

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE THURSDAY, JANUARY 18, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. YOU WILL BE NOTIFIED IN ADVANCE OF THE NEXT IDB BOARD MEETING WHEN SCHEDULED.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF NEW ORLEANS, LOUISIANA,
INC.

January 10, 2018

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE WEDNESDAY, FEBRUARY 28, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. PLEASE NOTE THE NEXT SCHEDULED MEETING IS TUESDAY, MARCH 13, 2018.

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF NEW ORLEANS, LOUISIANA,
INC.

February 23, 2018

**MINUTE OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
MARCH 13, 2018 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III
Edith G. Jones
Darrel J. Saizan, Jr.
Eric Strachan

Eugene J. Green, Jr
Lesli D. Harris
Theodore Sanders, III
David Thompson

Susan P. Good
Alan H. Philipson
Jeffrey Schwartz

Absent:

Justin Augustine, III
Todd O. McDonald

Troy A. Carter

Mindy Brickman

Also Present:

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

Guests:

Andrew Valenti, City Business
Vincent Weaver, VPG Enterprise
Andrew Lewis, VPG Enterprise
Jessica Williams, The Advocate
Susie Dudis, Bureau of Governmental Research
Terese Bennett, TM Bennett
Newton Blanchard, IUE LU16
Alex Turner, VPG Enterprise
Michael Merideth, VPG Enterprise
Richard Brisco, Gulf South Engineering
Courtney Stuckwisch, City of New Orleans
Jeb Bruenau, Advantous Consulting
Lisa Ross, Orleans Parish Assessor's Office
Stanley McDaniel, The McDaniel Group
Shannon Fethke, American Integrated
Kirk Montgomery, American Integrated
Steve Morese, McDonnell Group
Ernest Gethers, Mayor's Office
Tonya Pope, Jazzland
Steven Kennedy, REO, LLC
Marlana Botnick Fineman, Housing NOLA
Christian Brierre, The Domain Cos.

Kris Comeaux, Local 53 Insulators
Maximus A. Perdomo, Insulators LU#53 Building and Trades
Miles Granderson, Sherman Strategies
Maurice Baird, City Council, Office of James Gray
Akintunde “Kin” Hardy, Hardy Development

President, Alan H. Philipson, called the meeting to order at 12:35 P. M. A roll call was conducted and a quorum confirmed. An introduction of guests was held.

APPROVAL OF December 18, 2017 MINUTES

By motion of Mr. Walter Flower, with a second by Mr. Darrel Saizan, the Board voted unanimously for approval of the December 18, 2017 minutes.

ST. CHARLES/ST. JOSEPH (TWO SAINTS)

David Wolf, Bond Counsel, informed the Board that the Developers wished to table this matter until the April 2018 board meeting.

ROBERT’S MARKETFARE ST. CLAUDE

Mr. Wolf informed the Board that the Developers wished to table this matter until the April 2018 board meeting.

SOUTH MARKET DISTRICT – THE ODEON

Mr. Wolf reminded the Board, with an overview of The Odeon as the next phase of the South Market District project. It will consist of a residential apartment building with parking, including commercial space on the ground floor. He further reminded the Board that a PILOT was approved for this project last March (2017). At that time, the project was described as a 29-story high-rise apartment building, with approximately 259 apartments, 15,000 square feet of commercial space, and a 211 parking-space garage. The original proposal was for a “Certainty” PILOT, beginning at completion of construction with a PILOT payment of \$518,000 for the first year, including a \$50,000 payment to the City for its Neighborhood Housing Improvement Fund (NHIF). Further, the Board agreed to waive its yearly administrative fee. The PILOT approval also included a 3% increase in the PILOT each year thereafter. The agreement did not include an increase in the \$50,000 NHIF incentive to the City. The initial PILOT payment was to be approximately the amount of taxes that would be paid to the City, which amount was based on comparisons to similar projects as was researched by the Developer. Mr. Wolf advised that since then, however, the plans have changed in terms of the number of units and amount of retail space. The new apartment count will jump from 259 units to 271, and the commercial space will decrease from 15,000 sq. ft. to 11,633 sq. ft. With these new specifications, the Developer now estimates that assessed values will change resulting in an increase of an additional \$12,581 of taxes. PILOTs will be concurrent for the two buildings which will be placed in service at the same time. The project will also have HUD financing – a scenario similar to 930 Poydras project. Mr. Wolf advised that a copy of the Resolution seeking Board approval is included each Board member’s folder. (A copy of the Resolution is attached as part of the minutes).

After the presentation, the President asked for a board vote. A motion was offered by Mr. Saizan with a second by Mr. Flower. By roll call, the Board voted unanimously to approve the terms of the Resolution, altering its previously approved PILOT terms accordingly.

The floor was opened for public comment. There was none.

521 TCHOUPITOULAS, LLC (GO ZONE BONDS)

Mr. Wolf provided an overview, advising that this project was a GO Zone tax-exempt bond issuance in 2007 to finance a hotel. At that time, the Developers sought a PILOT. The Administration and the IDB, however, opposed the issuance of the PILOT. The Developers then asked to leave open the option for a future PILOT with the IDB taking ownership of the property. The Board has since owned the property under the Lease Agreement that was agreed upon and signed. The Developers are in discussion to sell the property which would redeem the bonds, paying off the property. Once that is done, the property will be transferred back to the Developers. A copy of the resolution being offered for Board approval is included in the Board packet (a copy of which is attached as part of the minutes). The resolution seeks approval by the Board, authorizing the IDB's officers to sign off on the documents once sold. At closing the IDB will receive a \$1,000 fee. The transaction will include legal fees paid by the Developer.

By motion of Mr. Jeffrey Schwartz, with a second by Mr. Theodore Sanders, the Board voted unanimously to grant the Board officers authority to sign documents associated with the 521 Tchoupitoulas transfer and sale.

DXC TECHNOLOGY

The update of this matter was presented by the President, who advised that a copy of the resolution related to this matter is the same as that involved in the 521 Tchoupitoulas matter – it seeks Board approval authorizing Board officers to sign the Cooperative Endeavor Agreement (CEA) which has been approved by the Council Committee. This CEA is now headed to the full Council for approval. Mr. Philipson advised that today's City Council Committee meeting went well. Mr. Steven Kennedy was offered the floor for comment and stated that the Disadvantaged Business Enterprise language needed to be addressed, but agreed with the President that it was a good meeting.

Conversation continued with Mr. Eugene Green stating that the IDB offered \$1,500,000 as an incentive over a ten-year period; the City \$5 million; and the State \$20 million. Nothing is payable until all compliances have been met. Mr. Saizan asked if there was any discussion concerning participation by and with local schools. Mr. Philipson reported that the terms of the agreement included \$25M going to local universities and that according to the presentation by Terrill Boykin/DXC, they will be looking for local talent. The initial goal is to hire 2,000 locals with an ultimate goal of 4,200 with an average salary of \$63K per year, plus benefits. DXC Technology expressed an eagerness to be good citizens.

With a motion from Mr. Saizan and a second from Ms. Lesli Harris, the board voted unanimously to grant the Board officers authority to sign documents associated with the Cooperative Endeavor Agreement in connection with the DXC Technology move.

EDWARDS NOLA MID-CITY DBE/LOCAL HIRE REPORT

Mr. Miles Granderson presented the DBE/Local Hire report on behalf of Edwards NOLA Mid-City, advising that the project is now in excess of 49% DBE participation with all bidding listed to-date. Local workers' hiring is at 48% but it is still early. Edwards is committed to the living wage compliance and every sub-contractor is aware of this hiring provision.

Mrs. Edith Jones offered her thanks to Edwards for compliance to DBE participation over and above required goals. Mr. Granderson advised that in this project, Edwards is its own general contractor and has no pre-existing relationships.

Mr. Philipson then thanked Mr. Granderson for the update. Mr. Granderson informed the Board that a presentation on the Drive Shack would be provided at a later date.

VPG ENTERPRISES

Mr. Michael Meredith was recognized and introduced himself and acknowledged other members of his organization. He stated that VPG's current project is a neighbor to the Edwards Mid-City project. The VPG project, located at 3701 Bienville, is for the construction of a 58,000 square foot condominium complex. VPG is a developer based, design-build construction entity with asset management capacity. At a later date, he will present to the Board a VPG project in Algiers for 100 affordable apartments. They anticipate seeking a PILOT for this project. In answer to a question raised, Mr. Meredith advised that VPG is located in Harvey with 60% of its business in Orleans Parish.

SIX FLAGS

The President deferred update of this matter to Mr. Ernest Gethers who advised that at this time there is nothing to report, but anticipates a full report being given at next month's meeting.

REPORTS

Financials

Mrs. Susan Good presented the December 2017/year end and the January 2018 reports. She recognized that only some Administrative Fees were received in January with the remainder forthcoming between now and next month.

She reminded the Board that the \$150K for DXC Technology was approved in the 2018 budget, assuming that the payment would be made this year. She then informed the Board of the status of the CD with Six Flags funds. Ms. Sharon Martin, the IDB Administrator, advised that the CD that was reported to mature in March was, in fact, a 13-month CD rather than a 12-month CD and, therefore, would be maturing on April 6 rather than March 6.

The President asked if there were any questions by the Board. Mr. Schwartz asked the handling of the CD once it matured. He was advised that at maturity the funds would be placed in one of the IDB's Six Flags operating accounts (Iberia or Gulf Coast Bank) for future expenses. Ms. Tonya Pope asked clarity on whether the amount left after CD maturity would last until the end of the year. She was informed that the amounts would cover such costs.

IDB City Retirement Participation

Ms. Martin advised that there was no update at this time.

