number of undocumented workers are on the Hyatt site. There is no record of workers' compensation or payroll taxes being paid. Mr. Manning asked that Mr. Robertson check these allegations as their investigation has facts to prove these issues. Mr. Flower added that everyone involved needs to be vigilant of such activities taking place. He thanked Mrs. Clarkson for attending the meeting. Mr. Augustine then interjected his congratulations to Mr. Robertson and reminded all in attendance of the RTA's streetcar project being implemented in the area in the near future.

GCE 401 N. Carrollton, LLC

Mr. Flower offered the floor to a representative of GCE. Mr. Will Bradshaw was acknowledged, who recognized other members of his team including Forest Bradley-Wright, Prisca Weems, and Lee Kelso. Mr. Bradshaw provided an overview of the project and requested the Board grant preliminary approval. He advised that the former Bohn Ford facility would be converted into a shopping center, mixed-use facility of office space, retail and manufacturing and would be the

location of the "green industry" in New Orleans. The facility would relocate many firms in the southeast to New Orleans. He spoke of the many jobs that would be created as a result of the relocation of many other "green" related industries and businesses. Mr. Bradshaw stated that he would like approval at this time but did not foresee filing with the State Bond Commission until September, giving his team the time to get its financing in order. He explained that financing would include New Market Tax Credits, as well as funds from other recovery programs of the State. The project may be a phased project. 40% would be industrial, 30% office and 30% retail. He explained that tenants may include a panel manufacturing company at the rear, a local bamboo company, a bio-fuel group and a contractor to convert the bio-diesel.

Mr. Flower acknowledged Deputy Mayor of Operations, Mr. Greg St. Etienne. Mr. Flower stated that previous discussions to tie in the IDB's effort with the City's efforts for jobs have taken place and he would like to pull it together and confirm the City's participation.

Mr. Philipson stated that he had difficulty reconciling the number of jobs to be created, specifically those related to "new jobs and \$4M in wages". Further clarification was also requested by other board members. Other members of the GCE team attempted to explain the jobs to be created; however, after discussion and inquiries, the Board opted not to grant preliminary approval at this time and requested truer figures be delivered or an explanation thereof. Mr. Cornelius then interjected that the granting of preliminary approval for GO Zone bonds is non-binding. He added that currently there is still a pool of GO Zone bonds in the area of \$300-\$700M available. He reminded the Board that if numbers are not justified, the developer will not be able to make market for the bonds.

Mr. C. David Thompson then recommended that the Board consider giving preliminary approval with the proviso that the developer come back before the August board meeting with truer job creation figures. By motion of Mr. Thompson and seconded by Mrs. Susan Good, the vote to grant preliminary approval providing the developer provides, prior to the August Board meeting, new figures relating to the number of jobs to be created, was voted upon, and passed unanimously.

COLUMBIA PARK (ST. BERNARD) RESPONSE TO MCDANIEL LOCAL IMPACT ECONOMIC ANALYSIS

Mr. Flower recognized Ms. Monika McKay of Columbia who advised that she, on behalf of the developer, would be responding to the analysis made by Mr. McDaniel. Ms. McKay offered first an overview of the project. She further advised that since 2008 the development has been renting to approximately 130 families at both public and market rates. The project is scheduled to be completed by the end of the year (2010). In addition, Columbia Residential, the developer, has the IDB language for hiring and contracting and has made good faith efforts to meet these commitments. Based on the McDaniel report, she stated the Dalrymple Company has been removed from the list of local contractors. With regard to the other companies identified in the analysis as non-local companies, documentation was provided in the written response that included occupational licenses from the City of New Orleans and MBE/DBE certification. Mr. Flower, however, stated that even with those considerations, there was concern about the company Hull & Associates which appeared to be inconsistent with local contracting

requirements and that getting to the core of their hiring practices is at issue. Ms. McKay advised that Hull was a contract let by subcontractors.

Mr. McDaniel interposed that his analysis identified four (4) companies as non-locals. A trail of documents was his proof. These companies were mainly Texas-based with registrations in Baton Rouge and temporary offices located in a Poydras Street office building. The same paper trail applied to Associated Materials. These companies did not fit in with the language of a local contractor nor with the intent of the Board's objectives for inclusion of local businesses. The developer's response, he stated, trades language and the interpretation, making "a principal office" the requirement.

Mr. Flower interrupted the presentation, asking to have the HANO presentation moved up on the agenda in light of a HANO time constraint.

HANO UPDATE

Mrs. Judith Moran, Director of Development for the Housing Authority of New Orleans, made the presentation. She provided the following updates:

C. J. Peete: 41% of the contracts have gone to locals; 83% of new hires are locals; and 100% of contract is local management. Mr. Flower reminded Mrs. Moran that based on reports, general local employment was 16% -25%. Board curiosity arises as to how employment of locals is now at such a higher number. Support documentation for the increase was requested.

The Lafitte: Contracts of 14.7% let to locals. The development is not complete and currently construction of 135 units has begun.

B. W. Cooper: This project is in its early start of vertical construction. At this time, 54% of the contracts are with locals.

Mr. Baptiste asked if there would be a compliance review on these three developments to which Mr. Flower responded there should be.

COLUMBIA PARC RESPONSE cont'd

Ms. McKay then continued her report. She began with KeyMel Technologies, a company identified in the McDaniel analysis as non-local, but a company for which documentation in their file supports that the owner/manager, Mr. Kenny Rodgers, a local distributor, is domiciled in New Orleans along with a copy of his license.

Mr. McDaniel advised that according to his investigation and understanding of the contract, 90% of the contract to KeyMel was going out-of-state to Econ-Imports. Questions were then raised by the Board as to why this process was used. Mr. Flower asked Mr. Cornelius as to what recourse the IDB had in cases where commitments were not met or that activity seemed out of the ordinary. He advised that Adams and Reese would take a look at the issue and determine what the term "local" means and what recourse the IDB would have if the developer is not in

compliance with the language of the Local Economic Impact Agreement of the PILOT. Mr. McDaniel suggested that perhaps in the future, rather than the commitment being tied to a percentage of the contracts that it be tied to a dollar amount of all contracts, taking into account the value of the total contract. Additional suggestions as to the definition of the word "local" were offered including that of "a business with its principal place of business in Orleans Parish/New Orleans"; that if any violation is detected, the tax benefit would be rescinded. It was also suggested to Mr. St. Etienne as a Deputy Mayor, that perhaps the City would also like to contribute to the monitoring of these projects. After all discussion, Mr. Flower confirmed that in a clear case of violation, the IDB goes to the developer for explanation. The IDB will determine the criteria, and that failure to meet the criteria would require enforcement of claw backs.

