

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

**FEBRUARY 15, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Ronald G. Baptiste, Jr	Farrell J. Chatelain, Jr.	Elijah M. Feinstein
Walter C. Flower, III	Susan P. Good	John L. Koch
Helen LeBourgeois	Allison B. Randolph, III	Theodore Sanders
Darrel J. Saizan, Jr.	C. David Thompson	

Absent:

Justin T. Augustine, III	Dr. Ronald French	Alan H. Philipson
--------------------------	-------------------	-------------------

Also Present:

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

Guests:

Kirk Lee, Cement Masons, Local 567
Theodore F. Kirn III, Office of Assessor Errol Williams
Steven Kennedy
Paul Prechtor, JCH Development
Jaquetta White, The Times-Picayune
Cristina Carapezza, Office of the Mayor of the City of New Orleans
Joe Rochelle, Office of Councilmember Jackie Clarkson
S. McDaniel, The McDaniel Group
Peter Reichard, Bureau of Governmental Research
Stephen Stuart, Bureau of Governmental Research
Scott Murphy, IW #58
Tony Caccioppo, LU669
Jeffrey Watson, J. Watson & Co.
Peg Songin, UAM, LLC
Steve, UAM, LLC
Terri Franklin, Regions Bank
Steven Hattier, HFS
Ernest Gethers, City of New Orleans, Ofc. of Economic Dev.
Aimee Quirk, City of New Orleans, Ofc. of Economic Dev.
Damon Burns, Morgan Keegan
Eric Lassain, Telejack & Things

President, Walter C. Flower III called the meeting to order at 12:37 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Ronald Baptiste and seconded by Mr. Allison Randolph, the Board voted unanimously to approve the minutes of the December 2011 Board meeting.

ALGIERS CROSSING

A brief overview of the project was provided by bond counsel, David Wolf. He advised that only part of the proposed development would qualify for tax exempt bonds, i.e., the multi-family phase, and that is only if the Developer meets the required set aside number for low and medium-income tenants. Retail is included in the project, but that portion is not tax exempt. Preliminary approval of \$60M in bonds is being requested today and includes all phases of the project. He advised that the Developer may return for additional approval. No PILOT is being sought. He reminded the Board that preliminary approval is non-binding and if the Developer uses tax exempt bonds, it allows them the opportunity to seek reimbursement of certain funds expended. The Board has no obligation to issue bonds until the Developer is financially ready.

Mr. Wolf introduced the Developer representatives. Mr. Jeffrey Watson advised that he has met with City Councilmember Kristin Gisleson-Palmer. He has assured the Councilmember the community would be involved with the project. He then recognized Ms. Peggy Songin who advised that this project would be hiring locals and using local businesses. Mr. Steve Abdo informed the Board that he has done developments of this type for quite a number of years and understands the need for communication.

Mr. Flower asked if there have been any studies done to support the project. Ms. Songin replied, "Yes", but mainly on market rate projects but added there is a need for an update. Mr. Farrell Chatelain inquired as to the Developer's equity investment in the project. Ms. Songin responded at this time, the equity contribution consists of cash from the exiting partners plus an additional equity investment from other yet to be identified investors. Ms. Aimee Quirk advised that the group met with Mr. Ernest Gethers yesterday and there is interest in the project. Mr. Wolf added that the Developers would probably borrow some portion of the equity contribution. The Developers admitted that there are many questions concerning the equity investment and that their numbers were uncertain at this time. The developers understood that at the time of final approval they would need to explain the final capital structure to the Board. Mrs. Helen LeBourgeois inquired as to the type of retail which would be at the site. The representatives advised there will be a grocery, dry cleaner and pharmacy. Mr. Theodore Sanders informed the Board that he had the opportunity to meet with the Developers along with Councilmember Gisleson-Palmer, stating further that the project will be a great benefit to Algiers. The proposed project would fit in with the economic strategy created by the Algiers Economic Development Foundation. Ms. Songin added that the property is currently under an option. In answer to a question by Mr. Dave Thompson, Ms. Songin confirmed that 324 units of mixed-income housing are being proposed. Mr. Watson added that in order to be tax exempt, a portion of the units would have to be set aside for tenants whose income was less than a certain percentage of the area median income, pursuant to IRS code requirements. Ms. Quirk advised that a letter of support has not been granted as the City is still doing its due diligence. As she understands it, the Developer is seeking a Federal grant and would like to understand how that is being done. The Developer proposes 26 permanent jobs will be created through a combination of retail and property management. Questions were raised regarding the cost per square foot and timeline, to which the Developer's representative advised that they wished to start in 4 - 6 months and estimate that stabilization would be the first quarter of 2014. The Board then asked for an updated study as Mr. John Koch stressed that the financial structure is not clear or complete.

Mr. Flower asked for the Board's pleasure in a vote for preliminary approval with a caveat that the Developer provides the required additional information on financial structure and investment. Mr. Wolf then interjected that the final terms of the financing will be provided by the developers in a term sheet furnished by the bond purchasers. Since the financial information presented today is unclear, he suggested a condition be placed in the resolution that before a final approval is granted, that the financial structure and the disclosure of the Developer's equity investment be settled. Ms. Songin assured the Board that the Developer would have all actual data provided in advance of their request.

By motion of Mr. Darrel Saizan and seconded by Mr. Sanders, the Board voted unanimously to grant preliminary approval to Algiers Crossing with the understanding that a true description of financial structure, along with disclosure of the Developer's equity investment, be presented to the Board in advance of any request for final or additional bond approval.

ELECTIONS

By motion of Mr. Thompson and seconded by Mr. Saizan, the Board unanimously voted for the re-election of all officers. Results: President: Walter C. Flower, III; Vice President: Allison B. Randolph, III; and Secretary-Treasurer-Susan P. Good.

CRESCENT CITY JOB MATCH

The President advised that Central City Partnership, the umbrella non-profit organization for the Crescent City Job Match program, plans to hold a fundraiser at Tipitina's. They are in hopes of raising \$100K to support the Job Match program. Mr. Flower advised that current funds are dissipating with only a couple of months in backing available. The key component to this program is job training and it is hoped that the IDB can be a catalyst in this phase of the program. He advised that he recently attended a meeting wherein there was a presentation by a representative of Union Baptist Seminary. It appears they have raised some funds for training. He added that the IDB needs to make sure that if there are any penalties by virtue of claw backs installed in Lease Agreements, that such funds may be used for "training" in the Job/Match program. In order to keep the Board apprised of how the program is functioning, Ms. Martin suggested a report be submitted by the Crescent City Job Match for the Board's review.

FINANCIALS

Financials for November and December were provided.

Budget

Mrs. Susan Good presented the budget as modified and advised that explanations have been provided therein regarding any increase or decrease in any line item. Mr. Randolph asked what the Board plans to do with the excess of \$152K revenue. Mrs. Good explained annual fee income over the past couple of years has been high, but that in time, some income will dry up. At this time, the IDB is saving the funds for future years when income will possibly decrease. After all discussions were had, by motion of Mr. Ronald Baptiste, and seconded by Mr. Koch, the Board voted unanimously to approve the Budget as presented.