ELECTIONS

Mr. Philipson opened the floor for nominations. Mr. Flower offered the motion that the Board keeps its current slate of officers for one more year, considering all that is going on. He added that he also hoped the IDB would get back to training youth in the City for jobs. Mrs. Jones seconded the Flower motion. By unanimous vote, the Board voted: Alan Philipson/President; Darrel Saizan/Vice President and Susan Good/Secretary-Treasurer.

The President thanked the members of the Board for their confidence, advising that the advantage of working together makes things happen.

OTHER BUSINESS

There was none.

PUBLIC COMMENT

There were no public comments

Mr. Philipson requested a motion to adjourn. Same was offered by Mr. Sanders with a second by Mrs. Jones. The meeting concluded at 1:03 PM.

Susan P. Good, Secretary-Treasurer

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
APRIL 10, 2018 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Justin Augustine, III
Eugene J. Green, Jr
Lesli D. Harris
Theodore Sanders, III

Mindy Brickman
Susan P. Good
Alan H. Philipson
Jeffrey Schwartz

Walter C. Flower, III
Edith G. Jones
Darrel J. Saizan, Jr.

Absent:

Troy A. Carter

Eric Strachan

C. David Thompson

Also Present:

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

Guests:

Danny Rogers, Dreamlanding
Scott Cull, Dreamlanding
Rick Fernandez, Robert Fresh Market
Marc Robert III, Robert Fresh Market
Marc Robert II, Robert Fresh Market
Peter Connick, Butler Snow/Robert Fresh Market
Cameron Boissiere, Greater New Orleans Housing Authority
Sandra Stokes, Louisiana Landmarks Society
Michael Duplantier, Lafayette Square Neighborhood Assn.
Salvador Pusateri, Lafayette Square Neighborhood Assn.
Richard Briscoe, Gulf South Engineering
Tonya Pope, Jazzland
Maximos A. Perdomo, Insulators LU53 Building & Trades
Susie Dudis, Bureau of Governmental Research
Andrew Valenti, City Business
Stephen Favorite, FS Management
Jessica Williams, The Advocate
Randy Hutchinson, Wisznia Architecture + Development
Marcel Wisznia, Wisznia Architecture + Development
Simcha Ward, Wisznia Architecture + Development
S. Kennedy, REO, LLC

Courtney Stuckwisch, City of New Orleans
Rebecca Conwell, Mayor's Office, City of New Orleans
Quentin L. Messer, Jr., New Orleans, LA Business Alliance
Lisa Ross, Orleans Parish Assessor's Office
S. McDaniel, The McDaniel Group
Kathleen St. Germain, Lafayette Square Resident
Ernest Gethers, City of New Orleans
Rosalind Peychaud, Office of Community Development, State of Louisiana
Kenneth Abney, CRI
Akintunde "Kin" Hardy, Hardy Developments
Jeb Bruneau, Advantous Consulting
Immanuel Gilen, Iris Development
Zach Monroe, Sabiston Consultants
Chris Daemarich, Wisznia Architecture + Development

President, Alan H. Philipson, called the meeting to order at 12:36 P. M. A roll call was conducted and a quorum confirmed.

APPROVAL OF MARCH 13, 2018 MINUTES

By motion of Mr. Darrel Saizan, with a second by Mr. Walter Flower, the Board voted unanimously for approval of the March 13, 2018 minutes.

An introduction of guests was held.

ST. CHARLES/ST. JOSEPH (TWO SAINTS)

The President provided bullet highlights of the proposed project which is a 2-story, 203-person "workforce" apartment complex with a communal living component. He introduced the Wisznia team in attendance. The President advised that this co-living concept has become a popular concept in other locations such as New York, Boston and Baltimore. It is being constructed to house the City's workforce, particularly those working in the downtown area. Area median income (AMI) statistics were also provided. There is an agreement between the Developer and the City for a 15-year rent restriction covenant which could exceed the 15-year PILOT. This restriction precludes the Developer from converting the complex into short-term rental, a hotel, or to cash out.

Discussions and questions for clarity were broached by the Board. After all Board discussions, the President opened the floor for public comment.

Mr. Salvador Pusateri, a member of the Lafayette Square Neighborhood Association, began by informing the Board that he and members of the Association had met some time ago with the developers and asked for information which has yet to be received. He added they were not aware of the 15-year agreement. The Developer, in his estimation, has not been forthcoming with the information requested. He also shared concern about the 4-person occupancy of over 203 units.

Mr. Simcha Ward, representing Wisznia, responded that each unit has 4 bedrooms, and that there are 51 total units to the complex. He apologized to the Lafayette Square Neighborhood Association representatives but stated that as a member of the staff of the Developer, they did meet several times with the Association. The complex, he advised, could house up to some 150-250 people. In further clarity, Mr. Marcel Wisznia added that each unit will have 4 bedrooms with common living areas. 80% of the total complex will be 4-bedroom units, and 20% are one and two-bedroom units. The max would be 230-240 individuals living in the development.

The President then recognized Ms. Sandra Stokes of the Louisiana Landmark Society. Ms. Stokes registered concern that the rent per occupant, set at \$1300, is considered high for workforce housing. She felt that a complex housing people with so many varied backgrounds, and living together with no prior relationship, could cause issues. The Association has concerns about the complex being constructed in their neighborhood, and the use of taxpayer dollars to subsidize such a complex. She requested the Board to deny the Developer's request.

Mr. Michael Duplantier, 1st vice president of the Louisiana Landmark Society and also a member of the Lafayette Square Neighborhood Association stated that he echoed the concerns of the previous members. He stated that [they] found out about the IDB's consideration in local publications, adding that the Association should be allowed to review the documents requested before the Board votes and he asked for deferment of that vote until the documents could be reviewed.

Ms. Cameron Boissiere of the Greater New Orleans Housing Alliance (GNOHA) was recognized and conveyed a statement from the GNOHA Director, Ms. Andrenicia Morris. Ms. Morris stated the City's 10-year housing plan is underway and working. This development, Two Saints, helps to meet the needs of those workforce personnel who cannot afford to live in close proximity to their jobs. Including the workforce element to such projects as this helps the City meet its housing goals.

The President then recognized Mr. Steven Kennedy who stated that he is very "pro" development. He added that he wasn't sure if the IDB members were aware of a recent disparity study issued by the City. The study covered the concept of "fair share" distribution of the work/contracts projects such as this. He stated that what he didn't hear today was information related to DBE and local hire.

Mr. David Wolf, IDB counsel, addressed Mr. Kennedy's concerns, stating that the Board, for a number of years, has included DBE and local hire targets in its PILOT agreement with clawbacks. In particular, failure to meet the 40% local hire target has a penalty attached. The DBE participation correlates with the City's mandate and is "good faith effort" based. If the efforts are not solid, there is a penalty attached thereto. The Lease Agreement details the PILOT and clawbacks. Mr. Kennedy interjected that his interest in DBE participation is not only applied during construction, which he stated was a great policy, but rather for DBE participation during the development stages where businesses such as his can participate. He then inquired as to the type of PILOT being considered in this project.

Mr. Wolf responded answering the last question first – the PILOT being considered is a “subsidy” PILOT, beginning with the payment of \$52,000 per year for two years which amount represents the current taxes due. This amount would be applicable during the construction period. Once the development is placed in service, the PILOT payment would have an incremental increase yearly of 3% - 7% over the following 15 years.

Mr. Wolf added that the Developer has agreed to a restrictive covenant, binding upon them and any future owners of the property, for 15 years which includes a total annual housing cost to residents that will not exceed 35% of Area Median Income (AMI) for the New Orleans area, as determined annually by HUD. Further all residents must demonstrate gross annual income between 75% and 110% of AMI. The second condition is meant to prevent full-time students from qualifying to live in the building to ensure that residents are not high-income earners (on the 110% end) while at the same time ensuring that the actual rents are achievable for the residents (on the 75% end). He noted that this project is NOT designed to be low-income housing or what might be referred as “affordable” housing but rather is designed to be “workforce” housing that will be occupied by medical personnel (nurses, EMTs, etc.), teachers, police and fire, restaurant workers, etc. Mr. Ward concurred in the overview presented by Mr. Wolf and he assured that in working with a similar project, contractors will be targeting participation goals, including outreach, and would provide stats later. Mr. Kennedy interjected that he had concern about the use of DBE businesses prior to construction and that when someone says information would be provided later, especially after the PILOT is approved, he has greater concern. He questioned how compliance is measured. Mr. Wolf advised that clawbacks, having penalties attached to the full amount of taxes by the percentage missed of the target, results in a one-time additional payment to the City. Answering further, he added that it is difficult to require DBE use prior to receiving an application. None of the compliance requirements is an exact science. He noted that the Mayor’s Office is behind this project, which commitments ensure that this property will not be turned into a hotel or bed and breakfast. This project could be a model for the future.

Mr. Pusateri inquired as to how they might obtain copies of requested documents. Mr. Wolf advised that the covenant draft has not yet been drafted. The 15-year restrictive covenant can outlive the PILOT and a bond. This has never been done before. Mrs. Stokes asked for some assurance that there will be no short-term living at the site.

Ms. Rosalind Peychaud of the State’s Office of Economic Development asked the definition of the term “good faith effort” as relates to DBE participation in projects. Mr. Wolf deferred to Ms. Rebecca Conwell who provided an explanation as defined by the City. Mr. Wolf added that the Lease Agreement provides the standardized language for “good faith effort” to which the Developer agrees and signs. Ms. Conwell offered to meet with Ms. Peychaud to assure that compliance to the DBE targets are recorded and reviewed. Other Board members raised concerns and questions which were responded to by counsel. Mr. Jeffrey Schwartz added that the Greater New Orleans Housing Authority will know how to ensure targets are met by holding the Developer accountable.

