

**MINUTES OF THE “ZOOM” BOARD MEETING
OF THE
INDUSTRIAL DEVELOPMENT BOARD
of the
CITY OF NEW ORLEANS, LOUISIANA, INC.
JUNE 8, 2021**

Present:

Susan P. Good
Edith G. Jones
Alan H. Philipson
Kea Sherman
Iam C. Tucker

Eugene J. Green, Jr
Eric D. Jones, Ph. D
Darrel J. Saizan, Jr.
Rachel Shields

Lesli D. Harris
Lisa S. Mazique
Theodore C. Sanders, III
David Thompson

Absent:

Mindy Brickman
Walter C. Flower III

Also Present:

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

Guests (per Zoom name and telephone numbers)

504/220-8441	
Annie Clark Cambria	Recovery School Dist.
Alexcear Short	Friends of Joe Brown
Dawn Hebert	
Jeffrey Schwartz	City, Economic Dev.
Edward L. Blouin	
Eva Washington	Friends of Joe Brown
Susie Dudis	BGR
Phillip Reed, Sr.	
Nick Lacour	.
Peyton Woodroffe	TLC Engineering
Philip Sherman	Adams & Reese, LLP
Marcia McWilliams	
Tangee Wall	N. O. East Matters
Tina Balthazar	
Tonya Pope	TPC Nola
Ira Middleberg	
Jay Cicero	
Jean-Paul Morrell	
Judith Moran	WD Phase I
Leigh Ferguson	Downtown Dev. District

Immanuel Gilen	Iris Development
Greg Pulley	Regions Bank
Andrew Valenti	N. O. City Business
Arthur Busby	
Courtney Stuckwisch-Wong	City of New Orleans
Kelly Primeaux	TLC Engineering
Louis David	NOLABA
Rosalind Peychaud	L. E. D.
Darren Mire	Assessor Office
Jenn Johnson	N. O. East matters
Christian Generes	Landis
Lisa Ross	Assessor's Office

President, Alan H. Philipson, called the meeting to order at 12:05 PM. A roll call confirmed a quorum.

A verbal introduction of guests was conducted.

The President introduced the newest member of the IDB, Dr. Eric Jones, an appointee of Council member Cyndi Nguyen.

APPROVAL MINUTES

The President requested a motion for approval of the March 9, 2021, minutes. Same was offered by Mr. Eugene Green with a second by Mrs. Edith Jones. By a unanimous vote by the Board, the minutes of March 9, 2021, were approved.

SIX FLAGS – Jeffrey Schwartz

Mr. Schwartz provided a brief overview of the status of the Six Flags RFQ, which is in active solicitation. On May 11 a RFQ Review Committee met, creating a short list and naming Bayou Phoenix and Kiernan West as final selectees subject to a mini-selectee RFP process for redevelopment of the site. A third and final round will be conducted. The process will stay open for approximately four (4) weeks to get a formal response to the RFP. Further, the Committee will need about a week or two thereafter to review the responses after which a finalist(s) will be selected. The current selectees, as he understands, have been meeting with the community. The final process, (the RFP), is primarily about ideas and concepts. He reiterated that thus far, the process has been about qualifications rather than proposals. He added that he could not provide any specific information about either respondent – only general answers about the solicitation process. As soon as the RFP process has been exhausted, the finalist will be made aware and the IDB will be informed.

The floor was opened to the Board for questions. Dr. Eric Jones was recognized who inquired as to the start and ending date of the four-week RFP review process. Mr. Schwartz stated there were no specific dates at this time but that it is anticipated that the City's Office of Procurement would issue the RFP maybe early next week and the four weeks would begin. As of today, there is no specific start date. Dr. Jones asked if there were plans for any forums for community input. Mr. Schwartz added that the City realizes the importance of public forums, however the Procurement process is defined by City policies and procedures. The City has extended, within the confines of

those policies, such forums including every opportunity for input from Councilmember Cyndi Nguyen's office.

Mr. C. David Thompson pointed for clarification that this process appears to estimate a timeframe of 6-8 weeks including response and review by the Committee. Will the IDB be advised in advance when these meetings will take place? To what extent is the IDB involved in the RFQ process at the Committee level? Mr. Schwartz advised that pursuant to the CEA with the City, the IDB is not formally involved in the review process. The City, solely, conducts the process, abiding by all the policies of procurement.

There being no further inquiry by the Board, the President opened the floor for public comment.