Six Flags

Mr. Flower informed the Board that the IDB was waiting on a tax issue to be cleared in this matter. Notice was received from the Assessor's office seeking payment of unpaid taxes. He added that according to the agreement reached at a special board meeting, taxes were to have been extinguished upon the Board assuming ownership of the property. Ms. Martin added that the IDB record reflects receipt of a copy of a memo from City Attorney, Brenda Breaux, to the City's CFO, requesting that the taxes be erased pursuant to the Judgment rendered in the Six Flags bankruptcy case, as agreed upon at a special board meeting. To-date, no information has been received on the resolution of the problem. The Board was reminded that at that special called meeting, the City also agreed to maintain and secure the property, as well hold the IDB harmless from any liability. The agreement, which was signed by Mr. Flower on behalf of the IDB, was given to Ms. Breaux. However, a fully executed copy was never received by the IDB. Mr. Flower added that the City could not find where Mayor Nagin signed the agreement.

Mr. Chatelain then inquired as to whether individual Board members could be held liable if sued in connection with the Six Flags matter. Attorney Wolf advised that individual board members of the IDB could not be sued based on State law.

Mr. Flower then asked Ms. Aimee Quirk if she could provided an update on the RFP process. Ms. Quirk advised that of 8 applications received, the Committee selected two developers. That has now become the selection of one: Provident and DAG Development. DAG is the developer that plans to develop a high-end outlet mall at the site.

Ms. Quirk was then asked if the City plans to hold the IDB harmless of any liability if the situation arose. She advised that the City's position is that the property is owned by the IDB and that the City has not insured the property under that condition, and that the current administration was not planning to sign the agreement to maintain and insure the property. Mrs. Good stated concern that on one hand the City has assumed the lead role in the RFP process to find a developer for the property, and on the other hand refuses to assume any responsibility. In response, Ms. Quirk asserted that the RFP process was presented to and approved by the Board and that Mr. Augustine sits on the Selection Committee as an IDB representative.

Mr. Flower then interjected that efforts are underway to get the matter resolved and out of the hands of the IDB.

Other Financial Business

Mrs. Good then proposed to the Board that in light of the fact that the Chase operating account is over the \$250K protection of the FDIC, a second Certificate of Deposit be created at FNBC. FNBC has offered a rate of 2% for a year-one CD (the same as a previous CD purchased). The Board voted unanimously to create the Certificate of Deposit at FNBC.

ADMINISTRATOR'S REPORT

Ms. Martin presented that she has been working with NOBA in arranging a presentation by Mr. Flower to the New Orleans Economic Development Toolkit Task Force members and guests. She is still working with Hancock Bank on collecting IDB annual administrative fees. To date, \$211,486 of the

\$295,736 has been collected. Additionally, she attended a meeting with Mr. Flower and Ms. Quirk re the development of a mixed-use facility with retail, housing and parking by an application to be submitted by a group headed by Matt Schwartz. She continues to work with the City's Treasury Department in collecting PILOT payments, interceding when asked or required. She is working to get letters out to those Developers regarding the outstanding employment reports due to the IDB which will be used by the McDaniel Group in the auditing of employment targets. She worked with three potential Developers on their submittal of IDB applications, and continues to work with Jeff Yellin on the monitoring of claw backs.

POLICIES AND PROCEDURES - Update

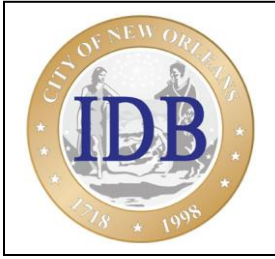
Mr. Flower informed the Board that he has had meetings with the BGR, and that he is currently examining IDB policy and procedures to be sure they are meaningful enough to be used in the future. He has been working with Prof. Toni Weiss on this issue. He advised he will have something to report for the March meeting.

Claw back Monitoring.

Ms. Martin advised that she and the IDB consultant, Jeff Yellin, are still working on the monitoring of claw backs. Some Developers have responded. However, a great number have not. A second letter is being prepared for issuance. She also advised that monitoring of the employment targets by Mr. McDaniel is being worked on. Mr. Flower interjected that with regard to the Hyatt, the audit should not only look at who was hired during construction but there should be a concentration on how many locals have been hired for permanent employment. Mr. McDaniel interjected and reminded the Board that the Hyatt is under a hotel management agreement. He will advise if he has any problems getting the information necessary.

The meeting was adjourned at 1:57 PM.

Susan P. Good, Secretary/Treasurer
APPROVED March 20, 2012



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

**MARCH 20, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Ronald G. Baptiste, Jr
Walter C. Flower, III
John L. Koch
Allison B. Randolph, III

Justin T. Augustine, III
Dr. Ronald French
Helen LeBourgeois
Theodore Sanders

Elijah M. Feinstein
Susan P. Good
Alan H. Philipson
Darrel J. Saizan, Jr.

Absent:

Farrell J. Chatelain, Jr.

C. David Thompson

Also Present:

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

Guests:

Steven Hattier, HFS
Stanley McDaniel, The McDaniel Group
Matt Schwartz, Domain Companies
Ted Kirn, Office of Assessor Errol Williams
Ryan Smith, Coldwell Banker Commercial
Becky Mowbray Times-Picayune
Derrick Francis, Mayor's Office/City of New Orleans
Steven Molnas, Entergy New Orleans
Aimee Quirk, Office of Econ. Development/City of New Orleans
David Garcia, DAG Development
Paul Knowlton, Provident Realty
Leon Backes, Provident Realty
King Logan, Logan Branding
Kirk Lee, Cement Mason 567
Stephen Stuart, Bureau of Governmental Research
Peter Reichard, Bureau of Governmental Research
Henry Charlot, Downtown Development District
Terri Franklin, Regions Bank
Joe Rochelle, Office of Councilmember Jackie Clarkson
Lorraine Washington, Citizen/New Orleans East/Lower 9th Ward

Ernest Gethers, Office of Econ. Development/City of New Orleans
Damon Burns, Morgan Keegan
Bill Soltz, Coldwell Banker Commercial
Don Allison, Advantous Consultants

President, Walter C. Flower III called the meeting to order at 12:34 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan Philipson and seconded by Mr. Allison Randolph, the Board voted unanimously to approve the minutes of the February 15, 2012 Board meeting.

JAZZLAND PROPOSAL 2012

Ms. Aimee Quirk provided an overview of the RFP process to date, advising that the RFP Selection Committee, after careful review of the responses to the RFP, recommended DAG Development and Provident Realty as the entity to redevelop the Six Flags site.