Ms. Susan Good directed her comments to the members of the Lafayette Square Neighborhood Association stating that she cannot recall the Board’s consideration due to a project’s location to determine its viability. The Board reviews each application, including an independently produced

cost/benefit and “but for” analysis, to determine if the project is viable and to determine if the benefits to the City out-weigh the costs. It is not within the IDB’s purview to accept or reject a project on issues which are the City’s responsibility (e.g. density, zoning, etc.)

Mr. Flower inquired as to why the final PILOT payment is for \$105,000 when the market rate will be approximately \$300,000. Typically, he stated, the scale of the PILOT is related to the market value assessment. Mr. Wolf advised that in this case, this subsidy PILOT helps to make the project financially feasible. Additionally, this project will have a restrictive 15-year covenant that the City has requested, which is not otherwise included on other projects.

Mrs. Edith Jones expressed her concern about the neighborhood association’s grievances. Their request for deferral or rejection was worrisome to her. Mr. Philipson stated that he encouraged dialogue between the Association and the Developer. He added that it is important to note that the development is “workforce” housing not “affordable” housing. Mrs. Jones applauded Mr. Wolf and the IDB for ensuring compliance of the 35% DBE participation.

After all discussions, comments and explanations, the President requested a motion. Same was offered by Mr. Saizan and seconded by Mrs. Mindy Brickman. The vote resulted in 7 Yeas and 4 Nays. The vote passed to grant the Developer a PILOT as outlined in the attached Resolution.

ROBERT’S MARKETFARE ST. CLAUDE

Mr. Wolf provided the overview in this matter, advising that a copy of the Resolution for approval of the PILOT was included in each member’s folder. The President opened the floor for discussion and/or comments. Mr. Kennedy requested a copy of the DBE participation figures. Mr. Wolf stated he would provide a copy of same after the meeting. There being no further discussion, the President asked for a motion to grant the PILOT to Robert’s Marketfare St. Claude as outlined in the attached Resolution. A motion by Mr. Saizan was offered and seconded by Ms. Lesli Harris. The vote passed unanimously.

DXC TECHNOLOGY

The Board was advised that the \$150,000 payment to DXC Technology will not be made this year but rather in May of 2019 once the Board has been notified that DXC has been deemed compliant by the City.

SIX FLAGS

Ms. Conwell provided that this report would be the last report by this Mayor’s Office in light of the incoming Administration. She thanked the Board for its partnership during the past years and for the hard work it has put into trying to get the former Six Flags site redeveloped. The Memorandum of Understanding related to Six Flags for advertising and marketing will expire in May. The City, at this time, is not ready to make a recommendation as anticipated. This Administration and the incoming Administration are optimistic. She asked for continued patience so the next Administration is allowed to continue working in this vein. She mentioned the success of the DXC Technology campaign and stated that this was a big win for the City. Mr. Philipson

thanked Ms. Conwell for her service and the partnership which was established. On behalf of the IDB, he wished her good luck on her future endeavors once leaving the job.

REPORTS

Financials

Mrs. Susan Good presented the February 2018 financial report. She stated that all appears to be in order. She advised that a certificate of deposit matured in the amount of \$153,000. Administrative fees continue to be collected, and that as a result of the collection of these fees, funds will have to be moved from Whitney to other banks to avoid exceeding the \$250,000 FDIC insurance limit. Ms. Sharon Martin will be looking for the best interest rates. All CDs are noted in the financial report.

Mrs. Good then advised of the need to renew the audit engagement for the 2017 audit. The President requested a motion. Same was offered by Mr. Justin Augustine and seconded by Mrs. Good. The vote passed unanimously to renew the audit agreement for the 2017 audit with Carr, Riggs & Ingram.

IDB City Retirement Participation

Ms. Martin advised that it was suggested by the NOMER representative that in light of the City's Attorney's determination, that a private outside source be considered for creating the retirement program being sought by the IDB. Ms. Martin was asked to move on this suggestion.

PUBLIC COMMENT

Ms. Tonya Pope was recognized. She advised that she is in control of 25 acres of land across from the former Six Flags site for development of an entertainment venue that will include a Wax Museum. She reported that she has obtained funds of \$20M to move forward with the museum including other entertainment venues at that site. The Wax Museum, which was closed and now converted into condos, negotiated an agreement to allow her acquisition of the statues. While the museum will not be completed for the City's 300th birthday this year, they are hoping to have something by 2019. The project will use DBE contractors, civil engineering companies, and the best, qualified businesses/talent New Orleans has to offer. The facility will be located near the I-10 Frontage Road and former Louisiana Governor, Edwin Edwards is one of the financial supporters.

Mrs. Jones thanked Ms. Pope for her investment, persistence and interest in New Orleans East, stating she is sure to receive strong support.

Mr. Danny Rogers, CEO of Dreamlanding, was recognized and congratulated Ms. Pope on her new endeavor. He advised that there is a lot of quiet movement going on in the East at this time and he would be submitting extremely detailed financials to move forward with redevelopment of the former Six Flags site. He reported that Dreamlanding is in control of in excess of \$100M to move forward.

Mr. Augustine recommended to each developer that it takes time to make community announcements and to get the community involved. Ms. Pope stated that Eastover Homeowners' Association is aware, along with the other 14 other neighborhood associations of her endeavor.

With no further comments or questions, the President then requested a motion to adjourn. Same was offered by Mrs. Jones and seconded by Ms. Harris. The vote passed unanimously for adjournment.

The meeting concluded at 1:40 PM.

Susan P. Good, Secretary-Treasurer

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CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, MAY 8, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. YOU WILL BE NOTIFIED IN ADVANCE OF THE NEXT IDB BOARD MEETING WHEN SCHEDULED.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

May 1, 2018

**MINUTES OF THE BOARD MEETING
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AUGUST 14, 2018 AT 12:30 PM
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Eugene J. Green, Jr.
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Absent:

Mindy Brickman

Troy A. Carter, Sr.

Also Present:

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

Guests:

Andy O'Brien, New Orleans Building Trades
Steven Pasnewski, SMART SMW 214
Dolly Narhi, WDSU-TV
Danny Monteverde, WWL-TV
Steve Wolfram, WWL-TV
Zev Klasevasitz, Drive Shack
Ted, Heilbron, Drive Shack
Tonya Pope, Jazzland
Jennifer Crocker, WSSU-TV
Chip Fleetwood, IUPATDC#8
Jeb Bruneau, Advantous Consulting
Dennis Miller, LIUNA
Kelly Primeaux, TLC
Miles Granderson, Sherman Strategies
Greg LaRose, Times-Picayune
Mike Sherman, Sherman Strategies
Ellen Lee, City of New Orleans
Ernest Gethers, City of New Orleans

Stephen Daste, FFC Investments
Akintunde Hardy, Hardy Developments, LLC
Peter Aamodt, MC Real Estate
Rosalind Peychaud, OCD-DRU
Zach Monroe, Sabiston Consultants
Courtney Stuckwisch, City of New Orleans
Andrew Valenti, City Business
Eugene Ben, BH1/Collaborative
Terese Bennett, Terese B
Richard Briscoe, Gulf South Engineering
Corry Franklin, Nationwide Real Estate Corp.

President, Alan H. Philipson, called the meeting to order at 12:36 P. M. A roll call confirmed a quorum.

An introduction of guests was held.

APPROVAL OF APRIL 10, 2018 MINUTES

By motion of Mr. Darrel Saizan, with a second by Mr. Jeffrey Schwartz, the Board voted unanimously for approval of the April 10, 2018 minutes.

DRIVE SHACK

Mr. Mike Sherman, the applicant's attorney, was recognized who then introduced other members of the development team, namely, Ted Heilbron, the Developer representative, and Peter Aamodt of MCC Realty. Mr. Sherman advised that this project was a "golf driven" development. He added that meetings with the current City administration have been held and then provided a brief description of the project. The development would be a first-class golf anchored facility, driven by and with entertainment and dining. It is not a country club atmosphere. It will be a golf setting for pros and novices. Currently, there are 10 locations being developed around the country. (See copy of document passed out to each board member). The New Orleans facility, however, will be slightly smaller than the other Drive Shack locations that are planned or recently completed.

After construction, it is projected that approximately 300 permanent and temporary jobs will be created, with an estimated \$3M in sales tax generated yearly. Mr. Sherman stipulated that the Times-Picayune generated approximately \$70K in ad valorem taxes annually, and it is anticipated this development will triple that amount. It will be a family entertainment center with the hopes of attracting patrons from the surrounding parishes. The Developer is seeking a 12-year "stabilization" PILOT beginning the first year, after being placed in service, at \$200K, with yearly incremental increases. He advised that at present, there are no sales comparatives because of the unique nature of the project.

The Developer will meet all targets and goals for DBE participation, local hire and living wages. Construction is estimated to take 14-17 months.

Mr. Aamodt interjected that MCC initially hoped to create a family-based project and reached out to Drive Shack to help transform the 9 acres on which the project will sit. The development will generate taxes and serve as a catalyst to other developments along the Earhart corridor. Mr. Sherman added that the railroad tracks make it somewhat difficult to navigate to the site. However, alternatives are being considered by the City. Mr. Saizan interjected that there are plans to extend the Howard Avenue corridor all the way to Loyola, but that plan doesn't go back as far as the Times-Picayune building. It may be possible that the extension plan could aid to hasten the traffic plan of which Mr. Sherman spoke.

Mr. Sherman advised that a copy of the PILOT request was included in the application. (Note: the current taxes and last taxes paid of \$69,579 are based on an unused building that will be demolished). Mr. Sherman was advised that the assumptions made in the proposal will have to be verified through the Orleans Parish Assessor's office. The Income Approach used was based on a \$1M lease fee and the market base of a 10% cap rate, using existing land costs. These numbers, according to Mr. Sherman, make the project work. He thanked Mayor Cantrell and the former administration for the publicity that was conducted in May.