Alexcar Short asked/commented that 1) Why was Tonya Pope not included in the selection; 2) The selection decision should have included input from the citizens of New Orleans East and there was none; and, in her estimation, was unfair; and 3) the Selection Committee did not include any of the projects the citizens wanted nor was anyone from New Orleans East seated on the committee. Mr. Schwartz responded that the procurement process is in the City Charter including input from the Chief Administrative Officer and the Mayoral documents. Every City solicitation and contract, large or small, follows these defined processes including who sits on the committee. The original solicitation review is about the qualifications of the respondents with no personal bias. When a winning developer is selected, they will have to engage in a community process.

Tangee Wall was recognized who stated she understood Mr. Schwartz's response and the procurement process of the City. She suggested, however, that the City may wish to go back and take a look at the Charter because "community engagement" is a major part of any development that impacts their direct area. She feels the process lacked transparency and there was little understanding related to the grading of each project. She requested the City to look at this process as there should be a seat for a representative from New Orleans East in this last phase.

The President offered the floor to IDB counsel, David Wolf, who informed that the CEA between the IDB and the City is very specific. All responsibility related to the RFQ, letters of intent, the review, etc. is solely the responsibility of the City. This report by Mr. Schwartz is meant to update the Board in accordance with the CEA. Comments or questions by the public should be addressed to him and/or the RFQ Selection Committee.

Ms. Iam Tucker stated she agreed with Ms. Wall – there should have been a seat at the table for a community representative which is important in such a major development – if not for a vote, one of representation for the voice of the community. Mr. Schwartz accepted note of the comment.

Dr. Jones echoed the support, adding that an invite should be extended to a non-voting community representative. Mr. Schwartz said this process was/is different and any changes in the third round may require an executive order to change the composition of the Committee. Mr. Schwartz added that the comments will be taken into consideration, but he could not see an amendment to the process now. It is within the current guidelines to extend from a RFQ to RFP.

Mrs. Edith Jones inquired if the District Councilmember was included in the process. Mr. Schwartz advised that he and Ms. Courtney Stuckwisch-Wong met with Councilmember Cyndi Nguyen earlier in the process to make sure she had the most current information from her district.

Also engaged was the New Orleans Business Alliance whose process also included community engagement. There were community listening sessions in the second round, which had not been done before. Ms. Nguyen has been involved in every step of the process.

The President thanked Mr. Schwartz for his time in reporting and responding. Before his departure, Mr. Wolf asked Mr. Schwartz to provide a status on the DXC

UPDATES RE DXC AND SIX FLAGS

DXC Update (Jeffrey Schwartz)

Mr. Schwartz reminded all that last year's report was delayed along with the payments to DXC for 2019 (due in 2020) due to Covid and DXC management leadership changes. The City is now awaiting the 2020 report which it hopes to have in hand before the next IDB Board meeting.

SIX FLAGS

Six Flags film contracts

Ms. Sharon Martin, IDB Administrator, advised that as of this date, there are no pending contracts.

QUARTERLY REPORTS

The President instructed all that Board comments will be accepted after each report and that public comments would be accepted after delivery of all reports. The President then deferred to Mr. Wolf the follow through of the Quarterly Reports by Developers.

Bourgogne Bywater – Immanuel Gilen

Mr. Immanuel Gilen advised that construction is more than half completed, with completion expected sometime around Thanksgiving. He advised that he only received the first quarter DBE/local hire report this morning and apologized for the delay. The Bywater team is meeting both goals, with DBE just north of 35% and local hire, which had a slow period, between 35-40%. Their team feels confident that the later trades will be easier in hiring of locals.

OCH Redevelopment Partners

There being no representative available, receipt of the report was acknowledged. The project is still under construction.

WD PHASE I – Judith Moran

Mrs. Moran advised that the project was 95% complete with occupancy expected on or about August 1. At the end of March, the development reached 30% of the DBE goal and anticipates reaching 35% by the project's end.

As related to workforce, Mrs. Moran reported that at the end of March, the development was at 37% and it is anticipated they will reach the 40% goal with Orleans Parish residents having been hired.

REPORTS AND UPDATES (David Wolf)

Drive Shack

Mr. Wolf reminded the Board that just before the Covid lockdown, a PILOT was negotiated and approved by the Board. There has been little to no construction activity since then. In the meanwhile, there has been some litigation by some of the subcontractors for which the Board tendered its defense to the Developer in accordance with the terms of the Lease Agreement. The defense of the IDB was accepted. The Developer advised that construction will be resumed some time in 2022. Because of the lack of activity and the project sitting idle until then, the Developer has been asked by the IDB to take back ownership of the property until construction is complete and a certificate of occupancy has been issued. With this new IDB position, the property in this matter will be conveyed back to the IDB and the PILOT re-established under the same terms, with same number of years. The amendment was signed and approximately 10 days ago (a visual shown on screen) the property was conveyed back to the Developer. The IDB will not be involved in any future claims.

