

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
NEW ORLEANS, LOUISIANA, INC. MEETING
HELD
NOVEMBER 17, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Lisa Ponce de Leon, Oscar J. Rainey, Jimmie Thorns, Paul D. Cosma, Stephen R. Barry, James W. Smith, Kyle E. Stoeber, and Nina Marchand-Hebert,

Absent:

Bruce Bolyard, Irving A. Joseph, Ray Charles Crawford, Stanley Myers, Bruce E. Larkin, and John B. Williams

Others:

Ray Cornelius-Foley & Judell, Arnold Baker, JoAnn M. Tervalon, Gwen Carter, and Ernest Gethers

Mr. Jimmie Thorns, President, called the meeting to order at 4:15 p.m. Ms. JoAnn Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Minutes

Mrs. Herbert-Marchand made a motion that the minutes be adopted as read with the corrections. The motion was seconded by Mr. Barry. The minutes were adopted.

Days Inn

Mr. Cornelius addressed the Days Inn Project:

- * Was a tax exempt bond issue with a lower bond rate
- * Had a PILOT Agreement that was a four party agreement (Sheriff, IDB, Director of Finance and Days Inn)
- * Agreement was with Days Inn franchise not Days Inn Corporation
- * Days Inn franchise went bankrupt
- * Offered proposals to Assessor Williams to settle Days Inn situation
- * Assessor's office filed a law suit against Days Inn
- * Board approved motion to discuss project with Erroll Williams

Several questions were asked of Mr. Cornelius

- * Is the lease near expiration?
- * What is residual of property at end of lease?
- * Does PILOT follow state about taxes?
- * Will pursue an Attorney General's Opinion concerning Days Inn
- * Mr. Thorns requested a motion from the board to send Days Inn to the next level.

Mrs. Marchand made a motion for Mr. Cornelius to draw up a Cooperative Endeavor Agreement between the Board and Assessor Williams, subject to approval of Assessor Williams to such an approach. The motion was seconded by Mr. Stoever and the motion was adopted.

Jimmie Thorns Suggested that a cost benefit analysis was desirable to prepare the Board for potential questions raised by the City Council.

A committee was formed with Jimmie Thorns and Stephen Barry to discuss resolution before the City Council and to put together information to articulate to Council members.

Stephen Barry was appointed to serve on Ad Hoc Committee and gather information on the project.

Jimmie Thorns strongly advises a cost benefit analysis to make the project move smoothly. He wants Folgers to do a cost benefit analysis also.

Jimmie Thorns Does the Folgers resolution have to come back to the Board?
Ray Cornelius No

- Jimmie Thorns
- * Research office space in Economic Development Division
 - * Find permanent staff person for Board
 - * Join Urban Land Institute (ULI); research information on ULI.
 - * Work with Brownsfields Development projects
 - * Research projects in City that can utilize funding through bonds
 - * Discussed Convention Center
 - * Create a calendar for 1999 meetings for every third Tuesday of the month.

Gwen Owens

New Orleans is a City for Brownfields

Ray Cornelius

- * To begin preparation of a new application for bonds
- * The Board will provide a list of what it wants to see in all transactions.
- * Will amend the application to reflect city limitations

Stephen Barry made a motion that the meeting be adjourned. The motion was seconded by Mr. Stoever and the motion passed. The meeting adjourned at 5:15.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
NEW ORLEANS, LOUISIANA, INC. MEETING
HELD
OCTOBER 7, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Lisa Ponce de Leon, Paul D. Cosma, Stephen R. Barry, Bruce Bolyard, James W. Smith, Irving A. Joseph, Kyle E. Stoeber, Nina Marchand-Hebert, Ray Charles Crawford, Stanley Myers, Bruce E. Larkin, and John B. Williams

Absent:

Oscar J. Rainey, Jimmie Thorns

Others:

Frank Uddo-Uddo & Milazzo, Ray Cornelius-Foley & Judell, JoAnn M. Tervalon, Gwen Carter, Jeff Arnold, Assessor Patricia Johnson, and Tia Batiste-Councilman Glapion's Office

Mr. Bruce E. Larkins, Vice-President, called the meeting to order at 4:20 p.m. Ms. JoAnn Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Minutes

The minutes of the August 19, 1998 board meeting needs to be corrected. Mr. Ray Cornelius explained the Folgers Coffee taxes.

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Folgers taxes: years 1-5, years 25%, years 50%, years 75%, years 100%, should read instead years 1-10 0%, years 11-20 50% , years 20-30 75% and after 30th year 100%. The property will return back on the roll after 30 years or thereafter.