Mr. Schwartz expressed excitement in seeing New Orleans enter into a new market. He stated that because of the "certainty" PILOT being requested, and his curiosity as to the pro forma or lack thereof, he inquired if Stan McDaniel would be performing a "but for" analysis on this project. The pro forma, he stated, is necessary in using the P and L methodology. As information, the City Council introduced the concept of the Broad Street Economic District. This newly created tax district will add sales taxes above the base tax which provides an additional benefit to the City. A similar district may be requested in this matter. His question regarding the "but for" analysis was not addressed.

Mrs. Edith Jones inquired as to permanent jobs. Mr. Sherman advised that it is anticipated that 300-350 jobs will be created which is a blend of temporary and permanent jobs. Ms. Ellen Lee requested a breakdown of those jobs to be created.

After all inquiries and discussions, the President requested a motion to provide preliminary approval to Drive Shack for its project as proposed with subsequent negotiations of the PILOT to be approved at a later date. Same was offered by Mr. Saizan, with a second by Mr. Walter Flower. The Board voted unanimously to grant preliminary approval of the project.

BOURGOGNE BYWATER, LLC

At the opening of this matter, Mr. Schwartz recused himself. He serves as Chair of the Crescent City Land Trust Company which is involved in the funding of this project.

Mr. Curtis Doucette, a Developer representative and one of the principals of Iris Development, LLC along with Green Coast Enterprise provided the overview of this proposed development. This project will include new construction of a 70-unit, 1 and 2-bedroom, mixed income, mixed use, affordable and energy efficient apartment complex with retail to be located at 2930 Burgundy in the Bywater. It is near the New Orleans Center for Creative Arts (NOCCA) and, will replace an abandoned warehouse which currently sits on the property. Included in this development is 1,800-

square feet of ground floor retail, with condominiums above. Seven units will be set aside as affordable units, representing 10% of the total number of units. Gibbs Construction has been named the General Contractor. Iris Development is a DBE certified entity. Mr. Doucette added that currently there are no market rate units in the Bywater neighborhood. These units will serve the workforce goal of the City. Affordable units will be 80% of the AMI, 1-bedroom units below 120% AMI, and, 2-bedroom units 160% below AMI. Mr. Doucette provided a host of demographics concerning density of the area and the need for workforce and affordable units.

Their 15-year PILOT being requested was calculated without benefit of the Assessor's numbers and placed the ad valorem taxes at a range of \$102,000-\$110,000. The project is anticipated to create 20 permanent jobs with 55 jobs being created during construction, 13 of which will be dedicated to minorities. (Note: There was no breakdown of how the 20 jobs would be created but these jobs were anticipated to be attributed to the commercial aspect of the project.) As an added attraction, this project would aid in creating transit access for that community.

Mr. Immanuel Gilen added there was no precedence for housing construction in the Bywater area and that because of its location, they are spending more on greenfield and soil borings. The adjacent site had contamination which had added remediation costs to this project. Mr. Doucette stated the Developer is requesting that taxes be frozen at the current rate for 15-years.

Mr. C. David Thompson asked for walk-thru of the financing for this project, i.e.; who owns the property? With whom financing would be finalized? Interpretation of freeze on taxes?

In response, Mr. Doucette advised that the property is owned by Iris Development and Bourgoigne Bywater through Crescent City Land Trust which is the underwriter for the financing during construction with a joint participation by LIFT-ATL for a \$16M loan. Construction is proposed to begin in October. Mr. David Wolf, IDB bond counsel, explained that preliminary approval is what will be voted upon today. Preliminary approval provides the Developer and the project time to have the cost/benefit and "but for" analyses completed and reviewed, and it gives the Developer time to work on their financing. Mr. Gilen then added they also wish to have language included in the agreement that provides the possibility of renewing the PILOT after maturity. Mr. Thompson asked if that request is a "deal breaker". The President stated that a renewal past maturity of a PILOT has never been requested and suggested crossing "one bridge at a time".

Mrs. Ellen Lee, the Mayor's senior economic development advisor, stated that they will do what they can to memorialize affordable housing, leaving the possibility for negotiations for any extensions, with the objective of permanent affordability. Mr. Wolf stated this topic can be discussed as contract development takes place, reiterating that the IDB has never done a renewal on PILOT-related projects. It can be a condition to be considered. The President stated he would put together a committee to review this request.

Mr. Wolf reminded the Board that the application did not show a number for permanent employment.

After all discussion, a motion to grant preliminary approval was offered by Mr. Saizan and seconded by Mr. Thompson, after which the Board voted unanimously to grant preliminary approval.

EDWARDS NOLA MID-CITY – DBE UPDATE

The updated DBE/local hire report for this project was presented by Developer representative, Miles Granderson, who advised that the Developer is currently at 39% of the local hire and DBE mandate and is honoring the living wage mandate. At completion, the Developer should be over 40% for hiring locally.

Mrs. Jones expressed an appreciation for the numbers and level of detail presented at this update.

SIX FLAGS – Update

The President deferred update on this matter to Mr. Wolf, who advised:

A) Entergy Agreement

By request of the City, this agreement was renewed, granting Entergy access to 1/3 of the parking lot in case of an emergency (i.e. hurricane). He noted that Entergy has never used the site even though there has been an agreement in effect. The same terms for the extension were incorporated in the new agreement. The agreement has been signed.

B) Six Flags – Cooperative Endeavor Agreement (CEA)

The IDB and City agreed to renew the CEA with an effective date of May 31, which gives the City the authority to handle requests for use and access to the site, as well as review proposals for redevelopment of the site. This agreement takes off the Board's hand the day-to-day management of the site. He reminded the Board that the City Charter allows the City to enter into such agreements for one year.

Mr. Wolf also advised that he and Mr. Philipson met with the Mayor and several members of her staff including, the Chief of Staff, Ms. Ellen Lee, Mr. Ernest Gethers and Council member Cyndi Nguyen, to cover the terms of the agreement which included that 1) IDB continues to pay for security, insurance and maintenance; 2) that when the time comes and all current funds have been exhausted, the Board will decide if it will use "its" funds to continue maintaining the aforementioned aspects of operations; 3) the City could be responsible for future costs except expenses; 4) the renewed CEA has been prepared. Same is being presented to the Board seeking to grant the IDB President or Vice President the authority to sign the agreement.

The IDB will now be working with Ms. Lee on any Six Flags matters henceforth. Previously our contact had been Ms. Rebecca Conwell.

Mr. Thompson recalled that when Ms. Conwell last presented to the Board, she advised there was something "simmering" for the site. He inquired as to the status of that project. Ms. Lee and Mr. Gethers said they did not have a response at this time on that project, adding they appreciate the opportunity to partner with the IDB for redevelopment of the site. Mr. Flower asked about the status of the remaining funds, emphasizing that the IDB should not be responsible for any expense

once the funds have been depleted. Mr. Wolf advised that the language of the CEA states the City is not willing to assume any expenses. When the time comes, either the IDB will pay the expenses or sell the property or ask the City to take title to the property, or, ask the City to cooperate by getting NOPD protection/surveillance. Mr. Philipson added that the CEA gives the IDB that “protection”, that is, it gives the IDB the right to vote on what to do with the property once the funds are expended. The IDB is not obligated to continue to pay. Members questioned whether funds were currently being generated – any filming requests; and whether there was any room for reducing expenses. The Board was advised that at this time no revenue generated projects were pending.

Mr. Troy Carter asked how much longer is funding available and added that maybe discussions should take place now on how to handle the matter in the future.

The President asked Ms. Lee if she could appeal to the City on these requests for assumption of police protection or help to minimize or reduce expenses. Ms. Lee stated that there is new opportunity to engage with the IDB on how to manage. She has had no perception that this administration is not willing to work with the IDB. They are looking forward to a cooperative spirit on which Mr. Philipson concurred.

At this time, Mr. Danny Rogers, CEO of Dreamlanding, was recognized who began with background history on Dreamlanding’s pursuit to redevelop the site to date. He asked that the signing of the new CEA be delayed by at least one month to give the various groups who wish to redevelop the site a chance to re-present their proposals to the new administration. He added that his group is ready to move forward with \$100M in their coffers. He stated that past attempts to present by him and his attorney to Ms. Conwell were “snubbed” at each advance. He added that the one-man security surveillance is limited. It is Dreamlanding’s hope that within 60 days they can have a “new” project at the site or the City can lose \$300M in taxes and jobs. Mr. Philipson interjected that after the meeting with the new administration, he walked away with a feeling of comfort.

Ms. Lee stated that the new administration would be open to delaying signing the CEA for a month in an effort to listen to presentations.

A motion granting the President and/or Vice President the authority to sign the new CEA was then offered by Mr. Schwartz, with a second by Mr. Flower. The Board voted unanimously to grant same.

FINANCIALS

Ms. Sharon Martin, Administrator, informed the Board that the May financial report was included in their materials.

RETIREMENT – Update

Ms. Martin advised there was no new information to report at this time. Mr. Flower inquired as to whether the IDB could get assistance from the new administration and suggested that same be pursued.

PUBLIC COMMENT

There being no public comments, by majority vote, the board meeting ended at 1:32 PM

Susan P. Good, Secretary-Treasurer

NOTICE OF CANCELLATION

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

THE TUESDAY, JULY 10, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. PLEASE NOTE, THE NEXT SCHEDULED MEETING WILL BE TUESDAY, AUGUST 14, 2018.

INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC.

July 3, 2018

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
AUGUST 14, 2018 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Walter C. Flower, III
Edith G. Jones
Alan H. Philipson
Jeffrey Schwartz

Susan P. Good
Lesli D. Harris
Darrel J. Saizan, Jr.
C. David Thompson

Eugene J. Green, Jr.
Lisa S. Mazique
Theodore Sanders, III

Absent:

Mindy Brickman

Troy A. Carter, Sr.