Mr. Green asked for the potential re-start date of construction. Mr. Wolf advised that the Developer has committed to completing the project with a restart date around the second quarter of next year (2022).

Mrs. Susan Good sought clarity regarding the payment of current taxes and the PILOT, questioning if the Developer will be required to pay the current taxes due on the property until the PILOT is reinstated to which Mr. Wolf responded, "Yes".

TWO SAINTS

Last year the Board adopted the final resolution for a PILOT in this matter just as the Covid lockdown began. Mike Mancuso, attorney for the Developer, reported that the project is to re-start and the newly adopted PILOT language transferring the property to the IDB after construction is now included in the Lease Agreement. This is a ground lease, he advised, and as such, the Developers do not own the land. The landowner will continue to pay the taxes which are approximately \$52K per year. It is anticipated that the development will be placed in service by next year. He noted that the time periods in the current lease may change but the number of years for the PILOT will remain the same as will the number of units which were set aside as "affordable".

ANNUAL REPORTING FORMS

Mr. Wolf and Ms. Martin have been researching all the PILOT-related projects, about 50, (See screen), to create a book of Annual PILOT Reporting forms which will require a response by developers every year. It will aid in double checking the annual fee, admin fees, etc. Also, a map (shown on screen) has been put together of the locations of all the PILOT and bond projects that the IDB has done in the last 25 years. The map of each project includes a brief overview of the bond issue and when it was approved – enough detail and a brief overview of the bond or the PILOT. This will be a great tool for all the projects. It may require an intern or contracted individual to handle for upkeep. The goal is to link this tool to the IDB website.

IDB WEBSITE ON CITY LINK

Mr. Wolf advised that he has been speaking and working with Mr. Schwartz and Ms. Stuckwisch-Wong on the migrating of the IDB website to the economic development link on the City's website. He has put together an outline of the information thought to be integral and included on the site. Ms. Stuckwisch-Wong is currently working with him on the conversion from IDB to City link. Maintenance, he stated in response to a question raised by Ms. Rachel Shields, will be handled by the City and further stated he is sure that it will also require some handling from the IDB's office as well to ensure the information is current. Information will include meeting notices and agenda, copies of audits, etc.

BY LAWS UPDATE

Mr. Wolf advised that he previously circulated a copy of the changes to the IDB By-Laws to everyone. No action is required today. The updates include three specific areas that need modernization, specifically: 1) holding electronic meetings/video electronic meetings as allowed by law; 2) use of electronic signatures which has been allowed for some 20 years; and 3) registered agent information filed with the Secretary of State. Mrs. Good provided input which was also included in the By-Laws update. The review of these changes will be brought up for a vote at a future board meeting.

FORMAT OF PILOT LANGUAGE CHANGES

Mr. Wolf reiterated that as previously reported, he has been spending a good amount of time making language changes in the Lease Agreements related to the PILOTs. These changes not only affect the IDB here in New Orleans but also the other IDB's with which he works in and around the State. One of the most important changes is the owning or transferring of the property by the IDB. The IDB no longer takes ownership during construction. Conveyance will now take place once construction has been completed and the development is placed in service. Over the past few years there have been issues of risk and this will reduce and hopefully eliminate them.

He added that he participated in a discussion with the DBE/Local Hire committee which is reviewing the employment targets set by the IDB. It was organizational in nature, including a history of the PILOT structure and the evolution of the PILOT process with these targets. The attempt is not to back off any of these goals but to understand in advance how these goals can be achieved. The Committee is to meet again for further review, with input from the Board encouraged.

Mrs. Kea Sherman acknowledged the help that Mr. Wolf has been giving the Committee, advising that they had their first meeting yesterday. The Committee, which includes Mr. Eugene Green and Ms. Iam Tucker, has been able to identify issues that need addressing. There is a presentation timeline of September for a report to the Board. She extended an invite for anyone wishing to offer information.

DXC TECHNOLOGIES

Mr. Schwartz advised that the DXC report is late by a month and a half. Last year they were about 8 months delayed but a report should be available soon. Next year DXC will be contacted earlier to start the process.

FINANCIALS (Susan Good)

IDB 2020 Audit

Mrs. Good, Secretary-Treasurer, reported that the draft of the 2020 audit was received and reviewed along with staff and the IDB accountant. It is now complete and will be filed timely with the Louisiana Legislative Auditors by the June 30th deadline by CRI, the IDB Auditor.