Mr. David Garcia, of DAG Development, distributed a multi-page document containing images and bullet points explaining the proposed Jazzland Outlet Mall Master Plan, which includes an adaptive re-use of the theme park. He advised that while the drawings provided an image of what is being proposed, the concept is not final. The proposal illustrates the project as a multi-phase redevelopment. The developer representatives have taken a tour of the site and the goal is to re-use as much and as many features of the current site as possible, including rides once assessed, and infrastructure. The mall and proposed theme park will be "green" and conceptually will closely resemble that of Nickelodeon at the Mall of America (Minnesota). The site was a good fit for the outlet mall industry, i.e., race-track design, and, is advantageous in recruiting retailers. The main entrance, he stated, mimics a theme park already. It is proposed that future phases will include a hotel and sports field, which was being pursued by former Councilmember Arnie Fielkow, as well as an amphitheater for entertainment. Redevelopment of the site will serve as catalyst to the further redevelopment of New Orleans East. The nearest competitor of an upscale mall outlet would be Dallas, TX, Destin, FL or Kansas City, KS. The mall in Gonzalez, while an outlet, is a mid-scale mall. The proposed mall will bring in out-of-state business for the City. Anchors could include outlet stores for Neiman Marcus, Saks 5th Avenue, etc. The mall alone could yield possibly \$5M to the City yearly. Meetings have been held with the communities of New Orleans East and positive feedback has been received. Mr. Justin Augustine confirmed that meetings with neighborhood associations have been well received. Mr. Paul Knowlton of Provident stated that the next steps, which include financing, would be difficult. They are currently working with the City to discuss some areas of gap financing, such as an allocation of sales tax, or TIF (Tax Increment Financing). Site control is needed now to allow access by the architects and engineers. It is anticipated that a draft of an agreement with the City and the State will be completed within the next 30-60 days. Although the developer noted many challenges, Mr. Philipson stated that such a project is the future of retailing, adding that it is urgent for it to receive City support.

Mr. Augustine thanked the developers for taking the time to meet with the community, reminding the team that this type of participation is extremely important in the process.

SOUTH MARKET DISTRICT, LLC (Apartments and Retail) **SOUTH MARKET DISTRICT, LLC (Garage and Retail)**

Mr. Matthew Schwartz, a managing partner of the Domain Companies, presented the overview on this project. He has had prior experience in coming through the IDB for previous projects, i.e., The Preserve, The Crescent Club and 750 South Jeff Davis. The Developer's background also includes the development of five other projects that did not come through the IDB. The two applications submitted propose development of mixed-use complexes including 1) a 195-unit, class-A multifamily apartment complex with retail and 2) a 435-space garage with retail. The development will be situated on two parcels (Parcels C & D) of land located between Girod, Lafayette, Rampart and O'Keefe. An overall project will include Parcels A, B, C and D and would be a \$200M project. The current proposals include only Parcels C & D and will be located directly across from Rouse's Supermarket on O'Keefe (backside of its parking lot). Each project is seeking \$500K in bonds. A PILOT is also being requested for each proposed development. To make the financial structure work, he stated, a PILOT is needed, as well as other incentives including New Market Tax Credits, which would apply to the garage/retail phase. The construction loan is to be handled by Goldman Sachs. It is anticipated that construction could take place in August or September; total delivery time is 18 months. Each proposed site will require separate financing but construction will begin simultaneously.

Mr. Augustine added that such a development is the type of industry needed to support the transportation project, hotel, etc. along the Loyola Corridor and will have a great economic impact for that area and the City. Mr. Schwartz then continued, advising there will be a closing of a traffic lane on Girod (7-16 feet) for sidewalk cafes and retail. Food and beverage will be local. Included in the plan is retail for home furnishing, apparel and accessory retailers.

After the presentation, Mr. Flower advised that should an approval be given today, it would be for preliminary approval for the issuance of bonds only. It would not include approval of the PILOT. Approval of the PILOT is based on a cost/benefit analysis and a "but for" analysis. Consultants will be commissioned by the Board and paid for by the developer. Mr. Ray Cornelius, bond counsel, interjected that such language is reflected in the Resolution (2012A and 2012B); the resolution approves moving forward with the PILOT and the bond issuances, it does not approve the PILOT. He added, with respect to concerns for claw backs, language regarding the terms and conditions of a PILOT if awarded would be included in other documents. Ms. Sharon Martin advised that a letter with details on moving the matter forward would be sent to the developer.

The Board opted to give preliminary approval on both projects simultaneously. By motion of Dr. Ronald French, and seconded by Mr. Darrel Saizan, the Board unanimously voted to give preliminary to the proposed projects.

FINANCIALS

Financials for January and February were provided. Mrs. Susan Good informed the Board that the IDB has yet to receive the 2011-12 or 2012-13 Lease Agreement from the City. A check in the full amount of last year's rent was issued and delivered to the City in December and it yet remains to be cashed. Mr. Flower asked Mr. Ernest Gethers of the City to assist in resolving this matter.

At this time, Mr. Flower interjected that the Crescent City Partnership, an umbrella organization for the Crescent City Job Match (CCJM), is planning a fundraiser next month at Tipitina's. He reminded the Board that of the funds collected initially, the IDB contributed \$15K for the creation of the computer program data-base and an additional \$10K which then represented a total \$25K match issued by the Housing Authority of New Orleans (HANO). The majority of those funds have been depleted and the

fundraiser is now necessary to continue to move the program forward. The program to-date has lived up to its charge and has serviced the community well. He stated that he hoped funds from any developer who failed to meet their commitment could be used for training.

Mrs. Good stated that in the minutes, the Board discussed IDB funds as related to claw back money. It was her understanding, with regards to developers who do not meet employment targets, that any penalty money was to go to the City as supplemental PILOT payments. Clarity was provided that claw backs are manifested in two ways: 1) failure to meet employment targets during the construction period and 2) failure to meet or exceed benchmarks during operation, including employment targets and revenue thresholds. Funds generated for failure to meet employment targets during construction are what is being requested to be used for training. Mr. Flower added that he hopes the City will join the IDB in making this a commitment and that anticipated training programs could be worked through Delgado College. This, he stated, can be voted on in the future once claw back failures are identified.

ADMINISTRATOR'S REPORT

Ms. Martin presented her report on recent work accomplished by office staff which included but not limited to: an in-house full collection of all IDB transaction transcripts; creating a second \$100K Certificate of Deposit at First NBC as directed; providing the City's Department of Treasury a copy of all PILOT Agreements for its collection and monitoring of yearly PILOT payments; re-sending letters to those developers who have not yet responded to the claw back monitoring requirements; sending letters to developers who have not yet provided reports on employment targets/local economic impact as required in the Lease Agreement; collecting all annual administrative fees with the exception of \$750 which is the result of a miscalculation; and assisting Mr. Flower with a presentation scheduled for a meeting with the New Orleans Business Alliance's Economic Development Toolkit Task Force.

POLICIES AND PROCEDURES - Update

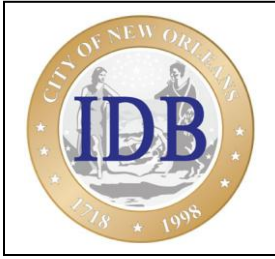
Mr. Flower informed the Board that work on the policy and procedures is still ongoing. A scheduled presentation will be made at the April Board meeting.

NEW BUSINESS.

The Board agreed unanimously to move the April 2012 board meeting to either later in the afternoon of the scheduled April 17th date or to April 18th. Ms. Martin is to work this out and advise the Board accordingly.

The meeting was adjourned at 1:52 PM.

Susan P. Good, Secretary/Treasurer



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

**JUNE 6, 2012 AT 2:00 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine, III
Walter C. Flower, III
Alan H. Philipson
Darrel J. Saizan, Jr.

Ronald G. Baptiste, Jr
Dr. Ronald French
Allison B. Randolph, III
C. David Thompson

Elijah M. Feinstein
John L. Koch
Theodore C. Sanders

Absent:

Farrell J. Chatelain, Jr.