Also Present:

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

Guests:

Andy O'Brien, New Orleans Building Trades
Steven Pasnewski, SMART SMW 214
Dolly Narhi, WDSU-TV
Danny Monteverde, WWL-TV
Steve Wolfram, WWL-TV
Zev Klasevasitz, Drive Shack
Ted, Heilbron, Drive Shack
Tonya Pope, Jazzland
Jennifer Crocker, WSSU-TV
Chip Fleetwood, IUPATDC#8
Jeb Bruneau, Advantous Consulting
Dennis Miller, LIUNA
Kelly Primeaux, TLC
Miles Granderson, Sherman Strategies
Greg LaRose, Times-Picayune
Mike Sherman, Sherman Strategies
Ellen Lee, City of New Orleans

Ernest Gethers, City of New Orleans
Stephen Daste, FFC Investments
Akintunde Hardy, Hardy Developments, LLC
Peter Aamodt, MC Real Estate
Rosalind Psychaud, OCD-DRU
Zach Monroe, Sabiston Consultants
Courtney Stuckwisch, City of New Orleans
Andrew Valenti, City Business
Eugene Ben, BH1/Collaborative
Terese Bennett, Terese B
Richard Briscoe, Gulf South Engineering
Corry Franklin, Nationwide Real Estate Corp.

President, Alan H. Philipson, called the meeting to order at 12:36 P. M. A roll call confirmed a quorum.

An introduction of guests was held.

APPROVAL OF APRIL 10, 2018 MINUTES

By motion of Mr. Darrel Saizan, with a second by Mr. Jeffrey Schwartz, the Board voted unanimously for approval of the April 10, 2018 minutes.

DRIVE SHACK

Mr. Mike Sherman, the applicant's attorney, was recognized who then introduced other members of the development team, namely, Ted Heilbron, the Developer representative, and Peter Aamodt of MCC Realty. Mr. Sherman advised that this project was a "golf driven" development. He added that meetings with the current City administration have been held and then provided a brief description of the project. The development would be a first-class golf anchored facility, driven by and with entertainment and dining. It is not a country club atmosphere. It will be a golf setting for pros and novices. Currently, there are 10 locations being developed around the country. (See copy of document passed out to each board member). The New Orleans facility, however, will be slightly smaller than the other Drive Shack locations that are planned or recently completed.

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At the opening of this matter, Mr. Schwartz recused himself. He serves as Chair of the Crescent City Land Trust Company which is involved in the funding of this project.

Mr. Curtis Doucette, a Developer representative and one of the principals of Iris Development, LLC along with Green Coast Enterprise provided the overview of this proposed development. This project will include new construction of a 70-unit, 1 and 2-bedroom, mixed income, mixed use, affordable and energy efficient apartment complex with retail to be located at 2930 Burgundy in the Bywater. It is near the New Orleans Center for Creative Arts (NOCCA) and, will replace an

abandoned warehouse which currently sits on the property. Included in this development is 1,800-square feet of ground floor retail, with condominiums above. Seven units will be set aside as affordable units, representing 10% of the total number of units. Gibbs Construction has been named the General Contractor. Iris Development is a DBE certified entity. Mr. Doucette added that currently there are no market rate units in the Bywater neighborhood. These units will serve the workforce goal of the City. Affordable units will be 80% of the AMI, 1-bedroom units below 120% AMI, and, 2-bedroom units 160% below AMI. Mr. Doucette provided a host of demographics concerning density of the area and the need for workforce and affordable units.

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Mr. Wolf reminded the Board that the application did not show a number for permanent employment.

After all discussion, a motion to grant preliminary approval was offered by Mr. Saizan and seconded by Mr. Thompson, after which the Board voted unanimously to grant preliminary approval.

EDWARDS NOLA MID-CITY – DBE UPDATE

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Mrs. Jones expressed an appreciation for the numbers and level of detail presented at this update.

SIX FLAGS – Update

The President deferred update on this matter to Mr. Wolf, who advised:

C) Entergy Agreement

By request of the City, this agreement was renewed, granting Entergy access to 1/3 of the parking lot in case of an emergency (i.e. hurricane). He noted that Entergy has never used the site even though there has been an agreement in effect. The same terms for the extension were incorporated in the new agreement. The agreement has been signed.

D) Six Flags – Cooperative Endeavor Agreement (CEA)

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Mr. Wolf also advised that he and Mr. Philipson met with the Mayor and several members of her staff including, the Chief of Staff, Ms. Ellen Lee, Mr. Ernest Gethers and Council member Cyndi Nguyen, to cover the terms of the agreement which included that 1) IDB continues to pay for security, insurance and maintenance; 2) that when the time comes and all current funds have been exhausted, the Board will decide if it will use "its" funds to continue maintaining the aforementioned aspects of operations; 3) the City could be responsible for future costs except expenses; 4) the renewed CEA has been prepared. Same is being presented to the Board seeking to grant the IDB President or Vice President the authority to sign the agreement.

The IDB will now be working with Ms. Lee on any Six Flags matters henceforth. Previously our contact had been Ms. Rebecca Conwell.

Mr. Thompson recalled that when Ms. Conwell last presented to the Board, she advised there was something "simmering" for the site. He inquired as to the status of that project. Ms. Lee and Mr. Gethers said they did not have a response at this time on that project, adding they appreciate the opportunity to partner with the IDB for redevelopment of the site. Mr. Flower asked about the status of the remaining funds, emphasizing that the IDB should not be responsible for any expense

once the funds have been depleted. Mr. Wolf advised that the language of the CEA states the City is not willing to assume any expenses. When the time comes, either the IDB will pay the expenses or sell the property or ask the City to take title to the property, or, ask the City to cooperate by getting NOPD protection/surveillance. Mr. Philipson added that the CEA gives the IDB that “protection”, that is, it gives the IDB the right to vote on what to do with the property once the funds are expended. The IDB is not obligated to continue to pay. Members questioned whether funds were currently being generated – any filming requests; and whether there was any room for reducing expenses. The Board was advised that at this time no revenue generated projects were pending.

Mr. Troy Carter asked how much longer is funding available and added that maybe discussions should take place now on how to handle the matter in the future.

The President asked Ms. Lee if she could appeal to the City on these requests for assumption of police protection or help to minimize or reduce expenses. Ms. Lee stated that there is new opportunity to engage with the IDB on how to manage. She has had no perception that this administration is not willing to work with the IDB. They are looking forward to a cooperative spirit on which Mr. Philipson concurred.

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Ms. Lee stated that the new administration would be open to delaying signing the CEA for a month in an effort to listen to presentations.

A motion granting the President and/or Vice President the authority to sign the new CEA was then offered by Mr. Schwartz, with a second by Mr. Flower. The Board voted unanimously to grant same.

FINANCIALS

Ms. Sharon Martin, Administrator, informed the Board that the May financial report was included in their materials.

RETIREMENT – Update

Ms. Martin advised there was no new information to report at this time. Mr. Flower inquired as to whether the IDB could get assistance from the new administration and suggested that same be pursued.

PUBLIC COMMENT

There being no public comments, by majority vote, the board meeting ended at 1:32 PM

Susan P. Good, Secretary-Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, SEPTEMBER 11, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. PLEASE NOTE, THE NEXT SCHEDULED MEETING WILL BE TUESDAY, OCTOBER 9, 2018.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

August 31, 2018

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, OCTOBER 9, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. PLEASE NOTE, THE NEXT SCHEDULED MEETING WILL BE TUESDAY, NOVEMBER 13, 2018.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

October 1, 2018

**MINUTES OF THE BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
CITY OF NEW ORLEANS, LA, INC.
NOVEMBER 13, 2018 AT 12:30 PM
21ST FLOOR CONFERENCE ROOM
1340 POYDRAS, ORLEANS TOWER**

Present:

Mindy Brickman
Edith G. Jones
Darrel J. Saizan, Jr.
Iam C. Tucker

Walter C. Flower, III
Lisa S. Mazique
Theodore Sanders, III

Susan P. Good
Alan H. Philipson
Jeffrey Schwartz

Absent:

Troy A. Carter, Sr.
Julius E. Kimbrough, Jr.

Eugene J. Green, Jr.
C. David Thompson

Lesli D. Harris

Also Present:

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

Guests:

Jackie Dadakis, Green Coast
Curtis Doucette, Iris Development
Immanuel Gilen, Iris Development
Andrew Valenti, City Business
Donna Mitchell, LIUNA
Emily May, HANO
Jennifer Adams, HANO
Richard Briscoe, Gulf South Engineering and Testing
Rayne Pestello, City of New Orleans
Courtney Stuckwisch, City of New Orleans
Nolan A. Marshall, NOLABA
Steven Kennedy, REO, LLC
Ernest Gethers, City of New Orleans
Lisa Ross, Office of the Assessor for Orleans Parish
Kelly Primeaux, TLC Engineering
Ryan Bordenave, Downtown Development District
Lorraine Washington
Stanley McDaniel, The McDaniel Group
Judith Moran, McCormack, Baron, Salazar

Sydney Shivers, GNOHA
Maximus A. Perdomo, Insulators, LIU#53, Building & Trades N. O.
Ellen Lee, City of New Orleans
Akintunde Hardy, Council, District E
Jessica Williams, The Advocate
Josh Cox, Office of the Mayor, City of New Orleans

President, Alan H. Philipson, called the meeting to order at 12:35 P. M. A roll call of the board confirmed a quorum.

The President addressed the need to amend the agenda to include the review and approval of the 2019 budget for IDB and Six Flags. A motion to amend was offered by Mr. Theodore Sanders and seconded by Ms. Lisa Mazique.

