

**MINUTES OF THE “ZOOM” BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
of the
CITY OF NEW ORLEANS, LOUISIANA, INC.
OCTOBER 13, 2020**

Present:

Mindy Brickman	Troy A. Carter, Sr.	Walter C. Flower, III
Susan P. Good	Eugene J. Green, Jr	Lesli D. Harris
Edith G. Jones	Julius E. Kimbrough, Jr.	Lisa S. Mazique
Alan H. Philipson	Darrel J. Saizan, Jr.	Theodore Sanders, III
C. David Thompson	Iam C. Tucker	

Also Present:

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

Guests:

Alexcear Short, Friends of Joe Brown Park
Andy O’Brien, NOLA Film Training
Jeffrey Schwartz, City’s Office of Economic Development
Victoria Lewandroski, Office of Councilmember Cindy Nguyen
Patrick Schindler, Melp & Mag, LLC
Lisa Ross, Orleans Parish Assessor’s Office
Ellen Lee, City’s Office of Community & Economic Development
Jeb Bruno
Greg Larose
Immanuel Gilen, Bourgogne Bywater
Christian Brierre, South Market District-The Odeon
Christian Generes, Landis Construction
Kelly Primeaux, TLC Engineers
Tonya Pope, Jazzland
Judith Moran, WD Phase I
Eddie Rantz
Elizabeth Smyth, OCH Redevelopment Partners
Susie Dudis, BGR
Samantha Romain
Miles Granderson, Sherman Strategies (Edwards, Drive Shack)

President, Alan H. Philipson, called the meeting to order at 12:05 PM. A roll call confirmed a quorum. The President then introduced the newest IDB board member, Ms. Kea Sherman, a Jared Brossett appointment.

There was a verbal introduction of guests.

APPROVAL AUGUST 11, 2020 MINUTES

The President sought a motion for approval of the August 11, 2020 minutes. Same was offered by Ms. Lesli Harris with a second by Mrs. Edith Jones. There was a unanimous vote by the Board for approval.

AGENDA CHANGE REQUEST BY THE PRESIDENT

The President requested a motion to change the agenda such that the Six Flags update by the City would be the first agenda item to accommodate a possible leave by Ms. Ellen Lee. A motion was offered by Mrs. Susan Good with a second by Mr. Darrel Saizan. The Board voted unanimously to amend the agenda.

Six Flags Update by the City

Ms. Lee thanked the Board for approving the extension of the CEA to August 31, 2021. She advised that Jeffrey Schwartz of the Office of Economic Development was also in attendance. The City is in the final stages of completing the Request for Qualification (RFQ) for the redevelopment of the former Six Flags site. Currently the RFQ is before the City's Procurement Office to ensure compliance provisions are set. Consequently, it is not yet finalized as a public document. When finalized, and before distribution to the public, it will be presented and discussed with the IDB's Executive Committee. The RFQ will be a streamline, two-step process, seeking qualified, major developer(s) with the experience and financial wherewithal to redevelop a project the scale and size of the former Six Flags site. Once distributed, there will be a sixty-day turn around within which time a partner will be identified who will be given time to put its team together. The City does not envision a particular type project at the site. Some development ideas and opportunities may include projects of entertainment, transportation & logistics, stem research, or nature conservation. The RFQ will not be a solicitation for proposals. Ms. Lee then deferred to Mr. Schwartz who added that the Office of Economic Development will be briefing the councilmembers on the process, seeking any additional comments. Distribution of the RFQ is slated for the end of this month or the beginning of next month. The IDB will be engaged after the initial round of vetting of the submittals takes place. Mr. Schwartz stated this will be a CEA generated arrangement involving the IDB and the master developer, with the intent of giving the developer flexibility for due diligence to bring to fruition their proposed project.

There were no questions or comments by the Board.

Mrs. Tonya Pope stated she was looking forward to the RFQ and wanted to inform the Board of two documentary projects currently in the works about the history of the park one of which will debut at the film festival next month.

Victoria Lewandroski of Councilmember Cindy Nguyen's office advised that the councilmember's office is excited about working on the redevelopment of the site.

Melp & Mag, LLC

Patrick Schindler and Luis Banos were recognized as representatives for this project. Mr. Schindler provided an overview of his background in developing over 25 projects here in the City. This proposed development is located in the lower garden district on the corner of Melpomene and Magazine. The project includes 1) innovative job growth with primarily office space (non-traditional, in a low-rise building); 2) a diverse eco-system with tenant partners; and 3) a working

environment focused on a healthy, well, work environment. The office space will provide a co-working environment, allowing for business operations to function under lower operating costs because of the sharing of facilities.