Mr. Myers made a request that before anything is presented to the board in the future, he would like to know in advance because he is the Secretary/Treasurer of the board. Replace "anything" with "any financial matters are".

The Board agreed to reimburse Urban Development in the amount of \$3,500.

Mr. Joseph

Has the Board received any invoices or communication from Mr. Green concerning this matter?

Mr. Myers

No, the Board has not received any receipts or communication from Mr. Green.

Mr. Joseph

What do we need to do to get some money from Mr. Green?
Ms. Tervalon will check with Mr. Green for receipts for supplies.

Mr. Joseph made a motion that the minutes be adopted as read with the corrections. The motion was seconded by Mr. Bolyard. The minutes were adopted.

Mr. Cornelius addressed some of the concerns of Assessor Erroll Williams.

- * Pic 'n' Save was for 10 years
- * Has an opinion from the City Attorney and the Attorney General
- * Hammond has done a 30 year bond
 - City of Hammond-decided to charge City but not Parish taxes
 - Judge called meeting settled out of court
 - Split Taxes with the Parish and City
- * Shreveport has done a 30 year bond
- * England Authority (England Air force Base) has done (2) 15 year bonds
- * Jefferson Parish in the process of doing a 10 year bond
- * Had a public hearing before appearing before Bond Commission
- * Each transaction has an Attorney General opinion
- * Mr. Cornelius will continue to pursuit with the assessors
- * Will get an Attorney General opinion on Folgers
- * The transfer of property back to owners was an issued raised by assessor

Days Inn

- * One of the early bond issues
- * Original deal with the board was with leases
- * They went into bankruptcy
- * Bankruptcy Court did not obligate Days Inn to pay back the Payment-In-Lieu-of-Taxes (PILOT)
- * Leasing authority issue was raised by the assessor

Mr. Cornelius stated that the CHET project is on hold for right now and recommended that the Board take no further action on CHET.

Mr. Cornelius read from Title 51 of the Louisiana Constitution which lists special projects that can be excluded from taxes.

Mr. Cornelius What were some of the other issues raised by the assessor?

Mr. Stoever Policing authority of the Board.

Mr. Barry Is there a problem getting taxes back on the roll? What assurances do you have to make sure they pay the taxes?

Mr. Cornelius

- * Maintain a average daily employment of 60% of the total
- * Provision that tax abatement does not run with the company
- * Abatements transfers with mergers
- * If project ceases to operate for a period of 6 months or more, company loses abatement
- * Procter & Gamble has offered to guarantee Folgers project
- * Procter & Gamble is a Triple A Company
- * If there is failure to make payments
- * Required to give notice in a reasonable period of time to take action or pay money.
- * Bond for Deed
Signs a deed that will be held in Escrow
- * Most bond issues-When the term of bonds issues ends- the property is returned to the tax rolls

Mr. Uddo A Triple A Guarantee is as high as you go, cannot expect a better guarantee

Mr. Cosma Do we have a actual commitment from Procter & Gamble to guarantee the project?

Mr. Uddo Yes we do. Procter and Gamble will stand by Folgers at 100%.

Mr. Barry Mr. Cornelius, will you be involved in putting the language together with Procter & Gamble?

Mr. Cornelius Yes, I am involved with writing the agreement. We will write the language and review with Folgers' representatives.

Mr. Cornelius Some bankruptcy courts will sometimes mistakenly discharge a lease thinking the lease was not important.

Mr. Cosma Can we go to Procter and Gamble and ask them to pay if Folgers goes Bankrupt?

Mr. Uddo Yes
If Folgers goes bankrupt, Procter & Gamble will probably go bankrupt
Folgers' is the largest coffee plant in the world
This plant will establish New Orleans as the largest coffee roaster in the world.

Mr. Barry Will Folgers in New Orleans be a separate company?

Mr. Uddo No

Mr. Myers The process should go forward if the project is guaranteed by Procter & Gamble. Thinks the assessors problem is not with Folgers but with the board.

Mr. Uddo Called and spoke with Assessor Williams the day after the Public Hearing.

Mr. Uddo Assessor Williams still has philosophic problems with the board and not Folgers

Ms. Marchand Assessor Williams still has problems with the board rather than Folgers?

Mr. Uddo Concerned with enforcement capabilities of the board
Concerned with policing capabilities of the board

Mr. Uddo Mr. Uddo and Mr. Cornelius spent 45 minutes on the telephone with Assessor Williams on Wednesday, October 7, 1998. It was a good conversation.