There was an introduction of guests.

APPROVAL AUGUST 14, 2018 MINUTES

The President sought a motion for approval of the August 14, 2018 minutes. A motion by Mr. Darrel Saizan, Jr. was offered with same being seconded by Mrs. Edith Jones. The Board voted unanimously for approval.

WINN DIXIE PHASE I

The overview of this proposed project of a mixed-income housing complex was presented by the IDB Bond Counsel, Mr. James Moffett. Developers, (a partnership of the Housing Authority of New Orleans (HANO) and McCormack Baron Salazar) seek a 40-year PILOT for the construction of a 76 mixed-income unit housing complex on the site formerly occupied by Winn Dixie, located adjacent to the Iberville On-Site complex. Thirty (30) of the 76 units are slated as affordable, with LIHTC leverage, with 46 designated as market rate. The 40-year PILOT, he stated, is in line with what has been awarded to HANO-based projects, particularly Marrero Commons and Harmony Oaks. Mr. Jeffrey Schwartz expressed a curiosity for a 40-year PILOT term. Mr. David Wolf reiterated that 40-year terms have been awarded to other HANO housing complexes, such as those involved in the Big 4 – Cooper and C.J. Peete.

Mrs. Judith Moran of McCormack Baron stated that because the property is already owned by HANO and is tax exempt, there is, as in similar cases, no need for a cost/benefit or a “but for” analysis. Mr. Wolf confirmed this position. Ms. Mazique inquired as to the timeline for Phase II and whether this request is for the total number of units to be developed. Ms. Moran advised that there is no timeline on Phase II and that a PILOT request for Phase II is not being made at this time.

To Mr. Saizan’s question regarding the number of units to be considered as “affordable”, the Board was advised that 46 units would be market rate based and the remaining 30 units will be “affordable” - a split of 15 public and 15 Section 8. Mr. Saizan also inquired whether there would be consideration to reach out to those individuals working in the French Quarter. He noted that hotel and restaurant owners have shared a concern for this consideration on behalf of their employees who use city transit and would like the opportunity to live in the area and walk to work.

Ms. Moran advised that former residents of the Iberville are given priority in returning to the complex. This mandate is part of the Choice Neighborhood Incentive (CNI) requisites. While this project is not the Iberville, the Winn Dixie project does serve as an off-site component. She added they (MBS) can work with HANO on this issue.

Mrs. Jones asked who will monitor the DBE aspect of the project. Mrs. Moran advised that McCormack agrees to hire local employees and that coverage of the details is built into the construction contracts. Ms. Iam Tucker stated that as a WBE, it is important that the use of DBEs be considered as much during the non-construction phase as it is during the construction phase. DBEs are generally, and historically, left out of the pre-construction phases and qualifiable DBEs are available to do pre-construction operations.

Ms. Moran advised that the total combined units for Phase I and II is 120 units and tax credits have been received from the City of New Orleans for infrastructure. An extension to the Lafitte Greenway that will bridge the Iberville/Winn Dixie developments is also planned. Phase II will have 46 units. An application for tax credits has been submitted but has not yet been approved and no application for Phase II has been filed at this time with the IDB. There are no commercial components to this project.

With no further comments by the Board, Ms. Ellen Lee was then recognized and stated that the CNI award was a joint award to the City and HANO and that the City supports this project. Thirty (30) of the units are critical to the 821-unit goal which is part of the “one for one” under the CNI application. McCormack Baron has been working with the Community Economic Development office. Ms. Mazique asked how close was HANO to this target. Ms. Jennifer Adams of HANO advised that she did not have the specifics at this time but believes that the number is near 700 on both developed and proposed units combined. She agreed to get the total number to the Board.

The President asked for public comment, and being none, he then requested a motion for preliminary approval of this development. Same was offered by Mr. Saizan with a second by Ms. Tucker. By unanimous vote, preliminary approval was granted to the Developer, with the CBA and BFA being waived.

BOURGOGNE BYWATER, LLC

This project, which seeks a PILOT, received preliminary approval at the IDB’s July board meeting. Both the cost/benefit and “but for” analyses were received and reviewed by the IDB Committee- Alan Philipson and Darrel Saizan (absent were Susan Good and C. David Thompson), the City- Ellen Lee, Ernest Gethers and Courtney Stuckwisch, IDB Counsel - David Wolf and James Moffett and the Developer - Curtis Doucette, Wendy Hoffman and Jackie Dadakis. Mr. Philipson reported that a number of proposals and counter proposals were reviewed and discussed. Mr. Wolf advised that a copy of the final resolution for approval by the IDB has been included in each board member’s folder. He then stated there has been one change since the draft of the Resolution, and directed the Board to look at page 3 of the Resolution – the PILOT structure chart – the 17-year PILOT includes two (2) years (during construction) at the current tax rate of \$22,604; with a placed in service change starting the onset of the 15-year PILOT at a payment of \$30,000 per year with 4% annual increases through the life of the PILOT. The IDB will receive at closing a one-time

payment of 1/20th of 1% of the capital cost for a total of \$18,000. The Developer has agreed to the 40% local hire and the 35% DBE “best effort” target, the language of which will be included in the lease agreement. Clawbacks include penalties for failure to meet these goals. Seven (7) of the 70 units, or 10% of the total units, are dedicated as “affordable”. These units will be a mix of 1 & 2 bedrooms, with rents at no more than 80% of the AMI, and are restricted by HUD guidelines. Once the PILOT period expires, the ownership of the property will be reverted back to the Developer and placed on the tax rolls. Mr. Wolf advised that it will be difficult for the IDB to impose a term on these set asides (the 7 units) to a restriction that lasts longer than the term of the PILOT. The City may wish, as explained by Mr. Wolf, to create, through a special agreement, language for a longer compliance period with restrictions and recordation. The IDB recommends, however, that the affordable units match the PILOT term through 2035.

Ms. Lee thanked the Board for its consideration of the PILOT structure agreement. The City will work on the longevity of the affordable units to make them more permanent. The Bywater area has historically been inaccessible to low income families. The City is appreciative of the 15-year term as it is longer than most PILOTs of recent times.

Ms. Mazique asked if there was a possibility of renegotiating the terms for affordable units after the PILOT expiration. She was reminded that in the Edwards Mid-City case, the term of the affordable units was an issue and an agreement was created between the City and the Developer. This was a separate agreement that did not involve the IDB. The Board was informed that the Developer is attempting to find a way to extend the term of the affordable units and is working with the IDB and the City to resolve this challenge. Mr. Wolf added that he is not aware of any other development that extends the term of the affordable units beyond the PILOT expiration date, except that of the American Can Co. In that situation, he stated, the developer extended the term of the affordable units an additional 15 years even though the bond was redeemed/paid in full. The developer complied with an additional five years. As he recalled, it included a restrictive covenant with compliance monitoring. He admitted that he has been struggling with the concept of the IDB extending the term beyond the PILOT and the only way it is possible, as he sees it, is with a restrictive covenant between the Developer and the City. This possibility would still need a monitoring aspect.

Ms. Mazique reiterated her request as due to gentrification, rents have outpriced affordability in the City. She stated that she would like to see the IDB develop a tool for such an extension, if possible. The Bywater, in particular, is a thriving community that needs longer terms on affordability.

Ms. Jackie Dadakis, a Developer representative, thanked the IDB, the City and Adams and Reese for its time and consideration, further stating that as Developers they did not know how the PILOT was traditionally used, but that they would do as best they can to get the term of the affordable units extended.

Mr. Curtis Doucette, another Developer representative, added that they are excited about the project and what it brings to the community, and hopefully, it will spur further development in the area. To Ms. Mazique he stated that as Developers, they had a desire to use the affordability density bonus but there were zoning issues concerning parking.

The President thanked the Developers and the City for being open to compromise and reaching a proposal ready for presentation to the Board. With that said, Mr. Schwartz announced that he must recuse himself from the vote on this matter as he serves on the Community Land Trust board which is also involved in this development.

Ms. Sydney Shivers of the Greater New Orleans Housing Authority expressed concern, on behalf of her director, regarding the 15-year PILOT not being tied to long-term affordable housing, adding the GNOHA was uncomfortable absent a guarantee of long-term affordable housing. Mr. Wolf reiterated that under the lease agreement, that during the term of the PILOT, should the Developer fail to meet the target, the property could be conveyed back to the Developer and full taxes would be due.

After all discussion, the President requested a motion for approval of the PILOT and affordable housing as outlined in the Resolution. The motion was offered by Mr. Saizan and seconded by Ms. Mazique. The Board then voted unanimously for approval of the Resolution.

SIX FLAGS – Update

This matter was deferred to Ms. Lee of the Mayor’s Office for update who advised that the City, the IDB and the New Orleans Business Alliance (NOLABA) are working on strategy to take into consideration all assets of the site for the highest and best use. However, the study/strategy is not yet ready for “prime time”. These three entities will put together a community engagement process that includes discussion regarding growth and potential of the site. She commented that “we are very close to identifying strategy to get the property back in commerce”.

Mrs. Jones asked if a timeline for this strategy is in place. Ms. Lee stated that a 30-day strategy report will be forthcoming. Mrs. Good asked the impact in the community regarding the closing of the Lowe’s store in New Orleans East. Ms. Lee stated that if it is any good news, the employees are slated to be relocated to other Lowe’s stores in the area.

FINANCIALS

Mrs. Good advised that reports were distributed for September and October. All line items are in order. She advised that in October there was a multi-day rental at Six Flags during which time the film company covered the cost of security. She advised that upon review of the September financials, a mistake was identified - the balance for a Six Flags bank account was picked up as income and was posted as revenue. This error has now been corrected.