Six Flags

As of today, there is approximately \$19,000 in the Six Flags operating account. From that amount the May expenses (security, Adams & Reese Six Flags legal fees, and grass cutting) must be deducted. After these payments, the account will be in the negative. She suggested keeping the account open, moving funds from the regular IDB account, as needed, to the Gulf Coast Six Flags account. This will allow the IDB to keep track of what it is “lending” Six Flags. She reminded everyone the CEA will expire at the end of August prior to the expenses of June, July, and August for which the IDB will be liable. Hopefully, the City will have made a decision on the RFP selectee, transferring these responsibilities to the developer. When that happens, she stated she would like to see this property transferred immediately out of the name of the IDB.

Mr. Philipson agreed with Mrs. Good but added that he had a problem using IDB funds for Six Flags expenses and suggested creating a journal line entry on the budget showing the amount due to the IDB for any, and all funds transferred. He added that any funds from film contracts that may come through, should be used to repay the IDB. He suggested that when the property is transferred to the City that all IDB funds would be repaid. He then sought the advice of counsel, who agreed that an accounting of the funds transferred should be kept and further stated that it does not appear however that the City would make a reimbursement. The uncertainty also includes when the transfer of property will take place.

Mrs. Good continued her report, advising that as of the April financial statement, the IDB has collected a majority of administrative fees for the year.

CD Update

We have been minimizing the CD activity since rates are so low. As a result, the Liberty Bank CD has been converted into a savings account until such time that rates are better. Accounts at banks are being kept within the FDIC protection amount. In keeping with the CD handling, another CD was renewed for one year rather than 6 months. Funds over \$250,000 in the Hancock Whitney account will be swept to the IDB's LAMP account. Based on the April report, expenses are in line, with the exception for legal work. Mrs. Good advised that if a line item appears to be overbudget, there is an explanation in the Notes on the last page of the report. All line items are annualized.

Mr. Green suggested that we should vote to amend the budget now. Mrs. Good reported again the balance in the Six Flags account and expenses which were pending. Mr. Green submitted a motion granting the Secretary Treasurer the right to transfer funds sufficient to cover expenses until the end of the CEA in August. Same was seconded by Mr. Darrel Saizan. Mr. Wolf advised that a motion to first amend the agenda must be offered. Mrs. Edith Jones offered the motion to amend the agenda for Six Flags funds and same was seconded by Mr. Green. A vote to add to the agenda passed unanimously.

A motion to amend the budget through the end of the August of this fiscal year was offered by Mr. Green. Mrs. Good ask to have the authorization until the end of the year. After all discussions, a motion was offered by Mr. Saizan to commit \$100,000 to the Six Flags account and granting Mrs. Good, the Secretary Treasurer the authority to transfer same to ensure security and maintenance of the Six Flags property. The motion was second by Mr. Thompson. The motion passed.

New Business

There was no new business

Ms. Tucker thanked Mr. Wolf for his assistance with the DBE/Local Hire Committee. She then recalled that DXC Tech did not meet their employment goal and questioned why the goal cannot be met. She shared her disappointment, further offering to meet with them as well as part of the DBE/Local Hire mission.

The IDB Administrator advised that this year's DXC target was higher than last year with the IDB paying \$81K last year, and \$121K this year. Our committed amount is \$150,000 each year.

Mr. Green commented, asking to be placed on the record that with regards to the Six Flags matter he hopes the IDB does not assume it will not get reimbursed its funds and urged to remind the Board that when the City leases the property to the developer, the IDB should be reimbursed its funds from the City-Six Flags Developer lease.

Dr. Jones wished also to be on record with Mr. Green, stating that after looking at the CEA, his greatest concern is that the IDB has taken care of all costs in caring for the site and, the IDB should seek reimbursement for some of those expenses. He stated the City has and has had all the entities/infrastructure resources needed to take care of the site.

Public Comment

The President opened to the floor to public comment.

Mrs. Jen Johnson, a business owner in New Orleans East, stated that she has been attending IDB meetings for some time. She has watched the CEA be extended numerous times and that while she hopes that something happens, she implores the Board not to grant another extension but to go forward with selling the property if nothing comes of the RFQ. The community is anxious for something to happen with the Six Flags site.

There being no further business, President called for a motion to adjourn. Same was offered by Dr. Jones and seconded by Mr. Green. The meeting adjourned at 1:52PM.

APPROVED 8/10/2021

Susan P. Good
Secretary/Treasurer