

**MINUTES OF THE “ZOOM” BOARD MEETING  
OF THE  
INDUSTRIAL DEVELOPMENT BOARD  
of the  
CITY OF NEW ORLEANS, LOUISIANA, INC.  
FEBRUARY 9, 2021**

**Present:**

Mindy Brickman	Susan P. Good	Eugene J. Green, Jr
Lesli D. Harris	Edith G. Jones	Lisa S. Mazique
Alan H. Philipson	Darrel J. Saizan, Jr.	Theodore Sanders, III
Kea Sherman	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  
Celia Conway  
Eric Reeves  
Andy O’Brien, NOLA Film Training  
Jeffrey Schwartz, City’s Office of Economic Development  
Courtney Stuckwisch-Wong, City’s Office of Economic Development  
Victoria Lewandroski, Office of Councilmember Cindy Nguyen  
Patrick Schindler, Melp & Mag, LLC  
Luis Banos, Melp & Mag, LLC  
Ron Valentine, The Advocate  
Lisa Ross, Orleans Parish Assessor’s Office  
Chris Michel  
Jeb Bruno  
Eva Washington  
Immanuel Gilen, Bourgogne Bywater  
Christian Brierre, South Market District-The Odeon  
Tangi Wall, Friends of Joe Brown Park  
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)  
Cliff Robinson  
Jeffrey Stone

Betty Washington  
India Stanton  
Macie DeCarlo  
Jose Alvarez  
Lauren Marshall, Woodward  
Mario Washington

President, Alan H. Philipson, called the meeting to order at 12:07 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 requested a motion for approval of the October 13, 2020 minutes. Same was offered by Mr. Eugene Green with a second by Ms. Iam Tucker. There was a unanimous vote by the Board for approval.

### **MELP & MAG, LLC**

The President deferred to IDB counsel, David Wolf, who provided an overview of the project and the PILOT request. This is a mixed-use complex, office and commercial, to be located at Melpomene and Magazine. Mr. Wolf advised further that both the cost/benefit (CBA) and “but for” (BFA) analyses were received but were not entirely conclusive. As a result, an approval, as listed on the agenda, will not be sought today. However, based on the review of the reports as submitted, the Developers were asked to reconsider their PILOT request increasing their numbers based on the market study. Once the update is provided and the analysis is updated, the request for review and approval of the PILOT by the Board will be placed on the next agenda.

There being no questions, the President advised that once the new information has been received, it will either be placed on the next board meeting’s agenda or there will be a call for a special meeting depending on the need of the Developer to pursue financing.

### **QUARTERLY REPORTS**

#### **Bourgogne ByWater (2930 Burgundy Project)**

Developer representative, Immanuel Gilen, reported that the project is moving ahead with an anticipated completion later this year. He informed that a groundbreaking ceremony was held in January with the Mayor. Gratitude to the IDB was extended. As of this report, DBE participation includes a \$4.4M goal, or 35.5% of the total budget which has been bought out and no change is expected. As of December 2020, one-fifth of the \$4.4M has been paid to DBE contractors. DBE participation is “back heavy”, meaning contracting is in the mechanical trades which will be done at the back end of the project.

With regards to the local hire target, as of December, the contracts were around 30% on an average of 7 people working per day. An increase in that number is expected when the trade work increases. Mr. Gilen stated he will send an addendum later this week on the local hire.

## **Drive Shack**

The President deferred to Mr. Wolf who provided as an update that construction started but was stopped for several months due to COVID. Discussions have been had with local Developer representative, Mr. Miles Granderson, as well as with certain Drive Shack corporate representatives and Mr. Jeffrey Schwartz of the City. Drive Shack has expressed a desire to complete the project. However, it does not appear likely that construction will resume for at least another 12 months. The PILOT was to start next year. Until construction is resumed and a certificate of occupancy has been issued, by recommendation of counsel, Drive Shack has agreed to take back ownership of the property. Accordingly, efforts are underway to transfer the property back to the Developer. The intent of returning ownership back to the Developer until construction is completed reduces the IDB's risk. The 12-year PILOT will become effective once a certificate of occupancy has been received at which time, the property will be transferred back to the IDB under its original terms of the PILOT agreement.

Mr. Wolf emphasized that the process of the IDB taking ownership of properties involved in a PILOT after construction will become standard on all future PILOT requests, with the intent to reduce IDB's risk. He then asked the Board for a motion and vote to grant the President the authority to sign off on the supplemental agreements.