Susan P. Good

Helen LeBourgeois

Also Present:

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

Guests:

Stanley McDaniel, The McDaniel Group
Steven Kennedy
Jaquette White, The Times-Picayune
Ted Kirn, Office of Assessor Errol Williams
Derrick Francis, Office of the Mayor, City of New Orleans
Ernest Gethers, City of New Orleans
Jeb Bruneau, Advantous Consulting
Paul Murphy, WWL-TV
Kate Conerly, WWL-TV
Hayne Rainey, City of New Orleans
Wayne E. Woods, Wayne E. Woods, APLC
Stephen Stuart, Bureau of Governmental Research

President, Walter C. Flower III called the meeting to order at 2:03 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan Philipson and seconded by Mr. Justin Augustine, the Board voted unanimously to approve the minutes of the April 17, 2012 Board meeting.

SIX FLAGS

Bond Counsel, Ray Cornelius, provided the Board with a background, advising that Fox Productions, Louisiana is seeking temporary use of the Six Flags site for the purpose of shooting a movie beginning June and ending in August. He has been in contact with the production company representative, Mr. Flower and the City in negotiating the terms of the agreement. At this time, the company has been granted access to the site in preparation of the shooting. A Certificate of Insurance has been provided. The Concession agreement includes grass cutting at the Six Flags site; correcting some structural problems which the production company agrees it will repair and/or modify including buildings and rides; maintenance and security. The agreement also includes a confidentiality clause for non-disclosure of the name of the movie. Mr. Cornelius stated that Board approval is now being sought, granting the President authority to sign the document.

By motion of Mr. Philipson and seconded by Mr. Augustine, the Board voted unanimously to grant the President the authority to sign the document.

FINANCIALS

Mrs. Susan Good advised the Board that March financials could not be prepared timely for the April board meeting as all bank statements had not yet been received. Certain bank statements, she advised, are not available until after mid-month. The Board will review the March financials at the May meeting.

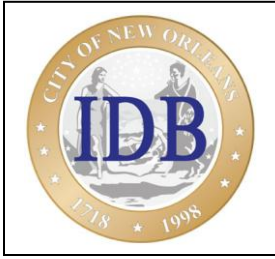
ADMINISTRATOR'S REPORT

Ms. Martin presented her report advising that she continues to work with consultants Jeff Yellin concerning the claw back monitoring, and Stan McDaniel concerning the employment monitoring. Further, she is working with consultants Prof. Toni Weiss and Mr. McDaniel as relates to the cost/benefit analyses and "but for" analyses being prepared in connection with the South Market District projects. She noted that the Developer has tendered all funds associated with these analyses. She assisted Mr. Flower with a presentation and attended the meeting before the N. O. Economic Toolkit Task Force at the office of the New Orleans Business Alliance. Further, research was undertaken to obtain current bank rates on certificates of deposits - a copy of the rate schedule is included in each member's folder. Iberia Bank offers the best interest at this time - .7% for ten months. Work continues on the audit, and work has begun on gathering materials for a subpoena issued by the FBI in connection with the Home Depot and MSP Projects applications. The subpoena information is to be returned by April 27th.

Mr. Flower interjected that he has asked personnel at Iberia Bank to take a look at the IDB's request for the best interest rate in an effort to see if there is a better offer. He is awaiting a response. Once received, he will inform the Board. It was also suggested that the Board consider a 2-year certificate of deposit rather than the 6-month and 1-year CDs it currently maintains at other banks. No vote was taken at this time.

UPDATES

Six Flags



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

**JUNE 6, 2012 AT 2:00 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine, III
Walter C. Flower, III
Alan H. Philipson
Darrel J. Saizan, Jr.

Ronald G. Baptiste, Jr
Dr. Ronald French
Allison B. Randolph, III
C. David Thompson

Elijah M. Feinstein
John L. Koch
Theodore C. Sanders

Absent:

Farrell J. Chatelain, Jr.

Susan P. Good

Helen LeBourgeois

Also Present:

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

Guests:

Stanley McDaniel, The McDaniel Group
Steven Kennedy
Jaquette White, The Times-Picayune
Ted Kirn, Office of Assessor Errol Williams
Derrick Francis, Office of the Mayor, City of New Orleans
Ernest Gethers, City of New Orleans
Jeb Bruneau, Advantous Consulting
Paul Murphy, WWL-TV
Kate Conerly, WWL-TV
Hayne Rainey, City of New Orleans
Wayne E. Woods, Wayne E. Woods, APLC
Stephen Stuart, Bureau of Governmental Research

President, Walter C. Flower III called the meeting to order at 2:03 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan Philipson and seconded by Mr. Justin Augustine, the Board voted unanimously to approve the minutes of the April 17, 2012 Board meeting.

SIX FLAGS

Bond Counsel, Ray Cornelius, provided the Board with a background on this matter, advising that Fox Productions, Louisiana is seeking temporary use of the Six Flags site for the purpose of shooting a major film beginning in June and ending in August. Mr. Cornelius has been in contact with the production company representative, Mr. Flower and the City in negotiating the terms of the agreement. In preparation of the film shoot, the company has been granted access to the site. The IDB has been provided a Certificate of Insurance. The Concession Agreement includes grass cutting at the Six Flags site, maintenance and security, as well as correcting some structural problems the production company will repair and/or modify including buildings and rides. The Agreement also includes a confidentiality clause for non-disclosure of the name of the movie. Board approval is now being asked to grant Mr. Flower authority to sign the document once it has been completed. The Board was further advised grass cutting includes inside the grounds and the perimeter of the Six Flags site.

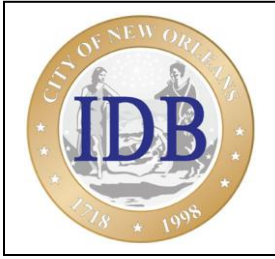
By motion of Mr. Philipson and seconded by Mr. Augustine, the Board voted unanimously to grant the President authority to sign the Six Flags Concession Agreement and the Lease Agreement.

After the vote, Dr. Ronald French raised the question as to whether or not an abstention would be appropriate if there is a possibility that a Board member's relative may have an economic interest in the matter. Mr. Cornelius encouraged the Board to call bond counsel in advance of the meeting to discuss their particular circumstance. He recommended abstention in this instance. The vote granting the President authority to sign the Concession Agreement was re-counted. The outcome of the vote was 10 Yeas and 1 Abstention.

Mr. Augustine updated the Board on the status of the Six Flags redevelopment matter. He prefaced his update with the reminder to the Board that Mr. Cornelius remains involved in the process with the City and the Developer. The group is hopeful of closure on a Lease Agreement in the very near future. Mr. Cornelius interjected that no problems exist with the joint usage of the property by the Developer or the film company. He then advised that the City would like the Board to grant authority to the President to execute the Lease Agreement when it has become final. Bond Counsel presented Resolutions for the Concession and Lease Agreements. Copies of the Resolutions were included in each member's folder. Mr. Flower assured the Board that under the terms of both agreements, it is a requirement that the IDB is protected and maintenance and security are part and parcel of the agreements.