Mr. Cornelius

Folgers still has to go before Bond Commission

Still has to go before the City Council
Need to get an Attorney General Opinion

Mr. Cornelius The board should consider entering a Cooperative Endeavor Agreement with Assessor Williams giving him the power to enter any and all measures to collect taxes..

Mr. Barry Will we need a Attorney General Opinion to enter the Cooperative Endeavor Agreement?

Mr. Cornelius Will put request in along with other opinion requests.

Ms. Marchand made a motion to authorize the issuance not exceeding \$40M bonds, Lease Agreement, Payment-In-Lieu-of Taxes (PILOT) requiring agreement from Procter & Gamble safeguards be incorporated. The motion was seconded by Mr. Larkin and the motion passed. The Board voted. There was 12 yeas and no nays and the motion was adopted.

Meeting Day Change

Ms. Marchand made a motion to have the meeting date of the Board changed from every third Wednesday at 3:30 p.m. to every third Tuesday at 3:30 p.m. The motion was seconded by Mr. Larkins and the motion passed. The Board voted. There was 12 yeas and no nays and the motion was adopted.

IDB Coordinator

- *Request for board to re-advertise
- *Salary was questioned
- *Classified section
- *Professional Services
- *Resolution to re-advertise ad
- *Run ad in:
 - The Times-Picayune
 - City Business
 - Gambit
 - La. Weekly
 - Tribune

Mr. Williams made a motion to re-advertise for the position of IDB Coordinator. The motion was seconded by Mr. Stoever and the motion passed. The Board voted. There was 12 yeas and no nays and the motion was adopted.

Mr. Cornelius

* = CHET has no market

* . Lehman Brothers has withdrawn as underwriter for CHET bond

Mr. Myers Can the Board get possession of Days Inn?

Mr. Bolyard You are dealing with a shell company.

Mr. Bolyard a motion that the meeting be adjourned. The motion was seconded by Mr. Stoever and the motion passed. The meeting adjourned at 5:20.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
NEW ORLEANS, LOUISIANA, INC. MEETING
HELD
AUGUST 19, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Paul D. Cosma, Stephen R. Barry, Bruce Bolyard, James W. Smith, Irving A. Joseph, Kyle E. Stoeber, Nina Marchand-Hebert, Ray Charles Crawford, Stanley Myers, Oscar J. Rainey, Bruce E. Larkin, and John B. Williams

Absent:

Jimmie Thorns, Lisa Ponce de Leon

Others:

Burrell Shewmake-Alegeron Blair, Ray Cornelius-Foley & Judell, JoAnn M. Tervalon, Gwen Carter, Ernest Gethers, Betty Jefferson-Assessor, Arnold Baker, and Carlos Zervigon

Ms. Nina Marchand-Hebert, Vice-President, called the meeting to order at 3:35 p.m. Ms. JoAnn Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Mr. Ray Cornelius swore in two new Board Members. The new members are Stephen R. Barry and Paul D. Cosma.

Mr. John Williams made a motion that the minutes be accepted. The motion was seconded by Mr. Mr. Irving Joseph. The minutes were accepted as presented.

Mr. Arnold Baker, Deputy Assistant to the Mayor, asked that the Empowerment Zone (EZ) presentation be made during the New Business. Mr. Bruce Bolyard made a motion that the Agenda be amended to include a presentation under New Business. The motion was seconded by Mr. John B. Williams and approved by the Board.

CONSULTANT/BOND ATTORNEY:

Mr. Bruce Bolyard to Mr. Ray Cornelius

- *Is there a conflict of interest?
- *How does the firm handle payment?

Mr. Ray Cornelius

- *Served as bond counsel for a long time
- *Worked with the Board off and on since 1982
- *Bond counsel will attend the meeting
- *Handled all of the bond litigation
- *Served without compensation
- *Negotiates with borrower with a reasonable fee
- *Handled any legal issues except litigation
- *Cost of counsel borne by borrower
- *Board has developed some loyalty to the firm
- *Very versed in details of local body
- *Have not had a conflict arise while representing multi bond insurers
- *Firm been doing bonds since 1919
- *The firm services is to the board at the board's will
- *Role
 - Handle legal issues
 - Give opinions

Mr. Bruce Bolyard- Do you do feasibility studies?

Mr. Cornelius-Yes and no.