Questions were raised concerning the disposition of the pending lawsuit(s) against Drive Shack in which the IDB was a named defendant. Mr. Granderson and Mr. Wolf advised that per Drive Shack's attorney, the claims were fully settled. This includes original demand and the reconventional demand. Mr. Wolf advised that per Drive Shack's counsel, Drive Shack has assumed the defense of the IDB in each lawsuit. To assure this recount, he would call to ensure that both the original demand and the reconventional demand were paid in full. After this statement, the Developer rep was reminded by the Board that 12 months should give their contractors and subcontractors sufficient time to get their DBE participation and local hire reporting processes and inclusion in place.

By motion of Mr. Green, with a second by Mrs. Susan Good, the Board approved giving the President the authority to sign the supplemental amendment to the current PILOT agreement that transfers ownership of the properties in the PILOT back to the owners/Developers until such time that construction is completed and a certificate of occupancy is issued. At which time, the terms of the PILOT would resume, inclusive of necessary changes in payment due dates, with the properties being transferred back into the ownership of IDB. The vote passed unanimously.

## **Edwards Mid City Phase II & Edwards LGD**

Mr. Granderson reported that the last meeting he reported the final report on Phase I.

MidCity Phase II and Edwards LGD, according to their records, have both reached the 35% target in DBE participation with construction on both projects now complete. These numbers, of course, will be officially confirmed by the IDB's consultant/auditor.

Local worker compliance for LGD, based on numbers reported by subs and sign-in sheets, is at 42% and 47% for Edwards MidCity Phase II. He noted that the IDB auditor requires verification for proof of residency via driver's licenses, utility bills, and tax documents. An attempt is being made to get a few more documents of proof.

Mrs. Edith Jones, expressed her appreciation, based on Mr. Granderson's report, for the Developer reaching both goals and added this is a demonstration that these goals can be met.

### **OCH Redevelopment**

Ms. Elizabeth Smyth presented on behalf of the Developer. She advised, based on Mr. Wolf's inquiry of the impact of COVID on the project, that construction is currently three (3) months behind schedule due to confirmed positive cases. These positive cases caused a pause in two trades and roll-off by certain subs. The cost of lumber has tripled and social distancing on the site led to smaller crews. Typically, they would double the workforce to make up for the time lost but the distancing would not allow it. Morale has been low with other minor internal conflicts.

4<sup>th</sup> Quarter DBE goal reached is 36% with an expectation of a final target of 41%. Local hire is up by 4% percentage points to 18%. She added they are still working with Cabildo, and they looking at other trades for options to get local workers on the site increased.

In answer to questions by Mrs. Jones, Ms. Smyth advised that the job was 70% complete at the end of the 4<sup>th</sup> quarter. Additionally, there were inquiries as whether there was use of the Governor's COVID defense act and/or other safety procedures/measures employed at the job site. Ms. Smyth advised that safety measures are updated constantly which seems to have limited the degree of COVID outbreaks.

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

Christian Brierre, Developer representative, began by recognizing Lauren Marshall, the Director of Diversity and Inclusion with Woodward, and Chris Michel, SMD's Vice President and Project Executive for the project. He advised that the development officially opened on December 15, 2020 as a landmark project. He stated that Woodward is doing a great job as relates to COVID protocol and staying on schedule. Leasing is going according to schedule and exceeds expectation.

Lauren Marshall then reported that Woodward solicited bids through its outreach efforts. In searching for D/SLDBE workers, they sent flyers and contacted sources such as the Urban League, SBA, NOLABA. She provided that the project was bi-furcated thus creating separate reports - The Odeon-Residential and The Odeon-Commercial. In all, she stated, 161 solicitations were issued for combined residential and commercial construction to D/SLDBE firms of which nineteen (19) bids were received by Woodward. After vetting, 17 DBE contracts were issued. This project, she stated, was initially viewed as one contract, however, towards the end of the project, the Developer was asked to bifurcate the two phases. After reporting that the Developer exhausted all best efforts to reach the 35% DBE goal, the bottom line shows that DBE participation at The Odeon-Residential was 13.93% and The Odeon – Commercial, 11.61% for a combined DBE participation of 13.70% for a total of \$10M+ combined, in this \$41M+ development. If it were not for the specific trades of construction of a high-rise, the Developer would have a much higher percentage of DBE participation, perhaps closer to 31%.