Mrs. Good continued with review of the current financials (October), advising further that all annual administrative fees have been collected for 2018. She then offered a motion for acceptance and approval of the financials. Same was seconded by Mr. Walter Flower after which the Board voted unanimously for acceptance and approval.

Mrs. Good then presented the draft of the 2019 Six Flags budget, advising 1) Actuals are through September 30, 2018; 2) Major expenses at the site include: insurance, security and grass maintenance; 3) Total budget for Six Flags expenses in 2019 is \$259,000. 4) As of September 30, 2018, there is a cumulative cash/bank balance of \$166K with additional deposits (\$28,000) and expenses (\$48,193.00) yet to be posted. Also included in the budget is a reimbursement to the

IDB of \$50,000, an amount that was erroneously included and labeled as a Six Flags account; 5) At year end 2018, as shown in the budget, there is an estimated cash/bank balance of \$146,467. After all expenses are accounted for, there is an approximate shortfall of **-\$112,532** for 2019.

Board members commented on the shortfall, noting that without site rental, the funds will be depleted within the first six months of 2019. The Cooperative Endeavor Agreement (CEA) with the City will expire at the end of May 2019. Mr. Flower suggested that if the City's efforts to get the site redeveloped have not come to fruition by the end of the term of the CEA, the IDB should put the site up for sale or have the City assume responsibility as originally intended. He inquired to the City that in order to lengthen the funds for other future expenses, perhaps the City would agree to lend support by providing security help through the police department or the sheriff's office.

The 2019 IDB budget was then reviewed. She reminded the Board of the IDB commitment to contribute \$150K to DXC Technology. In spring of 2019, the first payment of the ten (10) year commitment will become due.

After all comments and concerns, the President opened the floor for public comment. There being none, the President asked for motion for approval of the 2019 Six Flags and 2019 IDB budgets as presented by the Secretary-Treasurer. Same was offered by Mrs. Good with a second by Mr. Flower. The board voted unanimously for approval of each budget as presented.

RETIREMENT – Update

The President informed the Board that letters were sent to each Councilmember seeking their approval to allow the IDB to participate in the New Orleans City employee retirement system. Ms. Martin confirmed that no response had been received as of this date. Mrs. Good asked if the City was aware that the IDB would be making the contribution and not the City. Mr. Philipson asked Ms. Martin to send follow-up letters advising each Councilmember that contributions would be borne by the IDB. If this doesn't work, he stated, he now asks the Executive Committee to look into other options.

OTHER BUSINESS

Mr. Wolf reminded Board members of the requirement to complete the ethics training before December 31, 2018. Each member is to send a copy of the certificate to Ms. Martin for IDB records. This requirement is in addition to the financial disclosure required in May of every year.

PUBLIC COMMENT

The President opened the floor for public comments. There were none.

The President then accepted a motion to adjourn from Mr. Saizan. A second to the motion was rendered by Mr. Sanders. The meeting adjourned at 1:40 PM.

Susan P. Good, Secretary-Treasurer

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
November 13, 2018

The following resolution was offered by Darrel Saizan, Jr. and seconded by Iam C.

Tucker:

RESOLUTION

A resolution giving preliminary approval and authorization to proceed with the development of an in-lieu-of-tax plan in connection with the construction and development of a mixed income multi-family housing project, including parking and other ancillary facilities, to be located at 1501 St. Louis St., New Orleans, Louisiana for WD Phase I, LP; and providing for other matters with respect to the foregoing.

WHEREAS, the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (the "IDB"), is authorized and empowered under Chapter 7 of Title 51 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 51:1151 *et seq.*) (the "Act"), and other constitutional and statutory authority supplemental thereto, to acquire, own, lease, rent repair, renovate, improve, finance, sell, and dispose of facilities that are determined by the Lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of the City of New Orleans through the construction, renovation, or rehabilitation of improvements, other than facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities; and

WHEREAS, pursuant to the Act, property acquired by the IDB in connection with their issuance or agreement to issue bonds is exempt from *ad valorem* tax, and pursuant to La. R.S. 51:1160 the IDB may require the developers of projects to pay annually to the local taxing authorities, through the normal collecting agency, a sum in lieu of ad valorem taxes to compensate such authorities for any services rendered by them to such projects which sum shall not be in excess of the ad valorem taxes such developers would have been obligated to pay to such authorities had it been the owner of the development project during the period for which such payment is made; and

WHEREAS, the IDB has received an application from WD Phase I, LP (the "Company"), with respect to the construction and development of a mixed income, multi-family housing development, the first phase of which will consist of approximately 76 one and two-bedroom units located in the Choice Neighborhood Initiative area adjacent to the former Iberville Housing Project and on the site of the former Winn Dixie Grocery Store located at 1501 St. Louis St. (the "Project"), which application requests that the IDB enter into an arrangement whereby the Company will make an annual payment in lieu of *ad valorem* taxes, in an amount less than the full amount of taxes that would otherwise be payable with respect to the Project in the absence of the said arrangement (the "PILOT Payment"); and

WHEREAS, this Board of Directors has concluded that the Project will benefit the welfare, health and safety of the citizens of the City and that it is in the public interest of said citizens to encourage the development of the Project and the negotiation of a satisfactory PILOT Payment to facilitate the development of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., acting as the governing authority of the IDB, that:

SECTION 1. Preliminary Approval of PILOT. Preliminary approval is hereby given to the development of a payment-in-lieu-of-tax plan with the Company relative to the acquisition and construction of the Project, all as described in the preambles to this resolution. The details of the proposed PILOT Payment shall be negotiated by the IDB, the City of New Orleans through the Mayor's Office of Economic Development (the "City") and the Company, however since the proposed PILOT Payment will be respect to property that would otherwise be publicly owned and not subject to local property taxes but for the involvement of a private developer and the use of tax credits, the IDB shall not require the preparation of a Cost-Benefit Report or a But-For Analysis by the IDB's consultants.

SECTION 2. Authorization of Officers. Upon completion of the negotiations and receipt of the supporting documentation described above, the officers of the IDB, together with IDB Counsel, in consultation with the Mayor's Office of Community and Economic Development, are directed to prepare a report and recommendation to be submitted to the IDB at a subsequent meeting relative to their recommendations relative to the proposed PILOT Payment and any action to be taken in regard thereto.

SECTION 3. IDB Special Counsel. It is recognized, found and determined that a real necessity exists for the employment of Special Counsel in connection with the issuance of bonds and/or the negotiation of the PILOT Payment and preparation of any "Lease and Agreement to Issue Bonds" in connection with the PILOT Payment, accordingly Adams and Reese LLP, New Orleans, Louisiana, are hereby employed as Special Counsel to the IDB to do and to perform comprehensive, legal and coordinate professional work with respect to the foregoing. Special Counsel shall (i) prepare and submit to the IDB for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of bonds and/or approval of the PILOT Payment, (ii) counsel and advise the IDB with respect to the foregoing, and (iii) furnish such opinions as may be necessary in connection with the foregoing. It is understood that the legal fees of Special Counsel to the IDB customarily are and in this case shall be paid on behalf of the IDB by the Company in an amount not to exceed the Attorney General's then current Bond Counsel Fee Schedule for comprehensive, legal and coordinate professional work in the issuance of revenue bonds, applied to the total capital cost of the Project, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the foregoing. In the event that the financing of the Project does not proceed to completion, Special Counsel shall be entitled to reimbursement of their out-of-pocket expenses incurred in connection with this matter, and legal fees at rates to be agreed upon between the Company and Special Counsel. Any and all amounts to be paid pursuant to this section shall be paid on behalf of the IDB by the Company. The President and Vice-President of the IDB are authorized and directed to execute an engagement letter with special counsel relative to the terms of employment summarized herein.

SECTION 4. Effective Date. This resolution shall take effect immediately.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Alan H. Philipson, President	X			
Darrel J. Saizan, Jr., Vice President	X			
Susan Good, Secretary-Treasurer	X			
Mindy Brickman	X			
Troy A. Carter			X	
Walter C. Flower, III	X			
Eugene J. Green, Jr.			X	
Lesli D. Harris			X	
Edith G. Jones	X			
Julius E. Kimbrough, Jr.			X	
Lisa S. Mazique	X			
Theodore C. Sanders, III	X			
Jeffrey Schwartz	X			
C. David Thompson			X	
Iam Christian Tucker	X			

And the resolution was declared adopted on this 13th day of November, 2018.

/s/ Susan P. Good
Secretary-Treasurer

Alan H. Philipson
President

STATE OF LOUISIANA

PARISH OF ORLEANS

I, the undersigned Secretary-Treasurer of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., (the "IDB"), do hereby certify that the foregoing three (3) pages constitute a true and correct copy of the proceedings taken by the Board of Directors of the IDB on November 13, 2018, giving preliminary approval and authorization to proceed with the development of an in-lieu-of-tax plan in connection with the construction and development of a mixed income multi-family housing project, including parking and other ancillary facilities, to be located at 1501 St. Louis St., New Orleans, Louisiana for WD Phase I, LP; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the IDB on this the 13th day of November, 2018.

(SEAL)

Secretary-Treasurer

**INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.
November 13, 2018**

The following resolution was offered by Darrel Saizan, Jr. and seconded by Lisa Mazique

RESOLUTION

A resolution approving the form of and authorizing the execution of a "Lease Agreement and Agreement to Issue Bonds" and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$18,265,000 of Taxable Revenue Bonds (Bourgogne Bywater LLC Project) of the Industrial Development Board of the City of New Orleans, Louisiana, Inc.; and providing for other matters with respect to the foregoing.