- *Does not recommend board do a credit rate of project
- *Board does not evaluate the creditability of developer
- *Responsibility rest with the purchasers of the bonds
- *Has potential bond purchasers sign an investment letter of credit
- *Public offering bonds are unrated

Mr. Irving made a motion that the Board retain the firm of Foley and Judell as its Consultant/Bond Attorneys. The motion was seconded by Mr. John Williams. The Board voted, there were 12 yeas and no nays and firm of Foley & Judell was retained as Consultant/Bond Attorney for the Board.

The Board approved the Request for Proposal/Qualifications for board to hire a Coordinator. The ad for the Coordinator has already been published in the Times-Picayune newspaper. The Board thanked the Staff of Urban Development for taking care of the RFP advertising.

Mr. Bruce Bolyard presented questions to Mr. Ray Cornelius; re the projects (CHET and Folgers)

Mr. Cornelius-Pic'n'Save represented a learning process. Was not a bad deal. Certain stipulations should have been in place since Pic 'n' Save did not live up to the expectations.

Mr. Cornelius emphasized that he was not representing the developers.

CENTER FOR HEALTHCARE, EDUCATION & TECHNOLOGY (CHET)

Mr. Burrell Shewmake-Alegeron Blair

Mr. Cornelius asked Mr. Shewmake to bring the board up to date on the CHET project.

Ad Valorem taxes:

*year 1-5 \$51,000 ad valorem taxes annually

*year 6-10 25% of the assessment of taxes \$1.6 M=\$400,000 annually

*year 11-30 50% of the assessment of \$1.6M=\$800,000 annually

\$51,000 annually on the parking lot at this time.

Bruce Bolyard-What are these taxes based on?

Burrell Shewmake- Checked with the tax assessors office and gave the cost of the building.

How much is the HUD loan?

Burrell Shewmake-The HUD loan is for \$15M.

Ray Cornelius-What about the Council from the district?

Burrell Shewmake- A letter should be coming from the Mayor's office shortly to show support for the project.

Ray Cornelius-Board should consider what it wants to do. There are no guidelines. Recommends that the Board publish a notice in the newspaper stating that they are having a public hearing. Make sure all taxing bodies receive a copy of the notice before it is published.

Mr. Shewmake- When the project is complete, the assessor will re-evaluate the project.

Ray Cornelius does not expect any opposition from the assessors to the board for the CHET project

Stanley Myers asked several questions concerning minority participation. He wanted to know what guarantees were in place to assure that the minority participation levels were met. Who is going to monitor the project? What percentage is minority participation?

Mr. Burrell Shewmake-The City has an Open Access Plan that the developer is committed to follow
*50% net cash flow

30% to the City of New Orleans

20% to the minority developers

Mr. Stanley Myers-City needs to follow up on new projects to make sure that the Open Access Plan is in place.

Mr. Irving Joseph-Are there any amendments to the CHET application?

Mr. Burrell Shewmake-No

*If for some reason the project fails the senior lenders will get paid off first.

*Debt Service-Senior Bond Holders-5M in reserve

*If developer decides to sell the City will make a profit.

*No personal guarantees

Mr. Bruce Bolyard- Would like to see the agreement with the City and CHET.

Mr. Ray Cornelius-CHET-not a done deal but they are making progress.

Mr. Bruce Bolyard made a motion that the board move forward with both CHET and Folgers Projects. Mr. Jimmie Smith seconded the motion and the motion passed

FOLGERS

Mr. Frank Uddo talked to Ray Cornelius concerning their application. Initially they requested \$10M in bonds but are going to come back to the Board to change from 10M to 40M.

Folgers taxes:

years 1-10 0

years 11-20 50%

years 21-30 75%

year 30th 100% (Back to tax roll 30 years and thereafter)

The Office of Urban Development presented a memo from Mr. Eugene Green, Executive Assistant to the Mayor, to the Board requesting reimbursement from the Board to the Office of Urban Development. (See attached memo). Mr. Myers made a request that before any financial matters are presented to the board in the future, he would like to know in advance because he is the Secretary/Treasurer of the board. A motion was made by Mr. Bruce Larkins that the Board reimburse the Office of Urban Development in the amount of \$3,500 for supplies, etc. The motion was seconded by Mr. Irving Joseph and the motion passed. The Board agreed to reimburse Office of Urban Development in the amount of \$3,500. The board also requested that Mr. Myers make a report to the board. Mr. Bolyard made a motion to have the Secretary/Treasurer make a report of the review of funds. The motion was seconded by Mr. Rainey and the motion passed.