Questions and concerns were raised by Board members seeking to understand the low DBE participation percentage. Mrs. Jones asked for confirmation on the start time of the project and was advised it was in 2018. She stated that based on this report, New Orleans DBEs were short-changed on this project. Other Board members expressed similar disappointment in the final numbers. The Developer reps insisted that Woodward did all it could to reach DBEs goals but that \$46M was for specific trade industries where DBEs do not exist. Conversely, other Board

members expressed appreciation for the efforts taken, giving credit to the GC for its work in attempting to reach the 35% DBE goal although that goal was sorely missed.

The President, offering the floor for comment, recognized Ms. Victoria Lewandroski of Councilmember Cyndy Nguyen's office, who advised that circumstances such as gaps as identified in this project created an opportunity for the City to modify its DBE Ordinance under a new program called "Equity Business Opportunity". The new rules allow for identifying those gaps in industries where DBEs appear to be nonexistent, hoping to grow those industries through tools and programs such as the Mobilization Fund, OSD, etc.

Board member, Ms. Kea Sherman, offered that this situation may provide an opportunity to establish an "apprenticeship program" focused on larger businesses mentoring DBEs including workforce development. Ms. Tucker reiterated that NOLABA has a list of fully qualified DBEs and offers a class to mid-level businesses that are trying to take it another level. There are many qualified, thriving DBEs that have access to capital. Mr. David Thompson offered that Tulane's AB Freeman School of Business, along with NOLABA and other financial institutions, created the program that Ms. Tucker referenced. With these suggestions and ideas, the President stated that a committee could be created such as the one (Job Match Program) once created by the IDB, designed to help businesses and workforce. After this suggestion, Board members names were pitched to be a part of such a committee.

The President opened the floor for public comment. Mr. Eugene Ben was recognized. He expressed that a failed or unqualified DBE should not serve as the measure for all the good, professional DBEs, mid-level or otherwise. He suggested that any funds left from an amount set aside for DBEs that was not used could be placed in a program to work with DBEs.

Mr. Wolf, after assessing the sentiments expressed by the Board and the public, reminded everyone that ultimately the numbers reported will be reviewed by the Office of Supplier Diversity, as well as the IDB's consultant in an independent audit. He reminded that the PILOT agreement has provisions and clawback penalties for those projects that fail to show it exhausted "best faith" efforts to meet the 35% DBE goal. The clawback is tied to a supplemental PILOT payment by the Developer. He added that the PILOT in this matter was not created to save the Developer money. It is a "certainty" PILOT - one that gives the Developer a schedule of payments due each year. In this particular case, the Developer is slated to pay a PILOT of \$580K in the first year, which should be close to the amount of the actual tax payment that would be due. The clawback penalty goes to the City as a supplemental PILOT payment.

### **WD Phase I/City Square 162**

Mrs. Judith Moran reported that the project is 75% complete. COVID has had a minimal impact on the construction efforts and progress has been relatively steady. The percentage was increased by a couple of points from the last report of 26.96%. Workforce, local hire, is currently at 31% for New Orleans with an MSA of 59%. Construction is scheduled for completion by August. Contractors continue to push the subs to meet these goals.

### **FINANCIALS**

Mrs. Good, Secretary-Treasurer, presented the November financials, advising that all is in order, however, the DXC Technology payment was not made because DXC and/or the City failed to submit its request by the compliance date of April 25, 2020. Ms. Courtney Stuckwisch-Wong from the City's Office of Economic Development was recognized who informed that DXC's report

was recently received and that Mr. Jeffrey Schwartz has a letter covering last year's numbers. Due to a leadership change last year at DXC, reporting was pushed back. Once the new leader was put in place, Peter Poppas, the report was submitted in late December. The document has been reviewed by the City's law department. The IDB should be receiving the letter shortly. In the future, she stated, every effort will be taken to meet the time commitment of the agreement. Counsel stated that a response would be further discussed.

Mrs. Good continued her report, directing the Board to the page updating IDB's status on Certificates of Deposits, noting the IDB continues to maintain accounts with local banks, rolling over funds over and above the FDIC insured amount into the LAMP account.