A union representative was then acknowledged. He advised that at many of these construction sites, (in his case sheet rock & glazing), most of the jobs have been given to Texas and Florida businesses who hire from those locations. This is noted by the many out-of-state license plates on the site. He inquired as to how reporting would be done when proof has been established. The Board determined that such reports of violations should be sent directly to Sharon Martin, Administrator of the IDB, who will work with Stan McDaniel for paper trail. Mr. Baptiste then recommended that there be a start of a 30-60-day compliance monitoring starting with the Hyatt redevelopment. Mr. McDaniel stated that he could start with providing a set of recommendations for the reporting procedures. He also reminded the Board that a review of the Master Development Agreement should be done. In final analysis it was determined that 1) Adams and Reese would evaluate [in this instance] if there is a violation pursuant to the language of the PILOT agreement, Lease Agreement and the suggested Master Development Agreement; 2) that there is a need for control and procedures; and 3) that Mr. Cornelius and Mr. McDaniel shall meet to create a set of procedures and to review the language of "local" for future projects. Reports of violations are to be directed to Sharon Martin of the IDB, and a presentation of the above findings be ready for the August meeting.

By motion of Mr. Philipson and seconded by Mr. Baptiste, the Board voted unanimously to have the McDaniel Group conduct monitoring on the Hyatt and HANO projects.

It was noted that a quorum needs to be present at the next board meeting but that a number of members may be on vacation. Ms. Martin is to poll the board for a determination in advance of the August board meeting.

JOB SKILL

Mr. Flower updated the Board advising that work was underway with the assistance of HANO and others for a computer program to be created by an independent consultant. The model should be ready by early September. It will post certain job availabilities at the HANO sites initially with a match program of individuals who qualify to fill those positions. It will be a small start but it will be a model program that can be instituted throughout the City. Perhaps the Hyatt jobs can also be posted.

FINANCIALS

Mrs. Good presented the June financials, advising a copy of the Financial Report was included in each Board member's folder. She reminded the Board that it had approved a \$12,600 fee to Canary Collective for creation of the job/skill match program. This expenditure requires the Board to amend the budget by a formal vote. By motion of Mrs. Good and seconded by Mr. Augustine, the Board voted unanimously to amend the 2010 budget to include the \$12,600 cost associated with the IDB job/skill match program.

Mrs. Good further advised that all financials were in order. She also informed the Board of the various balances in cash and CDs. Mr. Augustine suggested that the Board take a look at other investment opportunities.

Mrs. Good then advised that a meeting had been held with the auditors and that the audit was underway.

ADMINISTRATOR'S REPORT

Ms. Martin reviewed her report. She stated that a copy of a proposal from PS Entertainment for provisional use of the Six Flags site in October 2010 was included in Board packets. Mr. Al Philips, a representative of PS Entertainment was acknowledged and offered an explanation of the proposal. Ms. Martin advised that a copy of the proposal was delivered to Mr. St. Etienne's office as well. Upon review of the request, the Board recommended that this matter be taken up with the City.

Mr. Flower thanked the Board and all guests for their attendance and thanked Mr. St. Etienne for his interest and requested that the IDB and the City work closely together on the hiring of locals and monitoring of IDB projects.

The meeting adjourned 2:42 PM

Susan P. Good, Secretary/Treasurer



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**AUGUST 17, 2010 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine III	Ronald G. Baptiste, Jr.	Walter C. Flower, III
Dr. Ronald J. French	Susan P. Good	John L. Koch
Darrel J. Saizan, Jr.	Edwin M. Shorty, Jr.	C. David Thompson

Absent:

Farrell J. Chatelain	James Paul Johnson Jr.	Helen LeBourgeois
Alan H. Philipson	Allison P. Randolph, III	

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
Ray Cornelius, Bond Counsel-Adams and Reese
David Wolf, Bond Counsel-Adams and Reese

Guests:

Tony Cacioppo, Sprinkler Fitters Union 669
Kirk Caron, IVEC Local 16
A. W. Gomez, IUBAC Local 6
Stephen Stuart, Bureau of Governmental Research
Joe Rochelle, City Council
Ryan Smith, Caldwell, Banker TEC
Gregory St. Etienne, City of New Orleans
Tom Crumley, Woodward Interests
Denis Milliner, Bank of New York/Mellon
Byron Poydras, Bank of New York/Mellon
Jim Livingston, City Planning
Carol Rocque, Damon Rocque Securities
Bill Langkopp, Greater New Orleans Hotel & Lodging Association
Damon Burns, Morgan Keegan
Charles DiGange, Holy Cross
Karl Kehoe, Real Estate Tax Group

Sidney Barthelemy, HRI Properties
Josh Collen, HRI Properties
Maximus A. Perdomo, Union
Bert Santos, IUPAT
Kirk Lee, Cement Masons Local 567
Ray Schlaudecker, Painters Local 1244
Michael Kaufmann, Painter/Glazier Local 1244
Jeb Bruneau, Advantous Consulting
Richard Briscoe, FMM Enterprises
Willie McKnight, Jr., Turn Key Contractor
Terri Baptiste Franklin, Regions Bank
Toni Weiss, Consultant
Brian McConduit, Courseault Commercial, Inc.
Jeffrey Schello, SMC
Pamela Hammond, Elkins, PLC
Patrick Quin, Premier Hotel
Ernest Gethers, City of New Orleans
Will Bradshaw, Green Coast Enterprises
Wayne J. Neveu, Foley & Judell, LLP
Susan G. Guidry, City Council
Eric Jungbacker, Downtown Development District
Prisca Weems, ECO Park, LLC
Ian Trivers, AFL-CIO
Tessa Jackson, AFL-CIO Housing Investment Trust
Don Allison, Advantous Consulting

The meeting was called to order at 12:31PM by the President, Walter C. Flower III. In light of a time constraint, the President began the meeting with an introduction of all guests.

The President recognized Councilmember Susan Guidry and former Mayor Sidney Barthelemy.

Mr. David Wolf, IDB Bond Counsel, informed the Board that absent a quorum, the meeting could begin under the Executive Committee resolution approved by the Board in 2006. This allows the board to conduct certain, routine matters, i.e., preliminary approval, which would be ratified at the next board meeting where a quorum is present. The Executive Committee meeting was called to order.

HOLY CROSS COLLEGE, LLC

Mr. Wolf presented an overview of the application, advising that the IDB was the final piece of financing. He further advised that the resolution prepared in this matter is the standard resolution to be approved by the Board. He then recognized the Head Master of the school, Mr. Charles DiGange.

Mr. DiGange provided the Board with an overview. The funding for the project will come from a number of sources including but not limited to New Market Tax Credits and FEMA. A bond issuance will help fill the financing gap. Holy Cross College is a tax-exempt institution. He added that in the aftermath of Hurricane Katrina, the school has relocated to Paris Avenue.