WHEREAS, the Industrial Development Board of the City of New Orleans, Louisiana, Inc. (the "IDB"), is authorized and empowered under Chapter 7 of Title 51 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 51:1151 *et seq.*) (the "Act"), and other constitutional and statutory authority supplemental thereto, to acquire, own, lease, rent repair, renovate, improve, finance, sell, and dispose of facilities that are determined by the lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of the City of New Orleans through the construction, renovation, or rehabilitation of improvements, other than facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities; and

WHEREAS, the IDB has received an application from Bourgogne Bywater LLC (the "Company"), a Louisiana limited liability company authorized to do business, and in good standing under the laws of the State of Louisiana, with respect to the construction and development of a mixed use, mixed income housing complex, consisting of (i) a total of approximately 70 rental units, of which a minimum of seven (7) units will be designated as "affordable" units reserved for renters whose incomes meet certain requirements as set forth herein, (ii) approximately 1,800 square feet of ground floor retail space, (iii) parking and other ancillary facilities, to be located at 2930 Burgundy Street, New Orleans, Louisiana (the "Project"), which application requests that the IDB enter into an arrangement whereby the Company will make an annual payment in lieu of *ad valorem* taxes, in an amount described herein (the "PILOT Payment"); and

WHEREAS, the details of the PILOT Payment have been negotiated by the IDB and the City of New Orleans through the Mayor's Office of Community and Economic Development; and

WHEREAS, pursuant to the Act, property acquired by the IDB in connection with their issuance or agreement to issue bonds is exempt from *ad valorem* tax and pursuant to La. R.S. 51:1160 the IDB may require the Company to pay annually to the local taxing authorities, through the normal collecting agency, a sum in lieu of *ad valorem* taxes to compensate such authorities for any services rendered by them to such projects which sum shall not be in excess of the *ad valorem*

taxes the Company would have been obligated to pay to such authorities had it been the owner of the Project during the period for which such payment is made; and

WHEREAS, it is now the desire of this Board of Directors to authorize the President and/or Vice President and Secretary-Treasurer of the IDB to execute a "Lease Agreement and Agreement to Issue Bonds" (the "Lease Agreement") in substantially the form attached hereto as Exhibit A, and for the IDB to acquire the property described therein, and such other matters necessary and desirable in connection therewith.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., acting as the governing authority of the IDB, that:

SECTION 1. Approval of Lease Agreement. The IDB hereby approves (i) the Lease Agreement and Agreement to Issue Bonds in connection with the issuance of not exceeding \$18,265,000 of Taxable Revenue Bonds (Bourgogne Bywater LLC Project), (ii) the execution and delivery of the Lease Agreement in substantially the form attached hereto as Exhibit A, with such changes as are approved by bond counsel to the IDB, and (iii) such other matters necessary, convenient, appropriate and desirable in connection with the matters approved hereby.

SECTION 2. Approval of PILOT and Incentives. The IDB further approves the Base PILOT payments with respect to the Project, as set forth in the table and notes included hereinbelow and in Section 4.03 of the Lease Agreement attached hereto as Exhibit A, all subject to the further terms and conditions contained in said Section 4.03, particularly the targeted employment goals and clawbacks contained in Section 4.03(c) of the Lease Agreement.

Furthermore, the Company will covenant in the Lease Agreement that for a period of forty (40) years after the Project is placed in service, the greater of 10% or seven (7) residential units in the Project, consisting of a mix of one and two-bedroom units that is similar to the overall mix will be set aside for residents at monthly gross cost totaling no more than 35% of 80% of Area Median Income for a one-person household in the New Orleans-Metairie, LA MSA, ("AMI") as estimated and published every fiscal year by the U.S. Department of Housing & Urban Development ("HUD"), and shall be rented only to residents whose income is no more than 80% OF AMI for such year.

THE FOREGOING CONDITIONS SHALL BE BINDING ON THE LESSEE AND ANY FUTURE PURCHASERS OR OWNERS OF THE LESSEE AND/OR THE PROJECT SO THAT THE PROJECT CONTINUES TO MEET THE FOREGOING CRITERIA FOR SUCH FORTY (40) YEAR PERIOD EVEN IF THE LEASE AGREEMENT HAS TERMINATED AND EVEN IF THE PROJECT HAS BEEN RECONVEYED BY THE IDB BACK TO THE COMPANY PURSUANT TO THE LEASE AGREEMENT

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<u>Orleans Parish Tax Year</u>	<u>Payment Due Feb. 1</u>	<u>Base PILOT on Land and Improvements</u>	<u>IDB Admin. Fee (4)</u>	<u>Total Payment</u>	<u>See Note</u>
<u>Two-year construction period</u>					
2019	2019	22,604	9,133	31,737	1
2020	2020	22,604	9,133	31,737	1
<u>Fifteen-year PILOT after completion</u>					
2021	2021	30,000	9,133	39,133	2/3
2022	2022	31,200	9,133	40,333	2
2023	2023	32,448	9,133	41,581	2
2024	2024	33,746	9,133	42,878	2
2025	2025	35,096	9,133	44,228	2
2026	2026	36,500	9,133	45,632	2
2027	2027	37,960	9,133	47,092	2
2028	2028	39,478	9,133	48,610	2
2029	2029	41,057	9,133	50,190	2
2030	2030	42,699	9,133	51,832	2
2031	2031	44,407	9,133	53,540	2
2032	2032	46,184	9,133	55,316	2
2033	2033	48,031	9,133	57,163	2
2034	2034	49,952	9,133	59,085	2
2035	2035*	51,950	9,133	61,083	2

* Final Base PILOT Rent shall be due December 31, 2034.

Note 1: During construction, the Base PILOT Rent shall be equal to the amount of local property taxes on the Project site prior to construction, which was \$22,604.

Note 2: The Base PILOT on Land and Improvements shall be \$30,000 in the first tax year after the Project has been granted a certificate of occupancy and, shall increase by a factor of 4% each year thereafter for a total of fifteen years including the first year after completion.

Note 3: The foregoing table assumes that the Project will have received a certificate of occupancy and will have been placed in service on or before January 1, 2021 so that the first "full" tax bill on the Project would, but for the Lessor's ownership of the Project, be for 2021 Taxes due on December 31, 2020. If the Project is still under construction on January 1, 2021 and has not received a certificate of occupancy, then each of the fifteen years of post-construction Base PILOT Rents shall be delayed by one year (i.e. 2022 through 2036, with final payment due December 31, 2035).

Note 4: The IDB Annual Administrative Fee is calculated as the 1/20% of 1% of the estimated capital cost of the entire project ($\$18,265,000 \times 0.0005 = \$9,133$).

SECTION 3. Negotiation, Execution and Delivery of Documents. The President, Vice President and/or Secretary-Treasurer, or any one of them acting independently, are hereby

authorized and directed for, on behalf of, and in the name of the IDB to negotiate, execute and deliver any and all documents described herein, including, without limitation, the Lease Agreement, a conveyance to the IDB of the Project, and additional instruments, documents, consents, acknowledgements and certificates in addition to the aforesaid Lease and conveyance that are deemed by such officers upon the advice of counsel to be necessary, convenient, appropriate or desirable. The signatures of the said officers upon documents specifically described herein together with any documents and certificates as may be otherwise required for necessary, convenient, appropriate or desirable related to matters described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 4. Authorization. The President, Vice President and/or Secretary-Treasurer, or any one of them acting individually, upon the advice of counsel, shall be further authorized to negotiate, execute and deliver any future servitudes, easements, mortgages, rights-of-way, releases, conveyances, reconveyances, subordination & nondisturbance agreements or other instruments with respect to the Project and/or the property described in the Lease Agreement, as may be required by or provided for in the Lease Agreement or in connection with any bonds, or as may be requested by the Company, or as may otherwise be required for or necessary, convenient or appropriate to the Project, subject to review and approval of any such agreements or instruments by IDB counsel.

SECTION 5. Effective Date. This resolution shall take effect immediately.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Alan H. Philipson, President	X			
Darrel J. Saizan, Jr., Vice President	X			
Susan Good, Secretary-Treasurer	X			
Mindy Brickman	X			
Troy A. Carter			X	
Walter C. Flower, III	X			
Eugene J. Green, Jr.			X	
Lesli D. Harris			X	
Edith G. Jones	X			
Julius E. Kimbrough, Jr.			X	
Lisa S. Mazique	X			
Theodore C. Sanders, III	X			
Jeffrey Schwartz				X
C. David Thompson			X	
Iam Christian Tucker	X			

And the resolution was declared adopted on this 13th day of November, 2018.

/s/ Susan P. Good
Secretary-Treasurer

Alan H. Philipson
President

EXHIBIT A
to Authorizing Resolution

FORM OF LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS

STATE OF LOUISIANA

PARISH OF ORLEANS

I, the undersigned Secretary-Treasurer of the Industrial Development Board of the City of New Orleans, Louisiana, Inc., (the "IDB"), do hereby certify that the foregoing _____ (___) pages constitute a true and correct copy of the proceedings taken by the Board of Directors of the IDB on November 13, 2018, approving the form of and authorizing the execution of a "Lease Agreement and Agreement to Issue Bonds" and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$18,265,000 of Taxable Revenue Bonds (Bourgogne Bywater LLC Project) of the Industrial Development Board of the City of New Orleans, Louisiana, Inc.; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the IDB on this the 13th day of November, 2018.

(SEAL)

Secretary-Treasurer

NOTICE OF CANCELLATION

OF THE

BOARD MEETING

OF THE

INDUSTRIAL DEVELOPMENT BOARD

OF THE

CITY OF NEW ORLEANS, LA., INC.

THE TUESDAY, DECEMBER 11, 2018 MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF NEW ORLEANS, LOUISIANA, INC. HAS BEEN CANCELLED. PLEASE NOTE, THE NEXT SCHEDULED MEETING WILL BE TUESDAY, JANUARY 8, 2019.

INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF NEW ORLEANS, LOUISIANA, INC.

December 5, 2018