### **Budget Approvals**

#### **Six Flags**

Mrs. Good presented for approval the draft of the 2021 Six Flags budget. She explained that a projected income for filming this year is \$15K, and projected expenses are \$198,360, security alone is \$177K. This results in a negative balance of -\$183,360. The Six Flags account balance is \$48,238.94, creating a negative budget deficit of -\$135,121.06. Ms. Martin informed the Board of a possible increase in income based on pending requests for Six Flags.

By motion of Mr. Green, and a second by Mrs. Jones, the Six Flags budge passed unanimously.

#### **IDB Budget**

Mrs. Good presented for approval the draft of the 2021 IDB Budget, explaining first the structure of the budget format which included actuals and the budget for 2020, with the following column showing the proposed budget for 2021. Salaries, under Programs, have been increased pursuant to an earlier vote of the Board to increase salaries based on the CPI at the end of September of each year. The 2020 CPI was 1.4%.

After presentation of the budget, with no questions raised, a motion for approval was offered by Mr. Green with a seconded by Ms. Tucker. The motion passed by unanimous vote of the Board.

#### **PILOT Tracking System Update**

Ms. Martin reported that while staff continues to collect and reconstruct data necessary to be uploaded to the PILOT tracking system, for the past month or more the project was placed on hold due to other projects requiring more immediate attention. Data is continue to be gathered and is being forwarded to the consultant to keep the project moving.

#### **Retirement**

Ms. Martin reported that there has been no progress in search of the retirement plan.

#### **Six Flags Update by the City**

Mrs. Stuckwisch-Wong presented this update, advising that the City released the RFQ on December 16, 2020, with an original deadline for today. However, because of the level of interests shown, the RFQ deadline was pushed from February 9 to February 23. A pre-solicitation meeting was held at which there were 75 attendees. A pre-submission/site visit was conducted resulting in some 25-30 participants. We have not yet heard from Procurement on the responses to-date. The City is hoping to receive responses from master developer(s). The process used may be in two parts by the selection committee – one creating a short list and the second phase used to gather data over the next two months any additional information needed to complete the process.

Ms. Lewandroski, to ensure transparency, reported that as of February 1, there have been no submissions.

### **CEA**

The President deferred to Mr. Wolf for comments on this matter who reminded the Board that the CEA renewed last year runs until August 31, 2021. Last year, he added, efforts began around May 2020 for an extension to be signed. It took 4–5 months for full signing. The CEA ties in responses to the RFQ. With an expiration date of August 31, there is language in the CEA that requires the IDB and the City to enter discussions for selling the property if no reasonable use or development proposal is attained from the RFQ. In his opinion, he stated, if there is no bite from the RFQ, the IDB should continue to push for the City to take ownership of the property.

### **Excess Insurance Liability**

Ms. Martin advised that based on an inquiry/suggestion by counsel, she has received a copy of a proposal for excess insurance protection for the Six Flags properties. She asked for assistance of a board member with an insurance background to review it to ensure it offered the protection needed. There being no takers, it was suggested the proposal be reviewed by counsel.

### **Elections**

The President opened the floor for nominations. Mr. Thompson offered for nomination the current slate of officers for another year: Alan Philipson-President; Darrel Saizan-Vice President; and Susan Good-Secretary/Treasurer. There being no other nominations offered, a second was offered by Mr. Theodore Sanders. By unanimous vote of the Board, the current slate of officers was re-elected for 2021.

### **Website**

Mrs. Good asked for volunteer(s) to work with staff in reviewing and updating the website. There were no volunteers. Ms. Martin was asked to take note of the suggestions rendered by Ms. Good for update of the site and to work with the website manager achieving the changes.

### **Public comment**

The President recognized Ms. Tangi Wall who offered that she has listened to all the ills of Six Flags, the overview of RFQ promotion for a master developer and the woefully negative budget presentation. She expressed hope that the IDB would put some serious effort behind getting the site redeveloped as the potential filming opportunities at the site does not seem enough to meet the expenses needed. She reiterated the community's concerns regarding the redevelopment of the site. The President assured Ms. Wall that every effort is being made for redevelopment but the selection rests with the City. Ms. Stuckwisch-Wong interjected that while the City did not specify incentives available in the RFQ, the solicitation stated there are incentives available.

There being no other business, the President requested a motion for adjournment. Same was offered by Mr. Green with a second by Ms. Tucker. The meeting adjourned at 1:59 pm.

**Approved 3/9/2021**

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**Susan P. Good**  
**Secretary/Treasurer**