

ALGIERS DEVELOPMENT DISTRICT BOARD MEETING

Friday, September 16, 2022 · 10:00 a.m. -11:00 a.m.
Algiers Auditorium · 2485 Guadalcanal · Federal City New Orleans

Call to Order/Welcome

Chairman Mark Major called the meeting to order at 10:04 a.m.

Roll Call: Ms. Vanessa Duplessis:

ADD Board of Commissioners Present

Mr. Mark Major (Chairman), Representative Mack Cormier (Treasurer), Representative Delisha Boyd, Senator Gary Carter, Councilmember Freddie King, Mr. Jabarie Walker and Senator Bowie's Legislative Assistant, Ms. Lois Hazeur. Senator Joe Bouie was unable to attend.

Others Present

Mr. Wayne Brown, Mr. Robert Taylor, Mr. Austin Hogaus, Mr. Alan Wold, Mr. Kevin Barnes, Mr. Andy Crestman, Mr. Carlos Rivera, Ms. Tonya Martin, Ms. Mary-ellen Brown and Ms. Paula Peer (BT+MSG Team); Mr. Sean Bruno (ADD CPA) Via phone; Dr. Peter Cho (ADC Board Member); Mr. Ray Manning and Mr. Ron Bordelon (ADD consultants); Col. Chris Schlafer (Commandant) and Mr. George Jacobs (NOMMA); Matthew Waranius (USCG); Ms. Kelsey Foster (AEDF); Ms. Carrie Burks and Ms. Sara Triplett (Community); ADD Executive Director Ms. Kathy Lynn Honaker and staff member Ms. Vanessa Duplessis. Mr. Bill Garrett was ill and connected via phone.

Rules of Order: Mr. Scott Zander stated the Meeting Rules of Order.

Pledge of Allegiance: Led by Senator Gary Carter.

Minutes: June 24, 2022

Senator Carter made a motion to accept the June 24, 2022 minutes, seconded by Representative Delisha Boyd. The June 24, 2022 minutes were approved without further discussion or objection.

Financial update with Budget to Actual: Mr. Sean Bruno, CPA for the Algiers Development District, briefed via phone, the Algiers Development District Statement of Financial Position as of July 31, 2022. This statement detailed the assets, liabilities and equity, and statement of activities. The report also included the budget to actual.

Senator Gary Carter made a motion to accept the financial update as presented. seconded by Councilmember Freddie King. The financial update was approved without further discussion or objection.

ADD 2023 Budget: Mr. Sean Bruno then briefed that the 2023 proposed budget was consistent with the 2022 budget. He continued to cover budgeted total income and budgeted expenses.

Senator Carter inquired about the timeline on the 2023 budget. Mr. Bruno stated that the November 2023 budget presentation to the City Council will accept, approve, and adopt the 2023 budget.

Mr. Jabarie Walker commented that looking at the 2023 budget, there is city revenue, state revenue, and rental revenue. He estimated the total revenue to be about \$1.9M. Then, \$840,000 is spent on professional services. Mr. Walker continued that he reviewed the revised statute related to the Algiers Development District. He stated the statute spoke about services being provided by the City of New Orleans through its normal departments. Mr. Walker used the example of grass cutting and entering into an agreement with the city for Parks and Parkways to cut the grass. He stated that the ADD Board has the flexibility to enter into agreements/contracts that are not ordinarily performed by the city. He continued that in doing so, the ADD Board must have prior approval from

the City Council and the Mayor. In his position as the mayor's designee on the Board and the Mayor's Deputy Chief of Staff, he has yet to see any requests from the mayor to approve any professional services. He continued that instead of ADD funds spent for professional services, funds could be spent for the betterment of Algiers.

Senator Carter stated the historically the ADD Board has been comprised of State Representatives, State Senators, and Legislators. The enabling legislation, the ADD is a separate entity designed to serve the Algiers Development Area. Routing services through the City or seeking pre-approval of the City is not in keeping with the past relationship between the City of New Orleans and the ADD Board. The Senator continued that we would have our attorneys review everything that ADD Board is undertaking and is following the enabling legislation. Senator Carter (who is an attorney) concluded that he has studied and is familiar with the enabling legislation.

The Chairman asked Mr. Scott Zander, to make certain that ADD Board is in strict compliance with the enabling legislation.

A motion made by Senator Carter to accept the ADD 2023 proposed budget as presented by Mr. Bruno, seconded by Representative Mack Cormier. Commissioner Walker voted no. All other commissioners voted yes. The 2023 budget was approved as presented.

Audit 2021: Mr. Sean Bruno stated that the audit report as of September 31, 2021 was timely submitted. There were no legislator audit adjustments requested from the auditor. Mr. Bruno elaborated that the new audit firm of Ericksen Krentel did an outstanding job, and the audit contains an unmodified opinion which is the best possible audit rating. Ms. Honaker recognized Ms. Duplessis for an outstanding job in leading the audit team each year.