A motion was offered by Mr. C. David Thompson and seconded by Mr. Justin Augustine. By unanimous vote of the Board, the granting of preliminary approval was passed without objection.

At this time, the final member of the Board that constituted a quorum arrived. Upon roll call, a quorum was confirmed. In following the agenda, a motion was offered by Mr. Edwin Shorty and seconded by Mrs. Susan Good for approval of the July minutes. By a unanimous vote of the Board, the minutes of the July 20, 2010 meeting were approved.

Mr. Wolf advised that with the quorum, the Executive Committee concluded and asked for ratification of the motion granting preliminary approval to Holy Cross College, LLC. Upon unanimous vote of the Board, the previously offered motion and vote for the granting of preliminary approval passed.

313 CARONDELET COMPLEX, LLC (Hibernia Tower)

Mr. Wolf presented this matter, advising that \$35M in GO Zone bonds are being sought for this project and that financing will include other sources of funding. The developer, he advised, is seeking a PILOT. He recognized Messrs. Josh Collen, Sidney Barthelemy and Richard Allen of HRI, and added the project will be a joint venture between HRI and Woodward Investments. He deferred further presentation to Mr. Collen.

Mr. Collen provided an overview of the development which would be comprised of commercial rental space, housing and parking at the Hibernia Bank Building at 313 Carondelet. In answer to a question by Mr. Flower regarding potential for optimum occupancy, Mr. Collen advised that a market study had been done and that occupancy for the complex is strong in the Central Business District. The financing for this project would include New Market Tax Credits and Historic Tax Credits. The total budget for this project is \$60M. In the presentation he advised that Capital One Bank will remain at the site on the first floor; floors 2 - 3 will be office rental space and floors 4 - 20 will be housing. He advised that given the income mix and the desire for certainty in this economic time, a 10-year PILOT is being sought. The property, in answer to a question raised by Mr. John Koch, was purchased for \$6M and the \$60M is for renovation of the site.

Mr. Wolf advised that the terms of the PILOT would have to be worked out. The granting of preliminary approval does not include the approval of the PILOT. Mr. Collen stated that the developer would like to move forward with the required cost/benefit analysis and "but for" analysis, the results of which, they believe, the Board will find benefits the City greatly.

A motion was requested. However, a few additional questions by the Board were addressed including the average tax bill over the past ten (10) years. Mr. Karl Kehoe responded by advising that copies of the tax statements for the past three years were included in the

application. The value of the building was \$7.1M. Currently the property is valued at \$6.4M as a result of Hibernia exercising a sale/lease back mechanism.

Mr. Flower reminded the developer representatives that the cost for both the CBA and the "but for" analysis is borne by the developer and that the work is produced for the IDB.

By motion of Mr. Darrel Saizan, and seconded by Mr. Thompson, the grant for preliminary approval passed with the condition that such approval is for the bonds only, the cost/benefit analysis and independent "but for" analysis were to be conducted to determine an approval for a PILOT and, that the cost of same is to be borne by the developer. Upon vote of the board, the motion passed unanimously.

GCE 401 N. Carrollton, LLC

Mr. Will Bradshaw presented the GCE's new job numbers, as requested by the Board at the July 2010 meeting, advising that clarification of the numbers have been provided to the Board by a document submitted to the Board and a copy of which was included in the board member packet. Mr. Bradshaw advised that during construction, 214 jobs would be created with 44 ancillary jobs. He thanked Councilmember Susan Guidry for her support for the project and Ms. Prisca Weems for her work in clarifying the number of jobs to be created during construction, those permanent and those retained.

Mr. Flower reminded the developer that the IDB would be looking for the hiring of locals somewhere in the neighborhood of 40% - 50%. Mr. Bradshaw also thanked Mr. Augustine for the helpful discussions held regarding bio fuels which the RTA uses and, the identification of potential local partners for the product.

Councilmember Guidry was then recognized and granted the floor for comment. She stated that she was in support of the project even before taking office. It is the type of industry and business that will help shine light on New Orleans' rebuilding efforts. The project is also located near the Lafitte Greenway, another showcase for New Orleans. Both projects she stated will spur the economy and benefit the City with "green" industry.

Mr. Flower thanked both Mr. Bradshaw and Councilmember Guidry and asked if there were any further questions by the Board. There were none.

LOCAL ECONOMIC IMPACT AND RELATED LANGUAGE ISSUE

Mr. Ray Cornelius, bond counsel, advised that pursuant to the Board's request for a requirement and a remedy related to the terminology of "local business", he is in agreement with Mr. Stan McDaniel's report/analysis conclusion. He stated that discussion on the details of this issue should be conducted in an Executive Session and recommended same. He further recommended that in light of this interim reporting time allowed the developer, a meeting to discuss remedies for any infractions by a developer could be held by Executive Session and readied for the next meeting. Mr. Flower questioned whether or not it would be appropriate to hold a meeting with the St. Bernard developers and HANO to discuss any infractions and how corrections can be

made. Mr. Cornelius concurred. Mr. Flower then informed the Board that HUD Secretary Donovan would be in town at the end of the month and continued by adding that the job/match program is about 80% complete. It is hoped a presentation will be ready by mid-to-end of September. The program will post jobs at the various locations, i.e., Lafitte, B. W. Cooper, the Hyatt, and hopefully extending the opportunity to the rest of the business community. Such jobs will be for youth and seasoned workers. This program will have significant potential for the City and its citizens.

Mr. Cornelius then advised of the second part of the matter: "How do we identify 'local business' participation language". This, too, should be a subject discussed in Executive Session in an effort to come up with a general approval. At that time, he stated, it is possible that the definition and the local economic impact can be resolved. He then referred each member to a copy of a draft of the definition of "local business" which he wrote. Board members offered that a local business should show proof of residency. Mr. Gregory St. Etienne, Deputy Mayor of Operations added that such business should show office presence, as well as residential presence, and not a post office box address. In terms of labor, it should relate to citizens within the boundaries of Orleans Parish. Of course, the definition can expand. Mr. Flower reminded all that in dealing with PILOT-related projects, the benefits to the City should always be considered.

Mr. St. Etienne then interjected that with the Zelia project, it was initially thought that the proposed business would bring new jobs to New Orleans. However, the majority of the tenants for the office building will be displaced from another office building in New Orleans to the Benson Tower so they are not producing as great a benefit as was originally played out.

Mr. Cornelius stated that with regard to making such demands on developers, there are legal standards at issue in light of U. S. Constitutional constraints on businesses. In cases where a PILOT exists, the amount of benefit to the developer is based on the project's benefit to the City; it is a bargain for an exchange. The IDB can always reduce the tax liability to recognize the benefit.