Mr. Cornelius then informed the Board that the lease terms (the redevelopment lease) is for no longer than two years. Within that time period the Developer has goals which it must meet. If the project comes to fruition, construction is to begin in two years. He added, in connection with the film company agreement, that filming is to end August 2012. However, if there is a need to extend the terms, it will be with the consideration of the Developer. Both sides have agreed to accommodate each other's project and its plans.

By motion of Dr. French and seconded by Mr. Augustine, the Board voted unanimously to grant the President the authority to sign the Lease Agreement with the Developers and the City once it has been completed.



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

**AUGUST 22 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine, III
Elijah M. Feinstein
Helen LeBourgeois
Allison B. Randolph, III

Ronald G. Baptiste, Jr
Walter C. Flower, III
Alan H. Philipson
Darrel J. Saizan, Jr.

Farrell J. Chatelain, Jr.
Dr. Ronald French
George V. Perez, Jr.
C. David Thompson

Absent:

Laura Brown

Susan P. Good

Theodore Sanders

Also Present:

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

Guests:

Bradley McCoy, Stirling Properties
Stanley McDaniel, The McDaniel Group
Kirk Lee, Cement Masons-Local 567
Henry Charlot, Downtown Development District
Joe Rochelle, City Council
Ben Myers, City Business
Bill Soltz, Commercial Advisors
Matt Schwartz, Domain Companies
Don Allison, Advantous Consulting
Aimee Quirk, City of New Orleans
Toni Weiss, Tulane University
Ernest Gethers, City of New Orleans
Jeb Bruneau, Advantous Consulting
Damon Burns, Morgan Keegan
Richard Allen, HRI
LaSwanda Green, Downtown Development District
Max Vorhoff, New Orleans Business Alliance
Melissa Ehlinger, New Orleans Business Alliance

Lauren McKnight, FFC Capital Advisors
Stephen Daste, FFC Capital Advisors
Brent Pagragan, Carr, Riggs & Ingram
Becky Mowbray, Times Picayune
Stephen Stuart, Bureau of Governmental Research
D. Francis, City of New Orleans
Carol Rocque, Damon Rocque Securities Corporation
Kim T. Henry, Essential Environmental Engineering, Inc.
Kahlid Gross, Capital Projects

President, Walter C. Flower III called the meeting to order at 12:33 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. C. David Thompson and seconded by Mr. Allison B. Randolph, III, the Board voted unanimously to approve the minutes of the June 6, 2012 Board meeting.

The President introduced and welcomed the newest member of the Industrial Development Board, Mr. George V. Perez, Jr.

SOUTH MARKET DISTRICT

Mr. Matthew Schwartz, representing the South Market District projects, was introduced. He provided an overview of and a status update on the projects. The President then informed the Board, that after several meetings and with input from the City and the New Orleans Business Alliance, it is believed that a PILOT proposal has been generated that would make this project work. He added that during these meetings, the Developer shared concerns regarding the financial claw back requirements of the IDB. After careful consideration of the Developer's 15-year PILOT request and the presentation of its 15-year pro forma, the IDB Board is now being asked for approval of the following:

PILOT Proposal

1. During the first two years (2013 and 2014 - the construction period) taxes will be frozen at its current level of approximately \$112,000 for Parcels C & D combined.
2. After the construction period, the IDB proposes a 10-year PILOT beginning in year 2015 constructed as follows:
 - a. From 2015 - 2021, inclusive, taxes will increase each year by 5%;
 - b. In year 2022, taxes will increase by 25% on taxes to be estimated by the Assessor;
 - c. In year 2023, taxes will increase by 50% on taxes to be estimated by the Assessor;
 - d. In year 2024, taxes will increase by 75% on taxes to be estimated by the Assessor;
 - e. In year 2025, the end of the PILOT, taxes would be at full value;
 - f. The Developer shall make every effort possible to meet the IDB's 40% local hire requirement;

- g. The Developer will adhere to the City's 35% DBE participation requirement;
- h. Failure to meet the requirements would trigger claw backs during the construction period.

No financial claw backs were discussed. With regard to the City's DBE requirement, failure to meet that commitment gives the City the authority to withdraw its support of the PILOT.

Prof. Toni Weiss was asked to provide information relative to taxes foregone and jobs to be created. The construction time frame for Parcel C (retail and apartments) is estimated at 18 months and Parcel D (parking garage and retail), 10 months. The numbers of jobs to be created: Parcel C - 41 and Parcel D - 71. Discussions were held concerning the projects and their loan structures. Financing has not yet been secured. In answer to questions concerning sales taxes generated from these projects, the Board was advised that Parcel C sales tax revenues to the City were estimated at \$10M. Parcel D sales tax revenues were estimated at \$8M.

Mr. Schwartz was asked for a list of the proposed retail tenants. He informed the Board that at this time, he was not able to disclose the names of tenants as negotiations with a number of proposed tenants are still underway. He did state, however, that the tenant base would be comprised of national and local businesses. Ms. Aimee Quirk interjected that the proposed projects are a benefit to the City. She, along with Messrs. Flower and Philipson, thanked Melissa Ehlinger and Max Vorhoff of the New Orleans Business Alliance for their input and advice on reaching a reasonable proposal. Mr. Flower added that with the Assessor's input in providing hard numbers, the process of reaching a final proposal was made easy. It is hoped that his input on the future value of the property is continued.

After all discussions were had, the President requested a motion for approval of the PILOT payment plan, including the 40% local hire requirement and the City's 35% DBE participation requirement. By motion of Mr. Alan Philipson and seconded by Mr. Darrel Saizan, the Board voted 11 Yeas and 1 Abstention for approval of the proposed PILOT. Final documents are to be rendered once financing has been secured.

SIX FLAGS

Bond counsel, Ray Cornelius, advised the Board that negotiations between the City and DAG/Provident continue to move forward concerning the outlet mall. Final comments on the documents are anticipated within the next few weeks. It is forecasted that by next year, a determination will be made as to whether or not this project will move forward. Further, he advised, there has been film activity at the site and that revenues generated for such activity and any future similar activities can create income for continued maintenance and security of the site. Mr. Cornelius advised that Mr. Flower has been extremely cautious in ensuring that any filming at the Six Flags site does not promote the site in any negative fashion or a fashion that could impede any redevelopment of the site. Mr. Flower interjected that as a result of the last filming activity, the grass on the site and at both entrances have been cut and fences have been repaired, and, that as with any filming activity, insurance is a requirement. Ms. Quirk stated that the announcement by the Riverwalk developer of its plans to include the addition of an upscale outlet mall component will have no bearing on what is being proposed at Six Flags. Mr. Cornelius added that IDB approvals to allow filming should not interfere with the Developers work.

ADMINISTRATOR'S REPORT

Ms. Martin reported that she continues to work with both consultants on the claw back monitoring, and the employment monitoring. Jeff Yellin, the consultant who was selected to handle the PILOT claw back monitoring, recently advised that he is no longer able to continue work on the project. Mr. Flower interjected that Mr. Yellin has been out of the country for quite a while and as a result, is unable to continue the assignment. Ms. Martin further advised that she was in attendance at a meeting between Mr. Flower and Mr. Keith Eleuterius, the newly selected consultant to handle the monitoring of the PILOT claw backs. Mr. Baptiste questioned the manner of arbitrary selection of a consultant and suggested that the process should allow other board participation and input. Mr. Flower interjected that Mr. Eleuterius was not officially assigned or commissioned but that rather, he is in the process of assessing the assignment in an effort to determine any additional or supplemental fees that might be due by the developer.