Senator Gary Carter made a motion to accept the 2021 Audit, seconded by Councilmember Freddie King. The 2021 Audit was approved without further discussion or objection.

Old Business

Development Update: Mr. Ron Bordelon and Mr. Ray Manning

Mr. Ron Bordelon gave an overview of the development site map in preparation of the BT+MSG and team development briefing.

BT+MSG Development Brief: Mr. Edward Taylor began by stating that architect Mr. Kevin Barns from Trampolin Peer, will present a detailed presentation on the proposed development plans for building 4. Beginning with the historic adaptive reuse redevelopment, 52 units: 39 one bedroom, 13 two bedroom. BT+ MSG is working through the due diligence period expecting a 2023 closing and a current construction schedule shows construction commencing in the second or third quarter of 2023. Construction is expected to take 12-15 months.

Chairman Major requested a building four environmental update. Mr. Taylor responded that they have been working extensively with DEQ and they have the preliminary action plan and a remediation process.

Mr. Taylor continued discussing the adaptive reuse plan for building ten, in addition to a new building being constructed. There has been progress on the senior's development. BT+MSG expects a 2023 closing on this parcel which is currently in financial due diligence.

Commissioner Walker inquired of the number and type of units for the building ten project. Mr. Taylor responded senior living fixed rate twenty-four units in the building 10 and 52 fixed rate units in the new construction portion. Representative Boyd asked about amenities for the seniors. Mr. Taylor responded that the feasibility and site

analysis is complete, and that Brown-Taylor currently has senior living facilities that they own, operate, and always have local partners that provide appropriate senior services and amenities.

Ms. Honaker requested a brief review of past development locations for Brown-Taylor. Mr. Taylor responded that they are regional developers across the state of Louisiana and the gulf coast primarily. They have under our operations and management 15 properties and 5500 units that includes market rate, mixed income, affordable housing, and every facet of multi-family operations. There are 185 employees in Louisiana responsible for overseeing and caring for those communities. The company has existed for 40 years as Fairfield Property Management that includes the BT+MSG development partnership with Brown Builders in operation since 1971 as our primary general contractor.

Commissioner Walker inquired as to since affordable housing was at other locations, why not set aside 5% or 10% for affordable housing to building 4? Mr. Taylor responded that it is a consideration, funding opportunities are many of the limitations in critical path items we must work through in terms of the availability of funding opportunities that make it necessary for the feasibility of having a mixed income property.

Mr. Kevin Barns from Trampoline Peer Architects presented a detailed rendering of the completed view of the entire building 4 project. The presentation included interior views of the one bedroom and two-bedroom units.

Councilmember Freddie King inquired if there is any affordable housing component in the building 4 development. Mr. Taylor responded that not in the first phase 4A (phase1) of historic adaptive reuse. In phase 4B (Phase II) new construction there would be an opportunity for a mixed income component of the development. Councilmember King asked how many affordable units in phase 2? Mr. Taylor responded that it would depend on the funding opportunities that would be available through the city and state. Councilmember King stated that history of this community is that people are being priced out of their communities. Representative Boyd agreed and stated that affordable housing does not necessarily mean subsidized housing. We live in a community where schoolteachers, firefighters, first responders and police officers, are being priced out of the communities where they work.

Chairman Major asked Mr. Manning and Mr. Bordelon for comments. Mr. Manning highlighted the 4b (Phase II) new construction as an opportunity for an affordable housing component subject to acquiring city and state funding and it is contingent on an incredibly competitive market for these funds. Mr. Taylor stated that Mr. Carlos Rivera is our director of affordable housing is here and is part of our development team. We are involved and invested in that process.

Senator Carter asked if there is any concern about the financial viability of the development based on the increase of interest rates and the slowing of the economy? Mr. Taylor responded he is not currently concerned. He stated there is always concern with changing variables that we have seen in the last six months. This is part of our financial due diligence and we have accounted for a higher interest rate. We are also utilizing federal and state historic tax credits and are still expecting to close the second or third quarter of 2023.

Ethics Training: Ms. Honaker reminded everyone that all staff and board members are required to complete ethics training, and it is also an audit requirement. Please submit your completion certificates to Ms. Vanessa Duplessis.

Infrastructure Update: Ms. Kathy Lynn Honaker mentioned the \$939,000 that Well Adjusted Claims assisted with successfully collecting. We had ten historic buildings that required roof repaired due to Hurricane Zeta with only three flat roofs remaining to repair and they are scheduled to start next week.

NOMMA: Mr. Scott Zander provided an update on the NOMMA transaction. NOMMA's Council has provided a draft purchase and sale agreement for the three expansion parcels, as well as a long-term lease for the fitness

center. They are under review and negotiation, and they are in exceptionally good shape. The NOMMA due diligence period ends on September 30, 2022. Closing is scheduled to be completed within 30 days of the end of the due diligence period.