FINANCIALS

Mrs. Good presented the July financials, advising there was nothing out of the ordinary to report. She further advised that the audit has been ongoing and that a report should be forthcoming within the next six weeks.

Mr. Flower interjected that the monitoring issue will be taken up at the next board meeting.

Mrs. Good reminded the Board that the next financial report would reflect the increase in the budget for the job/skill match program. This amendment to the budget was ratified at the July board meeting.

ADMINISTRATOR'S REPORT

Ms. Martin openly reviewed her report. The first issue of concern was the HANO report issued at last month's meeting which reflected hiring of locals at the St. Bernard site increased from 14-

18% to 41%. She reminded the Board that it requested support from HANO in connection with the 41% local hire increase. She directed each member to an email response by Mrs. Judith Moran of HANO, a copy of which was included in each member's folder. Ms. Martin then informed the Board that she has been working to get required IDB signage posted at the Hyatt site and it should be up soon.

Mr. Flower again broached the job/skill match program and asked the Union representatives to report to the Board what training it offered and how it included youth. The IDB is exploring training opportunities and would appreciate information on any programs currently in place by the Union. It was determined that one representative would send the information to Ms. Martin.

Mr. Flower then added that the State Bond Commission (SBC) has not allocated a pool of GO Zone bonds to New Orleans and that there is a need to call upon the State for an allocation of the general pool to Orleans Parish. Mr. St. Etienne stated the City would make "a run for it".

The meeting adjourned 1:48 PM

Susan P. Good, Secretary/Treasurer



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**SEPTEMBER 21, 2010 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Farrell J. Chatelain
Alan H. Philipson
Edwin M. Shorty, Jr.

Walter C. Flower, III
Allison P. Randolph, III
C. David Thompson

John L. Koch
Darrel J. Saizan, Jr.

Absent:

Justin T. Augustine III
Susan P. Good

Ronald G. Baptiste, Jr.
James Paul Johnson Jr.

Dr. Ronald J. French
Helen LeBourgeois

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese

Guests:

Tom Dano, Coldwell Banker
Mark Inman, CBC Tec
Ryan Smith, CBC Tec
Bill Langkopp, GNO Hotel & Lodging Assn.
Damion W. Jeanpiere, Rock Enterprises Construction
Stephen Stuart, Bureau of Governmental Research
Brian McConduit, Courseault Commercial, Inc.
Kelly Longwell, Coats Rose
Forest Bradley-Wright, Eco Park, LLC
Stan McDaniel, The McDaniel Group
Terri Franklin, Regions Bank
Gilbert Smith, U. S. Raceway Group
Charles DeGange, Holy Cross College, Inc.
John Gerrets, Holy Cross College, Inc.
Lorraine Washington
Michael Kaufmann, O. C. 80 IUPAT

Joe Rochelle, Office of Jackie Clarkson
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Erik Jungbacker, Downtown Development District
Karl Kehoe, Real Estate Tax Group
Jeb Bruneau, Advantous Consulting
Palestine Riles, DSW/Drury Hotels
Josh Collen, HRI Properties
Richard Allen, HRI Properties
Damon Burns, Morgan Keegan
Will Bradshaw, Green Coast Enterprises
A. S. Kelso, Jr., Green Coast Enterprises
Tiger Hammond, Southeast La. Building Trades
Scott Murphy, Iron Workers #58
Ray Schlaudecker, Painters Union
Jim Livingston, City Planning

The meeting was called to order at 1:13 PM by the President, Walter C. Flower III. The President began the meeting, requesting an introduction of all guests. The President then requested a motion to approve the minutes and same was offered by Mr. Darrel Saizan and seconded by Mr. Allison Randolph subject to a ratification upon the arrival of an eighth board member to comprise a quorum. The minutes of the August meeting was approved unanimously by the seven attendees subject to ratification.

The President advised that the meeting would continue with matters that did not require a vote of a quorum.

JOB/SKILL MATCH PROGRAM

Mr. Flower began with an overview of the Job/Skill Match Program status. He advised that the program was still being tweaked and that a presentation by Blake Haney, the consultant, was scheduled for Wednesday, September 22nd. Those in attendance would include Mr. David Gilmore of HANO, Pharissa Dixon, Prof. Khalil Osiris, Peter Scharf and other administrative staff. He further announced that HANO has now put into force a requirement that all developers henceforth are required to post jobs on the site. It is anticipated that the program would be up and functioning within the next month. It will work slowly in the beginning and will potentially expand to other construction programs and later to such other sites as The Hyatt, Dominion Tower and any other IDB projects. Later it will be offered to the general business community as a tool for identifying potential hires and to post job openings.

At this time, he advised, Central City will be the major focus attempting to recruit both seasoned and youth workers at current HANO developments. There will be an outreach campaign and

qualified consultants will monitor the application process and progress of each applicant. This can be successful if worked through as envisioned.

In answer to questions raised, Mr. Flower further informed the Board that the "people pool" for the program will be Orleans Parish residents. Mr. Randolph asked if the IDB can require developers to use the pool and tie it in with developer compliance. Mr. Flower reminded the Board of The McDaniel Group's audit, the result of which shows there is trouble in the area of hiring locals due to the lack of definition of "local business". He stated that the IDB has asked the City to give the IDB clarity on the definition. One guide used by other cities is that the local office should have decision-making power and the IDB will make sure this becomes part of the rule in determining the definition of a "local business".

Other issues still in debate: What if a contractor hires 28% local and another 5% across parish line? Should the developer be penalized for this even though it is figured that the cross-parish employee will still spend money in Orleans Parish? Should there be a point system? Can the developer get some credit for hiring within the metropolitan area and penalized for hiring out-of-state? Mr. Flower advised that they are now exploring the idea of a point system as part of the PILOT criteria.

In answer to a question raised by Mr. Randolph regarding the status of this process, Mr. Flower advised that HANO, through Ms. Pharissa Dixon, is aware of the IDB's concern. This process will require a lot of work. Stan McDaniel's report indicates that holes currently exist in terms of the definition of "local business". In conjunction with Ray Cornelius and David Wolf, efforts are underway to tighten the rules and establish sound claw backs. Mr. Saizan requested Ms. Martin to secure an update on the HANO projects and same be presented at the next board meeting. Mr. David Thompson reiterated that Blake Haney would make the presentation of the job/skill match computer program before the mentoring team of Khalil Osiris and Peter Scharf, et al to which Mr. Flower agreed.