Ms. Martin advised that grass along the Michoud Boulevard corridor between Adventure and W. Cavalier near Six Flags has been recently cut and the cost was the same as quoted - \$3,150. Additionally, she attended a meeting with Ray Cornelius involving Six Flags to clear Fox Production and its use of the site. While there, they met with representatives of Red Bull who is requesting use of the site for filming. IDB signs have now been placed at the Drury Inn Hotel site on Poydras. She attended a meeting in re South Market District Projects with Aimee Quirk, Matt Schwartz (Developer), NOBA representatives Melissa Ehlinger and Max Vorhoff, and IDB committee members, Walter Flower, Alan Philipson, and Allison Randolph. She has worked with Ray Cornelius, Mr. Flower and the Mayor's Film Office regarding a Six Flags-site-use request by film companies. Work to update the IDB website continues and the IDB's 2010 audit has been included. She met with Mr. McDaniel in connection with the employment monitoring and as a result now seeks the support of Mr. Flower and bond counsel in obtaining requested data that has yet to be delivered by the Hyatt and Zelia. Mr. Flower requested bond counsel's involvement. She further advised that she was successful in collecting the outstanding administrative fee of \$750 due from the Developer in the New Savoy II project, and that she is currently working on the 2012-2013 administrative fee data to be delivered to Hancock/Whitney.

OTHER BUSINESS

Mr. Flower updated the Board on the financial status of Crescent City Job Match, advising that over 220 matches have been made to-date. In addition to the HANO requirement of contractors posting jobs, the program has been successful in securing the posting of jobs by other local employers. Since the last infusion by the IDB and HANO, the funds of the program have been depleted or will soon be depleted. He and Mr. Gilmore agreed that if each were to come up with \$20K, the other would try to match it. He then asked the Board to consider the infusion of \$20K for continuance of the program. Prior to a motion, with many of the board in approval, Mr. Randolph interjected that he agreed the program was a good one but that he had concerns about compensation to the IDB staff. Mr. Philipson suggested that such a discussion should be held in an Executive Committee meeting or, as otherwise suggested by Mr. Cornelius, an Executive Session. Such an executive session is generally held towards the end of a board meeting he advised. Mr. Baptiste offered that it was his understanding that an employee could waive his/her right to have the matter discussed in an Executive Session. Mr. Randolph asked Ms. Martin to get with him to secure four Board members to volunteer on a committee to review personnel matters. After all discussions, a motion by Mr. Philipson and seconded by Ms. Helen LeBourgeois to approve an additional infusion of \$20K into the Crescent City Job Match program, the Board voted unanimously for approval of same.

On another issue, Ms. Martin, requested board consideration of a Crescent City Job Match ad in the upcoming edition BreakThru magazine which reaches a large local audience, advising further that inclusion of the ad will run for two months. No decision was made at this time.

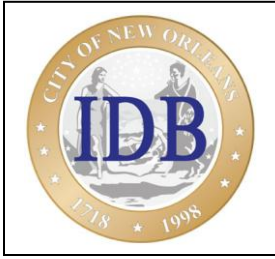
The Board then discussed the change of date of the IDB's monthly board meetings. After motion of Helen LeBourgeois, seconded by Mr. Justin Augustine, the Board voted unanimously to change the IDB's meeting date from the third (3rd) Tuesday of each month to the second (2nd) Tuesday of each month. The meetings will be held at the same time and at the same location. Ms. Martin is to ensure the use of the 21st floor conference room.

FINANCIAL

Ms. Martin informed the Board that a copy of the current audit was included in their packets. She then introduced Mr. Brent Pagragan who provided an overview of the findings of the audit. In conclusion, he advised that the IDB received a good 2011 audit. The Board voted unanimously to approve the 2011 Audit.

The meeting was adjourned at 1:49 PM.

Susan P. Good, Secretary/Treasurer



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

**NOVEMBER 13, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Justin T. Augustine, III
Farrell J. Chatelain, Jr.
Walter C. Flower, III
George V. Perez, Jr.

Ronald G. Baptiste, Jr
Susan P. Good
Dr. Ronald French
Darrel J. Saizan, Jr.

Laura Brown
Elijah M. Feinstein
Alan H. Philipson

Absent:

Helen LeBourgeois
C. David Thompson

Allison B. Randolph, III

Theodore Sanders

Also Present:

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

Guests:

Kyle France, Poydras Properties
Terri Baptiste-Franklin, Regions Bank
Ben Myers, City Business
Ted Kirn, Assessor's Office
Roy Blossman, Carver Darden Firm
LaSwanda Green, Downtown Development District
Derrick M. J. Francis, Mayor's Office
Max Vorhoff, New Orleans Business Alliance
Wayne J. Neveu, Foley & Judell
Maximum A. Perdomo, Insulators & Allied LU#53
Ernest G. Gethers, City of New Orleans

President, Walter C. Flower III called the meeting to order at 12:35 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan H. Philipson and seconded by Mr. Justin T. Augustine, III, the Board voted unanimously to approve the minutes of the August 22, 2012 Board meeting.

CRESCENT CROWN DISTRIBUTING

Bond counsel, Ray Cornelius, advised that the purpose of today's presentation is for Board approval of a document that provides for an assumption and which adds another party to the Lease Agreement. He confirmed that all original parties remain responsible to the Board. After the motion offered by Mr. George V. Perez, Jr. and seconded by Mr. Augustine, the Board voted unanimously to allow the assumption and addition of the new party with the understanding that all original parties will remain responsible to the IDB in connection with this bond issuance.

SIX FLAGS

Mr. Flower provided an explanation of the current expenses in connection with the gate repairs at Six Flags, as well as the necessity to hire security during the pre-Halloween and Halloween night dates. The grass growth and need for new signs were also addressed.

Mr. Flower continued advising that there is a possibility of a \$30M back-lot proposal for the Six Flags site. The application may come before the Board at its December meeting.

FINANCIAL REPORT

Mrs. Susan Good, Secretary-Treasurer, presented the August and September reports. She reminded the Board of its vote to approve an additional allocation for the Crescent City Job Match Program but added that the vote to amend the budget had not been taken. By motion of Susan Good and seconded by Mr. Philipson, the Board voted unanimously to amend the 2012 Budget to include an additional amount up to \$20K for the CCJM Program.