Carlos Zervigon-Empowerment Zone Application

Mr. Zervigon gave a brief overview of the Empowerment Zone Application and requested a letter from the Board stating their support of this program. Mr. Joseph made a motion to authorize Mr. Cornelius to write the letter. The motion was seconded by Mr. Bolyard. The motion passed. Mr. Cornelius agreed to provide the letter. Mr. Zervigon gave Mr. Cornelius a package with all the specifications that was needed to go into the letter.

Mr. Jimmie Smith made a motion that the meeting be adjourned. The motion was seconded by Mr. John Williams and the meeting was adjourned at 5:30 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF
NEW ORLEANS, LOUISIANA, INC. MEETING
HELD
JUNE 24, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
CONFERENCE ROOM "A"

Attendees:

Bruce Bolyard, James W. Smith, Irving A. Joseph, Kyle E. Stoever, Nina Marchand-Hebert, Lisa Ponce de Leon, Bruce E. Larkin, and John B. Williams

Absent:

Jimmie Thorns, Ray Charles Crawford, Stanley Myers, and Oscar J. Rainey

Others:

Sandra Gunner-Gunner & Associates, Burwell Shewmake-Alegeron Blair, JoAnn M. Tervalon, Gwen B. Owens, Gwen Carter, Ernest Gethers, Tia Baptiste-Councilman Glapion's Office

Ms. Nina Marchand-Hebert, Vice-President, called the meeting to order at 11:15 a.m. Ms. JoAnn Tervalon then proceeded to call the roll. It was ascertained that a quorum was present.

Mr. John Williams made a motion that the minutes be accepted. The motion was accepted by Mr. Irving Joseph and approved by the Board.

The staff presented two versions of proposed IDB brochures, Brochure A and Brochure B, for selection by the Board. Brochure A was chosen as the official brochure to be used for advertising the IDB operations and bond financing program. (See attached copy)

Two Resolutions were presented to the board for approval. The Resolutions represented two projects: 1) Center for Healthcare, Education and Technology (CHET) project and 2) Folgers project. There was a roll call vote on the CHET Resolution. There were 8 yeas and no nays and the Resolution was adopted.

There was a roll call vote on the Folgers Resolution. There were 8 yeas and no nays and the Resolution was adopted.

Mr. Bruce Bolyard-Who is guaranteeing the deal? Folgers or Procter and Gamble?

Mr. Bruce Bolyard was one of the Board members who presented the proposed IDB budget to the City Council. He gave a brief overview of the meetings with the council members concerning the IDB Budget. He also suggested that the Board needed to form a ad hoc group to study the CHET project. The CHET project is somewhat complicated. The group is needed for an in-depth evaluation of the project.

Mr. Bruce Larkins- Suggested that the Board comprise a committee to work with JoAnn Tervalon.

The Board members discussed the budget.

Mr. Bruce Bolyard suggested that a committee be formed to direct the use of the budget.

Mr. Kyle Stoever- Inquired about the status of the staff person to be hired by IDB. Also commented as follows:

- *the board will interview and select the candidate
- *will the staff person be civil service, unclassified or contractual?
- *how long will it take to put process in motion?
- *what are the qualifications?
- *need to do a job description?
- *Urban Development will give a list duties
- *a Request for Proposal (RFP) needs to be done

Ms. Gwen Boutte-Owens:

- *had discussion with Chief Administrative Office (CAO) concerning staff person
- *had discussion with CAO's office concerning appropriation of money
- *committed to complete the necessary RFP/RFQ's
- *select a firm that does bonds and real estate work
- *suggested a contract person, based on conversations with CAO's office

Mr. Irving Joseph-When does the meter start running on the Budget or when does the fiscal year start for the Board?

Ms. Gwen Boutte-Owens replied that she would make a call to the Chief Administrative Office for further information concerning this matter.

Mr. John B. Williams made a motion that the staff person be contractual. The motion was seconded by Mr. Bruce Boylard and the motion passed that the staff person would be contractual.

A committee was formed to write a job description for the staff person and real estate consultant. The committee will meet within the next 2 or 3 days to write the job description. The members which were chosen to be on the committee are: Mr. Bruce Larkins, Mr. Bruce Bolyard, Mr. Kyle Stoever, Ms. Lisa Ponce de Leon and Mr. John B. Williams.

Mr. Bruce Larkins made a motion that the budget be adopted. The motion was seconded by Mr. Irving Joseph and the motion was adopted.