Commissioner Walker inquired of the ADD leadership, why the property was being sold to NOMMA instead of entering a long-term lease? Chairman Major informed Commissioner Walker that the deal will not be renegotiated in public. The Chairman stated that he would be happy to discuss this via a conference call. He further stated that both parties have come to the table and negotiated the transaction, and it has been respectively approved by both the NOMMA and ADD Boards.

Commissioner Walker continued that he had requested a brief that did not occur; we should not be charging NOMMA \$2.8M and then NOMMA must conduct fundraising to complete the expansion when a long-term lease makes more sense.

The Chairman restated that there have been extensive negotiations. NOMMA came to the table to complete the transaction. NOMMA knows their finances. He continued that he is not questioning their finances. As ADD Chairman, it is his requirement to develop this 200-acre campus. In time we will ask NOMMA to present their plans for the expansion parcels. It is strategically important to move forward on these transactions.

Senator Carter commented that he certainly respects Mr. Walker's thoughts and opinions on this. It is a complicated decision to keep the property and conclude a long-term lease or the sell the property. Here we have the leadership of NOMMA completing a transaction that NOMMA believes they are comfortable with, and he is not comfortable with ADD questioning their finances. They have already factored in the cost of purchase and developing and operating the expansion. At this late date, to come into the negotiations and say even these two groups have negotiated a compromise, for us is to question their good judgment. Not only are we questioning their finances, but we would also risk extensive delays for NOMMA. Senator Carter stated that he is most interested in growth and to have construction happening. How do we move the process forward, we have a negotiated agreement that both groups' attorneys have worked successfully to complete.

Mr. Walker asked if NOMMA received other options other than the property sale? Councilmember King stated that he agreed with Mr. Walker and that we do not want to hinder NOMMA's growth. However, he continued that if NOMMA is comfortable with the negotiated sale price, then we should not question NOMMA's finances.

Representative Boyd commented that she understands Mr. Walker's position, however at this late stage of the process, we can have the assumption that before the negotiations were completed that long term leasing may have been an option. She continued that in her real estate and investor experience, all options are explored, and that at this point it has been negotiated and agreed upon. She continued that everyone involved in the negotiations considered all options before finalizing the agreements. Mr. Walker asked if it known if long term was an option. Senator Carter responded that would require us to reveal public-private negotiations. The Senator continued that the point everyone is trying to make is that in the sophisticated, thorough negotiations that NOMMA has negotiated an agreement they are comfortable with. Representative Boyd agreed and mentioned that in negotiating the large park in Harahan, some acreage did have a long-term lease. However, for the purpose of ownership, it was important to them to purchase the property. For NOMMA to purchase the property, they would then have ownership.

Ms. Honaker stated that how important the military is to New Orleans and all of Louisiana, and that the military also has a huge fiscal impact. The Marines and Coast Guard are appreciated.

Chairman Major requested a motion to reaffirm ADD's position that authorizes the ADD Board and the attorneys to work with NOMMA to sell the three expansion parcels of land and complete a long-term lease of the fitness center through 2083 and permit the ADD Chairman to execute the documents. Representative Boyd made the motion, seconded by Senator Carter. There was no further discussion. Commissioner Walker voted no; all other commissioners voted yes. The motion was passed as written.

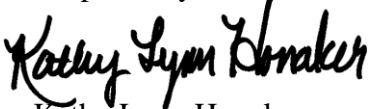
New Business

State Allocations (4): Senator Carter stated that at the last meeting he mentioned that there are four Algiers earmarks received from the State of Louisiana. The funds are in the Louisiana State Treasury and are designated as follows: \$100k to the Algiers Development District for infrastructure; \$100k for recreational infrastructure; \$100k for Human Assistance Needs and Development Program for which ADD will partner with nonprofits and churches in the area. He further stated that he is also reaching out to the Algiers neighborhood presidents to have their involvement with 100k for beautification and litter abatement. There were two state appropriation projects from the last fiscal year: \$75k to NORD to renovate the Norman Playground Clubhouse and \$75k to the Algiers Courthouse for upgrading their technology system. He stated that staff members Ms. Honaker and Ms. Duplessis would be handling all aspects of the CEAs with the state on behalf of the Algiers Development District and he would like to have Board approval. A motion was made and unanimously approved by the Board members for Ms. Honaker and Ms. Duplessis to handle all aspects of the CEAs with the state of Louisiana and entities receiving the funds.

Public Comments: There were no public comments.

Adjourn Meeting: Senator Gary Carter made a motion to adjourn the meeting, seconded by Representative Mack Cormier. There were no further discussions and or additional comments. The meeting adjourned at 11:31 a.m.

Respectfully submitted,



Kathy Lynn Honaker
Executive Director

KLH/wlg