Ms. Iam Tucker inquired as to the plans to achieve IDB goals/targets, in particular diversity. Mr. Schindler advised that this is their first IDB project although they have done other projects using the City's restoration tax abatement initiative. Both DBE and local hire targets are components which they have adhered to in the past. Mr. Schindler stated they look forward to creating a network to meet the goals and targets set forth by the IDB. Ms. Tucker thanked the developers but encouraged them to expand their network and to engage others for services and goods such as the Black Chamber of Commerce and to keep in mind that services and supplier diversity exists.

The President then deferred to Mr. David Wolf, IDB counsel, to further the matter for preliminary approval by the Board. Mr. Wolf provided a visual of the Resolution, a copy of which was provided to the Board, adding that the Resolution is a standard form for preliminary approval and that the matter will come back to the board once the cost/benefit and the "but for" analyses have been delivered with negotiations of the PILOT to be approved by the Board. The Developer is seeking a 10-year PILOT with a request to freeze the property taxes at completion at the current taxes which is just under \$26,000 per year.

The President offered the floor for comments and/or questions. There being none, he opened the floor for a motion for preliminary approval. Same was offered by Mr. Saizan with a second by Ms. Tucker. By unanimous vote, the Melp & Mag project was given preliminary approval.

QUARTERLY REPORTS

Bourgogne ByWater (2930 Burgundy Project)

Immanuel Gilen advised that a DBE report was submitted to the IDB. Currently, construction was on track to achieve the local hire and DBE targets. At this time, only 5% of the \$4.7M (36%) of the construction budget for DBE participation has been achieved. They will continue to work towards their 36% DBE goal.

Ms. Sharon Martin, IDB Administrator, was recognized, and stated that the report given covered DBE only and questioned if there was a report on local hire. Mr. Gilen advised that certain aspects of both targets are yet being tabulated by the subcontractors. He offered to submit an amended report or provide a more detailed report for the next quarter. He added that the general contractor and subcontractors are using locals during this time of construction but did not have the exact number.

Drive Shack

Mr. Saizan presented a question to Mr. Wolf concerning a news article and the resolution of the issue raised in the article by an attorney. Mr. Wolf advised that he understood the matter was resolved but further suggested that perhaps Mr. Miles Granderson, the Drive Shack representative, could expound further.

Mr. Granderson addressed "the article" issue raised by Mr. Saizan. He advised that it stemmed from nonpayment to a subcontractor due to the pause in construction caused by COVID. He added that a sub of BCC, the general contractor, joined in the litigation, seeking payment from BCC. Based on his appreciation, the IDB has received some communication, and the matter will

be resolved amicably once construction has resumed but as of the time of this meeting, the matter has not been resolved. Mr. Saizan asked if BCC was a local general contractor to which he was informed it was not. He further stated that the IDB appreciates and encourages the use of local general contractors who hire locally, particularly Orleans Parish residents.

Mr. Troy Carter added that he, too, has received calls concerning the litigation re nonpayment and echoed the statements by Mr. Saizan that it is important that local businesses/subcontractors (and, in particular, Durr Construction, which is the BCC's subcontractor whose funds have been withheld) should be paid timely.

Mr. Carter asked if it is possible to provide a timeframe on when the matter would be resolved and/or if he would kindly let the IDB know when the matter is resolved. Mr. Granderson advised that while he could not, with specificity, identify a time the matter would be resolved, his team and the Drive Shack team planned to meet the following week to discuss resolution of the matter after which he stated he would make a report at the next IDB board meeting.

Edwards Mid City Phase II and Edwards NOLA LGD

Mr. Granderson reported that at this time, Phase II has 36.4% in DBE participation, which is above the 35% target, and that construction is near completion. He stated that Phase I had reached 51% DBE participation.

Local worker, based on sign-in sheets at the construction site is at 51%, with living wage in compliance based on City standards.

Edwards NOLA LGD

This project is at 36.8% DBE participation. Local hires, based on sign-in sheets of subs, is at 42% and, the living wage is compliant with City regulations.

Both projects (Mid City Phase II and NOLA LGD) are complete and lease up has begun. Both projects will be closed out shortly.

When looking at all three projects (MidCity Phases I and II and Edwards NOLA LDG) all roughly worked simultaneously and averaged 43% DBE participation.

OCH Redevelopment

Ms. Elizabeth Smyth presented on behalf of the Developer, advising that construction is approximately 50% complete. As of September 21, 2020, OCH has achieved 17% of the DBE goal. This percentage represents payments to six (6) DBE's. OCH expects to reach the 35% DBE target as construction moves forward.

Local hire is at 14%. The percentage seems low because documents to verify residency for everyone hired have not been collected. Expectations are the project will reach the local hire 40% goal.

Mrs. Good questioned all developers as to what documents are required or accepted by the subcontractors when hiring to prove residency. Ms. Smyth advised they accepted documents which included driver's licenses, leases, passports and other forms of verification.