Mr. Bruce Bolyard-Does the City have a bond attorney?

Need to discuss with Mr. Ray Cornelius as to what his position is in the process. Is he the attorney for the board? If so, does he wish to continue in this role?

Mr. Bruce Larkins made a motion for Mr. Ray Cornelius to come to the next board meeting and clarify his status with the board. The motion was seconded by Mr. Irving Joseph and the motion was adopted.

Mr. John Williams made a motion the discussion of the By-Laws be deferred. The motion was seconded by James Smith and the motion was passed.

Mr. Bruce Larkins made a motion to have Mr. Ray Cornelius and Mr. Jimmie Thorns to be present at the next board meeting. The motion was seconded by Mr. Irving Joseph and the motion was adopted.

Mr. Bruce Larkins made a motion that Mr. Jimmie Thorns, Mr. Ray Cornelius, Mr. Bruce Larkins and Ms. JoAnn Tervalon have a conference call to discuss everything that was discussed in today's meeting.

Ms. Hebert-Marchand made a motion that the meeting be adjourned. The motion was seconded and passed. The meeting adjourned at 12:35 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

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INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF NEW ORLEANS
BOARD MEETING
HELD
MAY 20, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
CONFERENCE ROOM A

Attendees:

Jimmie Thorns, Bruce Bolyard, James W. Smith, Kyle E. Stoever, Irving A. Joseph, and John B. Williams

Absent:

Bruce Larkins, Stanley Myers, Ray Charles Crawford, Lisa Ponce de Leon, Oscar J. Rainey, and Nina Marchand

Others:

Ray Cornelius- Foley & Judell, Burrell Shewmake-Alegeron Blair, _____
Alegeron Blair, JoAnn M. Tervalon, Arnold Baker, Gwen Carter, Ernest Gethers

Due to a lack of a quorum there was not an official meeting held. An Ad HOC Committee meeting was conducted.

Irving Joseph

What are applicants going to get for tax breaks?

Kyle Stoever

Where are the businesses that will serve businesses?

Jimmie Thorns

Do a cost benefit analysis
Do indexes to base taxes on for PILOT
How do you measure the benefits
Establish a formula
Establish and approve PILOT for new application on file
If promised 100 jobs incentives stays the same
If only 75 jobs are created, tax base will increase

Jimmie Thorns How are we going to evaluate the applications?
To many variables involved
Need a consultant to assist in evaluation
We need to do a qualification issue
Do an economic model and have an oral discussion

Jimmie Thorns Recommended these persons be engaged to submit their qualifications:
Dr. Tim Ryan- UNO
Edgar Chase-Dillard
Peter Dangerfield
Xavier University (no one was named)

Irving Joseph Is a bid necessary?

Bruce Bolyard Have we made contact with other municipalities?
Example: Atlanta, Houston, Miami, etc.

Ray Cornelius One of the things we can do is get a list of municipalities that have done bond issues.

Jimmie Thorns Has not been objective to evaluate the project.
*Put out Request for Qualification
*Go to cities to see how other models are done
*Give some firm commitment to the persons that they mean business with the City.

Mr. Thorns asked Mr. Burrell Shewmake if the CHET application was completed.

Burrell Shewmake

Alegeron Blair The application is completed
Some of the information the Board is requesting has already been submitted to the City in the HUD 108 application for CHET
Need help with the taxes
Pay full taxes-City is getting its taxes indirectly

Jimmie Thorns Let the application process move along

CHET did not specify amount of taxes

Burrell Shewmake Been on the other side of the boat
Auburn University did a PILOT
Negotiated real estate part
FFE has not been negotiated
Property owned by Auburn-rented one room to general public-lost tax
exemption-fought to Supreme Court of Alabama and lost
End of 50 year lease building reverted back to University of Auburn

Ray Cornelius Orleans Levee Board-Subject to Ad Valorem taxes because they rent tom to
citizens
Public property used for public purposes can receive Ad Valorem taxes

Ray Cornelius Needs to come up with an objective standard

Jimmie Thorns Develop a hard and fast criteria
Engage a professional to evaluate projects
Eliminate down the line problems we had with Pic 'n' Save

Ray Cornelius Department of Economic Development has a criteria to decide who should
get a portion of volume cap.

Jimmie Thorns Would like to go out and seek the qualification of people
Move the project along and the evaluation process will take place later on.
30 day cycle to evaluate the project
People with strong economic background will be selected to do the project.
The staff will write a letter requesting qualification for the selected persons.