ADMINISTRATOR'S REPORT

Ms. Sharon Martin, Administrator, reported handling and vetting more than 10 inquiries from companies and individuals wanting access to the Six Flags site for filming or photography. She further reported working with the Mayor's Office in getting the property across from the Halpern's manufacturing plant on So. Jeff Davis cleaned. She also researched, assisted and interceded on behalf of Mr. Alvin Halpern as to his inquiry into the ownership/properties involved in the PILOT granted the Halpern's project in its bond issuance. (The Assessor's Office had not included all parcels involved in the PILOT and had increased property taxes on certain parcels that should have been tax exempt). Work continues in assisting and securing documents and information for both consultants, Keith Eleuterius and Stan McDaniel, in their monitoring of claw backs. Ms. Martin prepared the update of the 2012 annual administrative fees to be invoiced. The results show potential increases in administrative fees to be collected on a number of IDB projects. The 2012 invoice list has been sent to Beth Zeigler of Whitney/Hancock Trust for invoicing. Additionally, letters have been sent to both the Board member and their respective council member advising of their pending appointment terminations. She is working on clearing up a PILOT issue in the 521 Tchoupitoulas project, noting that said PILOT is a full-PILOT payment (maximum PILOT). Therefore, full payment of taxes are due. Notice was issued to the Developer of the increased payments for years 2009-2013. Further, she coordinated repair of the wrought iron gate and security at Six Flags. Total cost of gate repairs is \$1,250.00 and security costs totaled \$1,080. She attended a pre-IDB board meeting with City officials in re South Market Project and assisted in an inquiry by New Savoy Phase II developer regarding recent taxing of property involved in its project. A Crescent City Job Match piece was created for inclusion on the IDB website. She succeeded in acquiring two employers, L&R Security (currently accepting applications for hundreds of

job openings from January thru April) and BreakThru magazine (for positions of account executives), to post their jobs to the CCJM site. Per conversation with Ms. Jenkins, the CCJM administrator, postings are being made and applications are being taken. Ms. Martin worked with Max Vorhoff (NOBA) and Ernest Gethers (City) on obtaining new property tax revenue figures in light of the project reconfiguration presented in the South Market District apartment/retail project. She reported the results of inquiries into insurance coverage that shows insurers are not eager to provide insurance on the Six Flags property.

UPDATES

Mr. Cornelius updated the Board on the status of the redevelopment of the Six Flags site, advising that the Developer has begun its due diligence and that the Concession Agreement is being worked on and should be signed soon. He reported that within the first six months, the Developer should be able to provide a report on its findings. By the end of the year, they should have a plan, if the project is feasible. The entire review of determining whether the project is viable could take up to two (2) years during which time the Developer will be meeting certain targets set by its project and by the IDB/City. At the signing of the Concession Agreement, the Developer will agree to provide insurance for the property and pay to the IDB \$20K a year which will aid the IDB in its expenditures for maintenance and security of the property. Distribution of the \$20K will be paid on a monthly basis. The Developer does not wish to serve as a Lessee at this time.

Mr. Flower interjected that at this time, the IDB is maintaining the grass and security of the site. Mr. Gethers informed the Board that he had nothing new to report with regards to the City providing signage at the site.

Mr. Cornelius then suggested that the IDB place concrete barriers, like those used by DOTD, at the entrances to the Six Flags site to prevent any vehicular entry to the property. Mr. Augustine agreed to work with staff, stating he would check with DOTD on the availability and placement of the barriers. He [Cornelius] then recommended to the IDB that further inquiries be made to get insurance coverage on the property. Mr. Eli Feinstein then suggested that the Board have a back-up plan should the Developer back out of the outlet mall project. At this time, the Board ensued conversation concerning the IDB ownership of the Six Flags site. Mr. Augustine agreed to assist Ms. Martin with the following: 1) getting the City's input and participation in securing insurance of and signage on the site; and 2) procuring barricades for the site.

Mr. Flower then updated the Board on the status of the monitoring being done by Mr. Keith Eleuterius, advising that his review of the Domain Company projects, namely 750 So. Jeff Davis, The Preserve and The Crescent Club, has been successful, resulting in a finding that additional funds are to be recovered from this Developer as per our claw-back agreement. In response to an inquiry by Mr. Ronald Baptiste, Mr. Flower advised that the consultant doing the monitoring of the PILOT claw backs was recommended by Carr Riggs and Ingram, the IDB's auditors. He stated further that so far Mr. Eleuterius has done a good job and that he [Flower] would like to send him an additional project. The fee he [Eleuterius] has presented for monitoring is \$500 per project. It was further discussed that because of the amount of the fee (\$500 per project), there is no need to put out a RFP. Mr. Baptiste stated that as the IDB finds need select individuals/companies for work, it should also find ways to include others to participate. He added that the IDB can not ask Developers to meet certain standards and not meet them as well and others agreed.

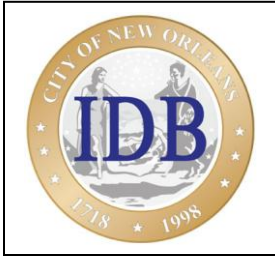
At this time, by motion of Mr. Philipson, seconded by Mr. Darrel Saizan, the Board voted unanimously to allow for the \$500 per project fee of Mr. Eleuterius with a ceiling of \$8000.

On another matter regarding the Board's approval of PILOTs and claw backs, Mr. Cornelius requested consideration to simplify the process in which the Board evaluates PILOTs and the IDB annual administrative fees. He recommended that Board fees be considered based on the estimate of the cost of the project as presented by the Developer or based on the assessor's value. Additionally, he recommended that a modification be made as to how PILOT payments should be handled, suggesting that it be based on the lesser between the cost of the project when completed or the market rate value as assessed by the City assessor.

By motion of Mr. Farrell J. Chatelain, and seconded by Mr. Augustine, the Board voted unanimously to accept the new valuation process of PILOTs and IDB annual administrative fees as recommended by bond counsel.

The meeting was adjourned at 2:07 PM.

Susan P. Good, Secretary/Treasurer



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

**DECEMBER 11, 2012 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS - THE AMOCO BUILDING**

Present:

Ronald G. Baptiste, Jr
Elijah M. Feinstein
Helen LeBourgeois
Allison B. Randolph, III

Laura Brown
Walter C. Flower, III
George V. Perez, Jr.
Darrel J. Saizan, Jr.

Susan P. Good
Dr. Ronald French
Alan H. Philipson
C. David Thompson

Absent:

Justin Augustine, III

Farrell J. Chatelain, Jr.

Theodore Sanders

Also Present:

Sharon Martin, Administrator, IDB
Joy Matthews, Admin. Assistant, IDB

Guests:

John Anderson, Starlight Studios
Jimmy Baugnon, Starlight Studios
Billy Burk, Starlight Studios
Richard W. Hye, Jr. Starlight Studios
Kevin Murphy, Starlight Studios
Matt Schwartz, Domain Companies
Stephen Daste, FFC Capital
Damon Burns, Morgan Keegan
Max Vorhoff, New Orleans Business Alliance
Derrick Francis, Mayor's Office, City of New Orleans
Melissa Ehlinger, New Orleans Business Alliance
Jeb Bruneau, Advantous Consulting
LaSwanda Green, Downtown Development District
Kara Johnson, City Council
Aimee Quirk, City of New Orleans, Economic Development
Ernest Gethers, City of New Orleans, Economic Development
Stephen Stuart, Bureau of Governmental Research
Stanley McDaniel, The McDaniel Group

President, Walter C. Flower III, called the meeting to order at 12:35 PM. A roll call was conducted and a quorum confirmed. Introductions by all guests were held. By motion of Mr. Alan H. Philipson and seconded by Mr. Allison B. Randolph, III, the Board voted unanimously to approve the minutes of the November 13, 2012 Board meeting.