Ms. Tucker inquired as to where and how laborers were recruited for this project. She then advised and strongly encouraged the use and engagement of organizations such as Strive NOLA which recruit and train individuals to be ready for these type projects. They have proven a 100% success rate. She encouraged all developers who come before the IDB for a PILOT to use these sources when looking for qualified workers. Ms. Smyth advised that currently her team is working with subcontractors such as FH Meyers and Cabildo to assist with local hiring.

Mr. Carter expressed concern, based on the OCH report, regarding the current achievement of 14% local hire considering construction is at 50% completion. Ms. Smyth believes that once residency has been verified the percentage may be nearer 25%. Mr. Carter and Ms. Tucker both expressed concern over the lack of information and requested an update for DBE and local hire goals.

South Market District – The Odeon/Residential and The Odeon/Commercial

Christian Brierre, Developer representative, began with a general update, advising the project remains on schedule with opening slated for this fall in two phases within two months of each other. Pre-leasing has begun, and formal marketing was launched last week. As it relates to DBE and local hiring, the IDB requested the information be reported as two contracts. This, he stated, is a \$75M contract with Woodward Design Building as the general contractor, financed through two mechanisms - one as the Commercial side with retail and parking located under the residential tower and, the other as Residential. As of the latest report (September 2020), DBE on the residential phase is roughly at 14%, and Commercial at 12%. Per the last report the project is at 90% completion with final completion slated for the end of the year. Currently, the project has achieved 39% local hire and 47% for the metro area. The 40% target should be achieved before the end of construction.

Mrs. Jones asked for clarity related to the project's current 90% completion status with only 14% DBE participation having been met. Mr. Brierre stated the developer plans to submit a specialized report breaking down services rendered by types to identify DBE participation. He stated they worked with Urban League, Goodwork Network, SBA, NOLABA, and The Collaborative, as well as the Louisiana Unified Certification program. A 161 bid-invite was sent out, with only 19 bids having been received.

WD Phase I/City Square 162

Mrs. Judith Jones Moran presented, stating this \$16.6M project had awarded approximately \$5M to-date to DBE's achieving 27% of the requirement. Landis, the general contractor, has provided the Developer with a list of DBEs to partner with throughout the project. Currently 27% of the DBE target has been met. Local hire is currently at 26% Orleans and 16% Metro/MSA. Landis is working with the subs to ensure these targets are met. After bringing in Section 3 hires for Orleans Parish the local hire numbers should improve. There is intention to meet the goals set for both requirements before the end of the job.

FINANCIALS

Mrs. Good, Secretary-Treasurer, presented for review the August 2020 financials. She noted there was nothing out of line, adding that the Auditor (CRI) has been paid in full and the audit has been completed. The IDB received another clean audit which has been submitted to the Louisiana Legislative Auditors for final review and posting. With regards to Six Flags, there are mainly security expenses with little income being generated. The status of IDB CDs is explained on the

report. Some CDs that have matured were not renewed and these resulting funds were placed in the IDB's LAMP account.

Mr. David Thompson, Chair of the Investment Committee, interjected that the sweep of funds into the LAMP account are a result of the low interest rates being offered. The IDB has been taking, where appropriate at maturity, medium term (3-6 months) offerings to alleviate time-consuming in-house administration of renewals during this period. A re-look will take place when better interest rates are available. Mrs. Good interjected that the interest earned is in line with the budget. In response to Mr. Saizan's question re use of local, community banks, Mr. Thompson advised that rollovers have taken place at banks that included Liberty, Gulf Coast and Fidelity bank. In some cases, interest earned over and above the FDIC insured amount has been withdrawn and deposited into the LAMP account.

PILOT Tracking System Update

Ms. Martin reported that staff continues to gather information and create data necessary to be uploaded to the PILOT tracking system. The design of the system is being formatted and Mr. Wolf has also provided information that includes yearly PILOT payments and administrative fees that will be used to invoice developers. Parcel maps are being created as referential data for use by all parties working with the system, including treasury and the assessor's office

Six Flags Leasing Update

Ms. Martin provided that due to COVID, the one long-term pending potential lessee seeking January dates at the stie has placed its request on hold. In the meanwhile, two other inquiries have been received - pending one for January and the other around April. The latter two inquiries are short term.

Public comment-

Mrs. Alexcear Short inquired as to the reference to GO Zone Bonds on the IDB's website. Ms. Martin advised that GO Zone bonds are no longer an offer and the matter should be deleted from the website. Mrs. Good interspersed that GO Zone bonds were a post-Katrina offering to developers.

There being no other business, the President requested a motion for adjournment. Same was offered by Mrs. Good with a second by Mr. Thompson. The meeting adjourned at 1:17 pm.

/s/
Susan P. Good, Secretary-Treasurer

Approved 2/9/2021 Zoom Board Meeting