Bruce Bolyard Is there anything in the Folgers application listing what they are offering to us,
jobs, etc.

Ray Cornelius Folgers will ask the board to increase the dollar amount to 40 million.

The next board meeting has been scheduled for Wednesday, June 17th at 3:30 p.m. A letter will be sent to board members stating it essential to attend all further scheduled board meetings.

The Ad Hoc Committee meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

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INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF NEW ORLEANS
BOARD MEETING
HELD
FEBRUARY 18, 1998
AT
1515 POYDRAS STREET, 12TH FLOOR
REAR CONFERENCE ROOM

Attendees:

Jimmie Thorns, Bruce Bolyard, James W. Smith, Kyle E. Stoever, Nina Marchand, Irving A. Joseph, Ray Charles Crawford, Lisa Ponce de Leon, John B. Williams, Bruce Larkins, and Stanley Myers

Absent:

Marie Ormond, Oscar J. Rainey, Michael Lawrence, and Frank O. Barrett

Others:

Ray Cornelius- Foley & Judell, Robert Merrick-Latter & Blum, Frank Uddo-Uddo & Milazzo, Jim Henry-Procter & Gamble, Ron Kathman-Procter & Gamble, Burell Shewmake-Algernon Blair, Charles Shewmake-Algernon Blair, JoAnn M. Tervalon, Gwen B. Owens, Gwen Carter, Ernest Gethers, Timothy Jay Carney, Jeffrey Arnold, and Paul Bryant

Mr. Jimmie Thorns, President, called the meeting to order at 3:36 p.m. Ms. JoAnn Tervalon proceeded to call the roll. It was ascertained that a quorum was present.

Robert Merrick-Latter & Blum: addressed the Board regarding the MacFrugal's site with these comments:

- *In 6 (six) months they will enter into a contract with MacFrugals to demolish the building
- *Will be soliciting bids for contracts to demolish the building
- *Latter & Blum would like to rebuild the MacFrugal's site
- *Expects to close on MacFrugal's deal on Monday morning, February 23, 1998

*West Coast Liquidators-To pay-off Bonds and sell the site. The sale has been agreed upon.

*Trying to determine what is salvageable

Jim Thorns- Questioned whether or not the property was titled to the IDB.

*Commented that the MacFrugal's property (land) was titled to the IDB. The City's concern is the clean up of the site.

Bruce Bolyard-Has MacFrugals had an environmental assessment study done?

Robert Merrick-Latter & Blum- Has not seen a environmental assessment report. The site looks pretty clean to him. If there is a problem it will be with the food that was burned in the fire or some aerosol products.

Jim Thorns-Emphasized that MacFrugal's was the IDB's first Payment in Lieu of Taxes (PILOT). A motion was made and seconded that the minutes be accepted . The motion passed and the minutes were approved and accepted.

Ray Cornelius-Comments Regarding the Public Records Law:

*With reasonable notice must produce the information

*Must release the information or face a penalty

*The board has allowed a meeting to review financials without obtaining the information

*It is very tough for the board to withhold confidential information

*Rather than submit financial information, meetings can be held to present information to the Board in lieu of submitting financial information. This arrangement has been approved by the Bond Commission.

*It was noted that any document received by the Board is considered public information.

Jim Thorns-Emphasized to Ray Cornelius the need to create a policy on confidentiality.

Ray Cornelius-Commented that it is impossible to guess what is considered confidential.

Jim Thorns- Questioned whether this excludes whomever requests information from the Board.

Irving Joseph-Wanted to know if one could place a copy of the document in a secure place and maintain the information in one location.

Frank Uddo, Jim Henry, Ron Kathman-Procter & Gamble Presentation:

Frank Uddo introduced the two representatives of Procter & Gamble. Commented:

*New Orleans is considered the coffee capital of the world

*Folgers is planning to introduce a new brand of coffee to be produced at the facility in New Orleans

Ron Kathmann: Responsible for all property and taxes for Procter & Gamble in the United States.

Commented that the Procter & Gamble:

- * Is an international company
- *Is a 40 billion+ company and on its way to another 100 in another couple of years
- *Employs 100,000 people
- *Is located in Cincinnati, Ohio
- *Employs 15,000 people in Cincinnati
- *Has 30 major plants throughout the world
- *Has 2 major sites in Louisiana;
 - Alexandria
 - New Orleans-Gentilly Road
- *Is the largest coffee plant in the world
- *Is the largest type of coffee selling in the world
- *Was started in 1837
- *Built the New Orleans plant in 1960
- *Purchased the plant in 1963

Mr. Kathman requested that the board treat the P&G information with sensitivity.