Mr. Randolph then asked for clarity regarding foreign companies and their local offices having "decision-making" power encompassed in the local office. Mr. Flower stated that he has been advised this is a standard being used in other cities. This statement was confirmed by Mr. Wolf. Mr. Randolph asked if the IDB would make "proof of residency" a requirement. Mr. Alan Philipson responded stating that there are so many loopholes, as it currently stands, and closing those gaps is part of the effort underway.

ADMINISTRATOR'S REPORT

Ms. Martin then presented her report. She advised that the audit was still on-going, having met a couple of times within the last month with the auditor. It is projected that the audit will be complete by mid-October. She then informed the Board that she received a letter from a Mr. Damion Jeanpere of Rock Enterprises Construction, who raised the issue of the use of out-of-town contractors at most of the IDB sites rather than the contracting of local qualified, certified, bonded contractors. She advised that Mr. Jeanpere was in attendance at which time Mr. Flower recognized him and gave him the floor to present his concerns. He stated that his concern was not as a minority contractor but as a local, qualified contractor capable of providing the work

needed at these sites. He stated there are many others similarly qualified in the city. He added that locals should have a fair shake at the contracts offered at these construction sites. He has bid with HANO as a contractor and a sub-contractor but to no substantive end. He further stated that he is in a position to provide training to youth which is something he has been doing through his company.

At 1:43, with the arrival of an eighth board member the meeting was officially opened by the President.

In response to Mr. Jeanpere's concerns, Mr. Flower assured him that the IDB is working through these log jams in an effort to ensure the hiring of locals and the use of local service providers.

Ms. Martin continued her report, adding that pursuant to the Board's request, she researched the training offered by the many construction trades and has compiled a book containing the training so offered, the presentation of which was shown to the Board. She advised that pursuant a conversation with Mark Wilson on the Operative Plasterers and Cement Masons International Assn (OPCMIA), she was advised each construction trade offers training which is paid for pursuant to a Community Benefit Agreement or Project Labor Agreement between the union and the developer. In this agreement, the developer helps to pay for the training. Those who join the training program are asked to become union members. At this time, several members of the union trades offered further explanation of the training that is offered and how it is paid. Mr. Tiger Hammond, President of the Southeast Louisiana Building Trades, was recognized and he advised that his organization offered "the best training in the world". There is no cost to the community and training is paid for through a collective bargaining agreement. Finally, his organization would like to have an opportunity to present what and how training is offered. Mr. Flower stated the IDB has asked for a clear description of the trades' full program of training.

Mr. Wolf then asked to amend the agenda again for the purpose of adding Holy Cross for final approval. The Board agreed.

DSW INNS, LLC

Mr. Wolf provided an overview of the DSW Inns, LLC adding that the amount requested is not to exceed \$15,450,00 in a bond issuance for a 30-year period, with interest at 12%; and, that it is imperative for this matter to go before the next State Bond Commission ("SBC") meeting for final approval in order to meet the 90-day SBC approval period. The standard resolution for the Board's approval has been prepared along with the Trust Indenture and Financial Agreements. There is no guarantee or mortgage. The developer will purchase its bonds and will later sell the them.

Mr. Flower asked for questions and there being none, a request for a motion granting final approval was requested. Same was offered by Mr. Randolph and seconded by Mr. Philipson. The vote passed unanimously to grant final approval on the DSW Inns, LLC. project.

HOLY CROSS COLLEGE, INC.

Mr. Wolf presented to the Board that Holy Cross College was seeking final approval for a bond issuance not to exceed \$15M. This is the last piece of financing underway and the bonds would be purchased by Capital One The interest, for a 22-year period, would be LIBOR based plus 2%.

Mr. Flower requested a motion granting final approval. Same was offered by Mr. Saizan and seconded by Mr. Randolph. The vote passed unanimously to grant final approval on the Holy Cross College, Inc. project.

FINANCIALS

Ms. Martin informed the Board that copies of the financial reports for August were included in each member's.

The meeting adjourned at 1:53 PM.

Susan P. Good, Secretary/Treasurer

OCTOBER 2010
BOARD MEETING
CANCELLED



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**NOVEMBER 16, 2010 AT 12:30 P.M.
21ST FLOOR CONFERENCE ROOM-
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine III	Ronald G. Baptiste, Jr.	Dr. Ronald J. French
Susan P. Good	Farrell J. Chatelain	Walter C. Flower, III
John L. Koch	Alan H. Philipson	Allison P. Randolph, III
Darrel J. Saizan, Jr.	Edwin M. Shorty, Jr.	C. David Thompson

Absent:

James Paul Johnson Jr.	Helen LeBourgeois
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Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
Ray Cornelius, Bond Counsel-Adams and Reese

Guests:

Matt Morrin, Enterprise/Lafitte
Shane Alvarez, CSCRC, UBS LU1846
Ricardo Benitez, CSCRC, UBC, LU1098
Maximum A. Perdomo, LU#53, Insulators & Asbestos
August Santos, FTI of D. C. #80, Painters & Glaziers
Kirk Lee, Cement Masons 567
Tony Cacioppo, Sprinkler Fitters 669
Barry Kaufman, LIUNA
Mike Kaufmann, D. C. 80, IUPAT
Stan McDaniel, The McDaniel Group
Lorraine Washington
Ernest Gethers, City of New Orleans
Damion Jeanpierres, Rock Enterprises Construction, LLC
Scott Murphy, Iron Workers, LU #58
Damon Burns, Morgan Keegan
Mavis Early, GNO Hotel 7 Lodging Assn.
Jeb Bruneau, Advantous
Carol Rocque, Damon Rocque Securities Corp.

Bradley Latham, Insight Builders

The meeting was called to order at 12:40 PM by the President, Walter C. Flower III. The meeting began with an introduction of all guests. A roll call was had and a quorum confirmed.

The President then requested a motion for approval of the September 2010 minutes. Same was offered by Mr. Alan Philipson and seconded by Mr. Allison Randolph. A vote passed unanimously approving the September 2010 minutes.

The President then requested a motion for ratification of the approval of the August minutes which minutes were approved absent a quorum. By motion of Mrs. Susan Good and seconded by Mr. Justin Augustine, the minutes of the August meeting were approved.

DECEMBER MEETING DATE

The issue of a date change from December 21 to December 14, 2010 was discussed. After discussions, the Board voted unanimously to hold the December board meeting on December 14.

HIRING REPORT

The President informed the board that a meeting had been held that included representatives of the Hyatt concerning its hiring report to the IDB. (Note: Present at that meeting were: Hyatt representatives Christopher Robertson, Ralph Engelberger, Robert Gigliotti, Kyle Frances and another female member; IDB representatives included W. C. Flower, Allison Randolph, Alan Philipson, and Sharon Martin; and Consultant: Stan McDaniel). He further advised that as of this date, 80% of the dollars invested for contracting have been assigned to local businesses and, 40.7% of that number to New Orleans' businesses. He added, however, that at this time, hiring of locals is at 25% but added that such a number is in line with the type of work being done. The Board was further informed that there are out-of-town contractors on the job but the Developer's subcontractor signed a document assuring the Developer that its workers are U. S. citizens. The Developer has informed the IDB that hiring should move upward.