STARLIGHT STUDIOS

The President advised that representatives of the project were in attendance to provide its proposal for a back-lot film studio. He added that it was understood that no vote will be taken after the presentation. He further noted that the application had not yet been received by the IDB.

As an aside, Mr. Flower addressed the IDB's requirement for 18 copies of the application for Board distribution and file. After explanation of the onus and cost to the Developer to meet this requirement, he asked for discussion on the change of this requirement to 5 - 6 copies including a disk copy for Board distribution. After discussion, by motion of Mrs. Laura Brown and seconded by Mr. Philipson, the Board voted unanimously to change IDB requirement of 18 copies of an application to 5 - 6 copies including a copy upon filing of any application.

Mr. King Logan, a Developer representative, provided a brief overview of the proposed project, distributing a hard copy of the presentation. The studio will be located on Old Gentilly Road. Mr. Logan then turned the presentation over to Mr. Billy Burks who informed the Board that the Developers propose to erect a back-lot film studio and production center on 32 acres of land in New Orleans East near the NASA plant on Old Gentilly Road, strictly for feature filming. It will be a \$28 million project resulting in a permanent staff of 8 - 10 employees. At optimum, it is anticipated that the site will hire up to 500 crew and industry employees with 90% or more as local hires when filming contracts are secured. It is further anticipated that the studio will generate over \$25M in annual payroll. The Developer is seeking \$10M in bonds and a 10-year PILOT. The site will offer tenant space to industry-related vendors and companies. Other representatives of the Developer provided insight, including Mr. Kevin Murphy, who opined that Starlight Studios will have the ability to compete with other studios around the state by offering 4 sound stages and film-related services located on site. Further, the studio will take up 16 of the 32 acres, leaving the remaining 16 acres undeveloped. The property is currently assessed at \$35,300 and valued at \$235,000. The anticipated completion of the project is in 2014. After Board discussion and questions, the Board was advised that the application should be received by the end of the week.

SOUTH MARKET DISTRICT

Mr. Flower explained that the Developer had to re-do financing in this project and that HUD is now providing the financial assistance needed to move this project forward. As a result of HUD involvement, a re-configuration of the project was required that increases the number of apartment units, therefore, reducing the number of retail outlets. HUD has required more "work/live" space, i.e., a situation that creates space where the retailer may live in the space as well as offer services or sell product. The net-net effect, he explained, is that there is little change in the cost/benefit to the City; that the IDB, the City and NOBA have been meeting to discuss the PILOT, which the Board already approved, determining that conditions remain in effect. The City is comfortable with the final numbers. Mr. Matthew Schwartz, Developer representative, informed the Board that they are now waiting on a letter from HUD which they hope to receive by year end. It is anticipated that financing will be secured for closing at or near April or May 2013.

FINANCIAL REPORT

Mrs. Susan Good, Secretary-Treasurer, presented the October and November reports.

Mrs. Good then commented on the earnings of Ms. Martin, the IDB administrator, advising that it was increased by 2% last year with the addition of health insurance. Ms. Martin informed the Board at this time that a letter was recently received from the City advising that the cost of employee health insurance has increased. Before Mrs. Good completed her presentation, Mrs. LeBourgeois suggested that matters such as employee salaries, etc., be taken up in an Executive Session. After discussion, the Board voted to meet at 11:45 on January 8, 2013, just ahead of the regular Board meeting.

The President then commented that Ms. Martin's workload has increased in light of the two separate monitoring processes that are ongoing and suggested that she be given a bonus/supplemental pay. After discussion, and by motion of Mr. Darrel Saizan, and seconded by Mrs. Brown, the Board voted with all in agreement, except Mrs. LeBourgeois who abstained. The issuance of the bonus/supplemental pay is subject to discussion by Mr. Flower with legal counsel.

ADMINISTRATOR'S REPORT

Ms. Sharon Martin, Administrator, presented her report, noting in particular, the continued calls relating to Six Flags and use of the site. Work continues with Ray Cornelius concerning Fox Productions' use of the site, and work continues with both the consultants, Stan McDaniel and Keith Eleuterius in their respective monitoring of claw backs. The list of annual administrative fee invoice data has been transmitted to Whitney/Hancock. Per Mr. Augustine's request, she has intervened in his discussions with DOTD concerning the availability of barricades for the Six Flags site. She has received approval from the DOTD that barricades are available but must be picked up and delivered to the Six Flags site by the IDB. A request for assistance has been made with the City. (Mr. Flower asked Mr. Ernest Gethers of the City for a status update and was informed that he had nothing new to report at this time.). A presentation for a Crescent City Job Match ad in BreakThru magazine was made and the Board declined recommending that it's advertising be more targeted.

UPDATES

Six Flags

Mr. Flower informed that the Developers (DAG/Provident) are currently doing due diligence in pursuit of their project. Mr. Cornelius is working with both DAG/Provident and Fox Louisiana Productions (who has requested use of the site for filming of both Percy Jackson 2 and Apes) to ensure there are no conflicts with regards to the site's use. Ms. Martin interjected that she obtained quotes from Ramelli's, the company that has been doing the grass cutting. Currently, the cost proposed is \$650 for the cutting of the grass along Michoud from W. Cavalier to Adventure including spraying, with \$500 for an every two-month cutting, depending on the weather. By motion of Mr. Ronald Baptiste and seconded by Mr. Saizan, the Board voted unanimously for acceptance of the quote for the initial cutting at \$650 and subsequent cutting at \$500 every two-three months.

Employment Monitoring

Mr. McDaniel presented final monitoring reports on B. W. Cooper, Lafitte Phase I (Blocks 1 - 3) and Lafitte Phase II (Blocks 5 - 7). The B. W. Cooper is in compliance with the terms and conditions of the Lease Agreement having met the 40% local hire.

Lafitte Phase I has not complied with the strict interpretation of the Lease Agreement in achieving 25% local economic impacts related to vertical construction through either hiring a local general contractor or through subcontracting. It is a little ambiguous, but in light of the fact that the aggregate dollars spent by the Developer towards subcontracting to include suppliers, contracting fees and infrastructure improvement, the Developer's total local spending, excluding soft costs, was approximately \$9.425M, the percent of which produces a local economic impact of approximately 44%. This is significantly above what was required and/or anticipated under the terms of the agreement.

Lafitte Phase II did not fully comply with the conditions of the Agreement with respect to achieving the stated 40% local economic impacts related to vertical construction through employment. After all research and consideration, it was determined that the Developer would be responsible for an additional PILOT payment equal to approximately \$23,350, representing a 3% shortfall of the stated goals. Ms. Martin reminded the Board that it agreed to take into consideration minimal shortfalls. She also advised she has received calls from the Developers seeking copies of these reports which she feels is in order, and asked for concurrence in sending them out respectively. There was no objection to sending copies to the respective developers.

In an aside, Ms. Aimee Quirk, the Mayor's Advisor on Economic Development, suggested that the IDB partner with Job1 in advertising the Crescent City Job Match (CCJM) program. Mr. Flower stated that he will follow up with Job1 and Delgado on the CCJM program.

The meeting was adjourned at 1:58 PM.

Susan P. Good, Secretary/Treasurer