Jim Henry-Procter & Gamble Commented that the Procter & Gamble Company:

- *Processes over 300 million pounds of coffee (Folgers)
- *Employs 400 people at the local plant
- *Put \$175 million in the economy of Louisiana
- *Committed to the New Orleans community
- *Their whole bean operation brand is the fastest growing brand
- *Needs New Orleans plant to roast their "Millstone" premium coffee
- *Contends that New Orleans is a great place to do business
- *Company plans to revive the old Nestle plant site

*Sites the employment figures:

= 8-10 persons planning renovation

10-20 Procter & Gamble people

50-150 Contractors

30-40 Production people-Production in Fall (October)

80-100 Full-time employees by early summer

*Renovated plant to introduce Folger's whole bean version

*Must get the site up and running as soon as possible in order to make this a success.

Bruce Bolyard-Did you close a site to consolidate the plant here?

Procter & Gamble- No they did not close a site.

Ron Kathman- They don't have any plans to close a plant right now.

Bruce Bolyard-Are you going to offer the people jobs down here?

Frank Uddo-The commitment to New Orleans is definitely there.

Jim Thorns-Are the coffee beans coming through the Port of New Orleans?

Ron Kathman-Every coffee bean is coming through the Port of New Orleans.

Jim Thorns -Formally accepted the invitation to tour the Folgers Coffee Company site. Emphasized that he wanted the Folgers Coffee Company here.

Bruce Bolyard-What type of arrangement do you have with the Port of New Orleans?

Frank Uddo-Fifty year lease-approved two weeks ago

Irving Joseph-Has all of the information been submitted for the IDB application?

Frank Uddo-Yes, we sent the last piece today.

Ray Cornelius-Comments:

*Does the board understand what has been asked of them?

*Mentioned the approval process of the issuance of bonds

*Suggested that the Board determine what specific PILOT would be proposed

*The Board has a standard form and resolution to issue bonds

A motion was made by Nina Marchand and seconded by Irving Joseph for the board to use the standard form resolution to start the process for issuance of bonds.

Nina Marchand-How many jobs will be for the people of this area?

Procter & Gamble- We have a commitment to hire New Orleans people

Stanley Myers-How are you planning on giving back to the community?

Procter & Gamble- Has a policy of training

*Very good all over the country

*Does not plan to change in New Orleans.

Frank Uddo-Worked very close with council person of New Orleans East.

Ron Kathman-Work with communities citywide

Bruce Bolyard-Are you going to come back to the board for more bonds to fund phase II?

Jim Henry- We are open for suggestions.

Lisa Ponce de Leon-Will there be an international division at the plant?

Burell Shewmake, President of Algernon Blair- Center for Healthcare, Education, and Technology(CHET) Presentation:

*Founded in 1896 by Algernon Blair (died in 1952)

*Gave a brief history of the construction company

*Noted that Algernon Blair is a front runner in developing federally funded buildings

*In 1982 Algernon Blair began developing various products

*There is major port construction in Louisiana

*Participated in Phase I of the Morial Convention Center

*\$100 Million, 9 story medical conference Center

*Local architect

*Leman Brothers-underwriters of the bonds

Ray Cornelius-brought to the table the difference between the two projects that were presented today.

Jim Thorns- Algernon Blair came to the board previously with Merchandise Mart. Now, trying to develop the Medical Center. Would like to see the Medical Complex here rather than in Houston, Austin, or Birmingham.

Burell Shewmake- Technology is great.

If doctor purchases equipment, then training in the use of the equipment is necessary

Nina Marchand-Need for a facility is important to the City.

Burell Shewmake- Will bring more persons for the next presentation.

Bruce Bolyard made a motion that the board go into Executive Session and was seconded by Nina Marchand. The motion passed and the board went into Executive Session.

A motion was made and seconded that the board close the Executive Session. The motion passed.

The board came out of Executive Session.

Old Business-none

New Business-Stanley Myers suggested meeting monthly until all of the current issues have been resolved.

A motion was made by Bruce Bolyard and seconded by Nina Marchand that the meeting be adjourned. The motion passed and the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Stanley Myers
Secretary-Treasurer
Industrial Development Board

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**1998
Minutes
of the
Industrial
Development Board
of
Directors Meetings**