Monitoring: Mr. Flower informed the Board that the Lease Agreement between the IDB and the Developer, Poydras Properties Hotel Holdings, stipulates the IDB's authority to request and obtain information on hiring and an IDB audit can be conducted at the expense of the Developer. Thus far, Mr. Flower noted, the Board has been receiving quarterly reports from other developers in other projects, i.e., HANO projects and same would be required by the Hyatt, and, that Mr. McDaniel would be working with the Hyatt to obtain information necessary for any subsequent audits to be held on behalf of the IDB.

Mr. McDaniel informed the Board that he is working on a template that would set up fields to assess and review hiring profiles. Ms. Martin interjected that the La. Carpenters Regional Council (LCRC) sent a report (a copy of which is included in the Board packet) to the IDB office advising that one of the subs doing drywall work for the Hyatt was using undocumented workers from out-of-state, Florida. At this time Mr. Ricardo Benitez of the LCRC was recognized. Mr. Benitez explained that the LCRC investigation revealed the subcontractor which was hired to do dry wall is using undocumented workers, paying below wages is and housing the workers in Kenner. Mr. Flower responded, advising the LCRC representative that the IDB is attempting to ensure that such hiring activity does not take place and based on his [WCF] report regarding the

meeting with the Hyatt, he would appreciate an opportunity to show that the IDB is attempting to keep matters under control.

Mr. Flower then informed the Board that the Hyatt anticipates that during operation, it will hire between 80-90% of locals. Mr. Philipson added that he was impressed with the responses of the Hyatt representatives concerning their intent to hire locally and use local businesses. He stated that he felt there was a strong commitment on their part.

Mr. McDaniel continued, informing the Board that based on Board desires, there is a base of 38% for the hiring of locals which he concluded to be those hired from New Orleans - one of the benefits of the PILOT to the City. If achieved, or above, the IDB may wish to "sweeten" the pot, e.g., grant extra points to the developer for using locals. Mr. Flower interjected that locals could be anyone from the metropolitan area (Jefferson, St. Bernard, etc). Those working in New Orleans might spend money in New Orleans which would be a benefit to the City. He added further that it might be prudent for the Board to recognize those hired from nearby parishes such as from Jefferson, St. Bernard, etc. He then asked the Board to weigh in as regards to a "point system" although, as he stated, the desire is to ensure that those being hired reside in New Orleans.

Mr. Randolph advised that attempting to monitor everyone hired would be a monumental task but agreed that the base line should be 38% as reflected in the Lease Agreement. Mr. Augustine added sales tax in the instance of the developer using out-of-state workers would go directly to Jefferson Parish.

No further discussion was held with regards to the implementation of a point system.

JOB/SKILL MATCH PROGRAM

Mr. Flower informed the Board that it is anticipated that within the next two weeks, the job/skill match program should be in place. He reminded the Board that HANO decreed that contractors must post their jobs on the site. Final details in the program are being worked out to ensure a smooth transition.

The President, then introduced Mr. Ernest Riley, founder and CEO of T.E.E.M. Educational Foundation, an organization that teaches and trains local businesses on how to be prepared and compete for contracts, as well as, management of its business records. Mr. Riley provided a background on himself and on his business. He provided a power point presentation on the dynamics of the program which included training, access to information, technology, tools, etc. He advised that he has contracts with the SBA and FEMA for his program. This training and access is offered to minority businesses as well. He advised that he has a data base of contractors and sends out weekly information that could be useful. Mr. Flower informed the Board that Mr. Riley works with Prof. Khalil Osiris and that it is through Prof. Osiris' program in Central City, where the job/skill match program will be launched. Mr. Riley advised, after questions by Mr. Dave Thompson, that his project is funded through LED and SBA and it follows federal guidelines. At this time, over 1500 businesses have been assisted state-wide and locally about 100.

HANO PROJECTS UPDATES

Lafitte

The Board was informed by Ms. Martin that copies of quarterly reports submitted by the Lafitte, B. W. Cooper, C. J. Peete and the St. Bernard were included in their folders. She then advised that Mr. Matt Morrin of Enterprise/Lafitte was in attendance and ready to make a report.

Mr. Morrin was recognized. He provided an overview, advising that 517 units are slated to be built on the Lafitte site. There are three phases to the project. At this time 134 units are 60% complete, the first of which will be ready in January 2011. Currently, pile driving is underway for the 80 homes that are proposed. Lafitte, like the other HANO projects, is awaiting the extension of the Placed In Service ("PIS") date by Congress which deadline is currently December 31, 2010. If the PIS date is not extended, a Plan B will have to be implemented for the remaining phases including Phase 1. The remaining units ($517 - 134 - 80 = 303$), if the PIS date is extended, plans are to close early next year. If it isn't extended, construction will be pushed back.

With regards to hiring, Mr. Morrin advised that recently the Lafitte hired 70 new people, all of who appear to be Section 3 hires. At this time, Mr. Flower interjected that a new reporting format would be delivered to the Lafitte wherein detailed information providing an account of hiring and an account of use of local businesses (Orleans Parish) will be required. This is the first report submitted by the Lafitte. Mr. Flower then suggested the template should also be sent to Mr. Gilmore of HANO.

Mr. Morrin continued by advising that for vertical construction, the Lafitte entered into a joint venture with Broadmoor, LLC and Womack as the general contractors in two separate contracts. Boh Brothers is the contractor for infrastructure. Mr. Morrin was advised that the new reporting process would be established by the next report period.

OTHER BUSINESS

St. Bernard

Mrs. Good then asked if anyone attended the presentation at the St. Bernard on November 10th. Ms. Martin informed the Board that she and staff member, Joy Matthews attended, along with Mr. Augustine and Mr. Baptiste. She stated that Mr. Augustine was interviewed in "Spirit of the St. Bernard" video. Mr. Augustine then commented that the St. Bernard is now more market driven and, that tenants must qualify. It has a new management structure with a management team with a screening process. The developer would like former residents back but they must qualify. Mr. Baptiste commented on the HUD screening process now in place and stated that the HOPE VI screening is less intrusive than the market-rate screening and noted that some of the former residents cannot pass the screening process, as with the Lafitte. Neither development will have the same number of residents, he stated, the density has been improved. In answer to a question by Mr. Farrell Chatelain, Mr. Baptiste advised that part of the screening now includes a criminal background and a credit check for market rate units, as well as, employment. Mr. Morrin interjected that employment is not a mandatory requirement at the Lafitte although for

affordable housing they do look at credit history. He also added that social services offered to tenants are a key component at the Lafitte. Mr. Baptiste continued by adding that the most critical screening factor is the criminal background and that it does not include misdemeanor crimes, only felony. This same concept, he stated, was used at the River Garden complex. Mr. Morrin, in answer to a question by Mr. Randolph, added that rent includes water but that all other amenities, i.e., electricity, cable, etc, are borne by the tenant.

FINANCIALS

Mrs. Good directed each Board member to its copy of the audit in their folders, advising that the auditor would be available at the December Board meeting to answer any questions. She suggested that between now and the December meeting each member reviews the audit so that a vote can be taken at the December meeting. Mrs. Good then reported that copies of the September and October financials were included in their packets as well. She then directed the Board to the draft of the Budget which also is included the Board folder. Mrs. Good added that corrections needed to be made to the draft as 930 Poydras was added twice in the annual fee income. Ms. Martin was asked to make the correction and send the corrected edition to the Board for their review before the next meeting.

Mr. Cornelius commented that the GCE at 401 N. Carrollton project would not be closing this year but that it is looking favorable for a closing next year - credits have been hard to sell in this market.

Mrs. Good advised that the proposed budget must also pass at the December board meeting.

ADMINISTRATOR'S REPORT

Ms. Martin presented her report, pointing out in particular that the IDB's insurances have been paid. In coordinating with Hancock, annual fee invoices have been mailed. Also letters were sent to Council members Kristin Gisleson Palmer and Jon Johnson regarding their respective appointments to the Board. She also advised that Mr. Shorty's term will expire 1/1/11 and that Mr. Koch's expired earlier this year. Mr. Koch reminded the board that he has been working on his status for quite some time now and Ms. Martin concurred. She also advised that she attended the ULI conference on 11/10/10 along with Messrs. Randolph and Saizan; that 3 Wise Men Entertainment contacted the office in attempt to re-activate its application - they may come before the board in December; and, that a letter was sent to Baronne Development Partners seeking a partial payment for the work The McDaniel Group has performed to-date in the matter. She informed the board, that this file has once before lain dormant only to be reactivated several months later by the developer. Ms. Martin was directed to send a certified copy of the letter request to the developer if same was not paid soon.

The meeting adjourned at 1:50 PM.

Susan P. Good, Secretary/Treasurer



**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD**

CITY OF NEW ORLEANS, LA, INC.

**DECEMBER 14, 2010 AT 12:30 P.M.
45TH FLOOR CONFERENCE ROOM
701 POYDRAS - THE OFFICES OF ADAMS AND REESE**

Present:

Ronald G. Baptiste, Jr.	Farrell J. Chatelain	Walter C. Flower, III
Susan P. Good	John L. Koch	Helen LeBourgeois
Alan H. Philipson	Allison P. Randolph, III	Darrel J. Saizan, Jr.
C. David Thompson		

Absent:

Justin T. Augustine III	Dr. Ronald J. French	James Paul Johnson Jr.
Edwin M. Shorty, Jr.		

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB
David Wolf, Bond Counsel-Adams and Reese

Guests:

Bill Langkopp, GNO Hotel & Lodging Assn.
Paul Rodgers, WVUE-TV
Jeb Bruneau, Advantous
Dennis Milliner, Bank of N.Y.-Mellon
Stan McDaniel, McDaniel Group
Gina Goings, The Domain Companies
Aimee Quirk, City of New Orleans
Ernest Gethers, City of New Orleans
Stephen Stuart, Bureau of Governmental Research
Jim Livingston, City Planning Commission
Ryan Smith, Coldwell Banker Commercial
Eli Feinstein, Feinstein Fixed Assets, LLC
Carol G. Rocque, Damon Rocque Securities Corp.
K. Osiris, TKOP-Circle of Courage
Barbara Lacen Keller, Central City Partnership
Brent Pagragan, Carr, Riggs & Ingram

Ian Trivers, AFL-CIO HIT
Steven Kennedy
Damon Burns, Morgan Keegan

The meeting was called to order at 12:45 PM by the President, Walter C. Flower III. An introduction by all guests was had. A roll call was conducted and a quorum confirmed.

The President requested a motion for approval of the November 2010 minutes. Same was offered by Mr. Farrell Chatelain and seconded by Mr. Darrel Saizan. A vote passed unanimously approving the November 2010 minutes.

Bond Counsel, David Wolf, provided the Board with a GO Zone bond update which incentive is set to expire on December 31, 2010. All projects coming through the IDB with State Bond Commission allocations should close by the end of the month. The last closing was DSW Inns (Drury). There is legislation pending in Congress to extend the placed-in-service date through December 31, 2011. Other incentives such as tax credits are more certain to be extended. If extended, the State Bond Commission will be proactive in getting allocations to closings. Orleans Parish did not use much of the GO Zone bond allocation. Some projects that did use GO Zone bonds include: Stirling Forterra (Borders Book Store), Robert's, DSW Inns, Edwards Avenue Partnership, and the first partial closing in re the Hyatt. Outside of Orleans Parish, other GO Zone bonds went mostly to refineries in other parishes that were affected by Hurricanes Katrina and Rita, and LPFA housing projects.

ZELIA

Mr. Wolf advised that bond counsel, Ray Cornelius, and Adams and Reese are in constant discussion with Zelia. It has been confirmed that 82% of the personnel employed at Dominion Tower are metro-New Orleanians. Mr. Wolf addressed the question of Zelia's performance penalty related to the PILOT and the IDB's annual fee. He advised that Zelia agrees that the IDB's annual fee should be paid should Zelia fail to meet any of its commitments. The matter is likely to close by the end of the year. It was then interjected that the Zelia projects will be hiring 80-90% local during operation.

JOB/SKILL MATCH PROGRAM

The President informed the Board that Blake Haney, (the computer program designer of the job/skill match program) is ready to release the product. He added that Crescent City Partnership ("CCP"), headed by Mrs. Barbara Lacen Keller, will serve as one of the initial job match hosts, along with HANO. Crescent City Partnership will serve as the pool/source for both employers and job seekers. Mrs. Keller took the floor stating the need for such a program in the Central City area. Central City Partnership is a 16-year old organization and is a collaborative of residents, faith-based organizations, and anyone in the Central City area who wish to become a member. Currently 72 organizations and residents are involved. The program consists of 5 elements: housing, crime, economic development, education and jobs. Under crime, youth is the key component. Under Economic development, CCP finds innovative ways to empower

participants and the community. With the job/skill bank, CCP will match the skills to agencies, i.e., HANO. However, in addition to HANO, CCP works with hotels, hospitals and other non-traditional work force agencies using both seasoned and non-seasoned workers. The collaborative with Prof. Khalil Osiris provides services to youth and returning offenders. The program includes background checks as participants in the program must be drug free. CCP provides an opportunity to those looking for a second chance after having been incarcerated, making sure they are drug free and ready to work. In answer to a question raised by Mr. Darrel Saizan regarding the Second Chance Act, Mrs. Keller stated CCP has never received funds from the federal government or the city to operate its program but is in the process of seeking funding to deliver its services.

Mr. Flower then introduced Prof. Khalil Osiris, director of the Circle of Courage program in the school system. He has had particular success at Booker T. Washington High School, noting the program has had an effect on the crime rate in the area. The program is a value-based program with a job/employment component for youth. Mentoring is a key factor to the Circle of Courage program. Prof. Osiris first responded to the Second Chance Act raised by Mr. Saizan. He advised that he is aware of the legislation and for the first time, a president has provided language and dollars for a program designed to assist with re-entry on a national level for those who have been previously incarcerated. Such funding will help reduce the barriers and challenges experienced by formerly incarcerated individuals who are trying to get back into the work force. The Circle of Courage program is a mentoring program with sponsors aimed at showing participants how to transition. It is a fact Central City has more returning incarcerated people than any other part of the city, making it a target population. With the support and backing of the IDB, he stated, the job/skill match program will go a long way. The program will include background checks and drug testing. If a participant is caught using drugs that participant is not ousted from the program, but goes into treatment. The Circle of Courage program also works with children of incarcerated parents.

In answer to a question raised by Mr. C. David Thompson, Prof. Osiris advised that currently there are 30 mentors ready to mobilize, to work with all applicants who apply from around the New Orleans area. The job/skill match provides the technology that has long been needed. He advised that some participants are earning wages up to \$25 per hour. The program through the school district includes expelled students and their parents in an effort to keep the student in school rather than have the students transfer to alternative schools. Mrs. Keller interjected that the only jobs available now are those offered through HANO but it is envisioned that funding will come through partnership programs with the business community. Further in answer to Mr. Thompson's question, she stated that ministers are a part of the partnership program. Mr. Flower interjected that the Circle of Courage program is being expanded to Algiers and the Hollygrove area. Mr. Philipson added that he is involved in the KIPP program and can attest that what they've done through KIPP to date has been effective. Mrs. Keller added that KIPP is also a part of the Central City Partnership. Prof. Osiris stated that every phase of the program is important in transforming a mindset and culture and that work/employment is the reward. The programs are about "total" family.

Mr. Ronald Baptiste stated that it is imperative that such programs change not only the mindset and culture of the participant but also the mindset of the business community. Prof. Osiris stated

that the programs also work with courts and community agencies in an effort to serve as a epicenter for services. He thanked again, the IDB for its participation and involvement in the program.

3 WISE MEN ENTERTAINMENT

The Board was advised that the applicant representatives were not able to attend the meeting as planned because of inclement weather in Minnesota. Mrs. Susan Good asked if the IDB had any financial information on the applicant. Mr. Flower informed the board that same had been requested in order to determine their financial background and strength to undertake this project. Attorney Wolf stated this is an unusual project - high profile - and under normal circumstances, the IDB does not ask for financial information. It is not the IDB's job to vet financial capability of the applicant. He added, however, that pursuant to the request of the President, financials were requested since preliminary approval had already been granted to another entity for redevelopment of the same facility. At this time, the President recognized Ms. Aimee Quirk, counsel to the Mayor on economic development. Ms. Quirk stated that the matter had been summarized well and echoed that rehabilitation of the Six Flags site is a unique project and will require a close working relationship. Mr. Wolf stated the matter may be added to the January agenda depending on the developer.

FINANCIALS

Audit

Mrs. Good recognized Mr. Brent Pagragan of Carr, Riggs and Ingram who advised the board that he was attending the meeting to answer any questions the board may have in connection with the audit. Mr. Pagragan advised that the audit went smoothly and that there were no significant issues to be addressed but did wish to comment on the issue of the Six Flags servitude, noting that a footnote was added in the audit that they City may come back to the IDB to request the funds. He added that the IDB has taken steps to separate those funds from its other accounts. Mrs. Good added that the previous administration was asked about the ownership of the funds but the matter was never resolved. The audit was unanimously approved as presented.

November Financials

Mrs. Good informed the Board that there may be a closing of Zelia before year-end. Mr. Flower, in connection with the job/skill match program, informed the Board that there may be an additional \$3,000 cost associated with the implementation of the "phone in" component to the program. Mrs. Good asked to get the bill in for this final amount. She also informed the Board that \$100K was transferred from the Chase account to purchase another six month CD from Liberty Bank at 1.22% interest. Mr. Farrell Chatelain advised that Gulf Coast was offering interest bearing accounts at 4.25%. Ms. Martin is to research this advice.

Budget

Mrs. Good presented the budget for review and approval. There were discussions concerning several line items and by recommendation of Mr. Philipson, the matter will be addressed at an Executive Session.. Ms. Martin asked that consideration be given for benefits, i.e., health

insurance. Mrs. Good asked if it were possible to piggy-back on City's health plan. She asked Ms. Martin to research this issue. By motion of Mr. Philipson, seconded by Mr. Randolph, the budget for 2011 was approved unanimously.

MCDANIEL PILOT INFORMATION MATRIX

Mr. Stan McDaniel of the McDaniel Group was given the floor to provide an overview and update on the matrix he was commissioned to create with regards to review of Lease Agreements on PILOT projects, claw backs, annual fee payment, supplemental PILOT payments, etc. He advised that he reviewed all PILOT financing and lease agreements as provided by the IDB staff. He noted that some information is not clear; that some IDB annual fees are not constant but rather are associated with formulas and assessor involvement in making a comparison pursuant to the language of the respective Lease Agreement. Based on meetings with staff, the IDB has not been getting the comparison data from the developer. The matrix provides structure to all the components and advises what needs to be done by the IDB and the developer to ensure agreements are met. Mr. Flower informed the board that the goal is to work towards a time calendar and associated software. Mr. McDaniel stated it is far more involved than expected. In cases where there appears to be complication or confusion, he will gladly, by Board directive, meet with the developer to clear any confusion.

ADMINISTRATOR'S REPORT

Ms. Martin presented her monthly report. She advised that most of what was done during the last month is included in the report. She advised that she attended the December Governmental Affairs Committee meeting and is glad to announce the IDB would be welcoming a new board member, Mr. Elijah Feinstein in January. (Mr. Feinstein was present and acknowledged.)

The meeting adjourned at 2:05 PM.

Susan P. Good, Secretary/Treasurer