

**DOWNTOWN DEVELOPMENT DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES
Tuesday, October 5, 2021 – 4:00 PM
Zoom Teleconference**

Meeting called to order by Vice-Chair Curtis at 4:04 pm.

Roll was taken and a quorum was present.

Members Present: Gregory Curtis, Chris Ross, Cleveland Spears, Judy Barrasso, Jade Brown-Russell, Jim Cook, Carla Major

Members Absent: Michelle Craig, Coleman Adler, Damon Burns, Leo Marsh

Staff/Counsel Present: John Pourciau, Anthony Carter, Sabrina Smith, Leigh Ferguson, Devona Dolliole, Joshua Varirin, Ryan Bordenave

Public Comments: Letters were read in to the record sent by Sally Shushan, Aaron Jordan, and Mayor Latoya Cantrell. They will be made part of the minutes for this meeting.

Notice: The time, location, and agenda had been adequately and publicly noticed.

Action Items –

1. Approval of Meeting Minutes from September 14, 2021 Board Meeting
2. Approval of Meeting Minutes from September 17, 2021 Special Board Meeting
3. Approval of Meeting Minutes from September 23, 2021 Special Board Meeting
4. Approval of Meeting Minutes from September 24, 2021 9:00am Special Board Meeting
5. Approval of Meeting Minutes from September 24, 2021 11:00am Special Board Meeting
6. Approval of Meeting Minutes from September 28, 2021 Special Board Meeting
7. Acceptance of Resignation of Commissioner Leo Marsh as Board Chair
8. Appointment of New Board Chair and Any Other Necessary Officers
9. Public Hearing on 2022 Workplan and Budget
10. Approval of August 2021 Financial Reports
11. Approval of Check Signing Authority Resolution
12. Resolution to Set 2022 Millage
13. Resolution to Adopt 2022 Workplan and Budget
14. Appointment of Legal Counsel

Approval of Meeting Minutes from September 14, 2021 Board Meeting – Action Item* - Vice Chair Curtis requested a motion to approve the meeting minutes from the September 14, 2021 Board meeting, Moved by Commissioner Ross; Supported by Commissioner Spears. The motion carried unanimously.

Approval of Meeting Minutes from September 17, 2021 Special Board Meeting - Action Item*

Vice Chair Curtis requested a motion to approve the meeting minutes from the September 17, 2021 Special Board meeting, Moved by Commissioner Ross; Supported by Commissioner Brown-Russell. The motion carried unanimously.

Approval of Meeting Minutes from September 23, 2021 Special Board Meeting – Action Item* - Vice Chair Curtis requested a motion to approve the meeting minutes from the September 23, 2021 Special Board meeting, Moved by Commissioner Ross; Supported by Commissioner Spears. The motion carried unanimously.

Approval of Meeting Minutes from September 24, 2021 9:00am Special Board Meeting – Action Item* - Vice Chair Curtis requested a motion to approve the meeting minutes from the September 24, 2021, 9:00 am Special Board meeting, Moved by Commissioner Ross; Supported by Commissioner Brown-Russell. The motion carried unanimously.

Approval of Meeting Minutes from September 24, 2021 11:00am Special Board Meeting – Action Item* - Vice Chair Curtis requested a motion to approve the meeting minutes from the September 24, 2021, 11:00 am Special Board meeting, Moved by Commissioner Ross; Supported by Commissioner Brown-Russell. The motion carried unanimously.

Approval of Meeting Minutes from September 28, 2021 Special Board Meeting – Action Item* - Vice Chair Curtis requested a motion to approve the meeting minutes from the September 28, 2021 Special Board meeting, Moved by Commissioner Spears; Supported by Commissioner Ross. The motion carried unanimously.

Acceptance of Resignation of Commissioner Leo Marsh as Board Chair – Action Item – Vice-Chair Curtis requested a motion to accept the resignation of Commissioner Leo Marsh as Board Chair. Moved by Commissioner Spears; Supported by Commissioner Ross. The motion carried unanimously.

Appointment of New Board Chair and Any Other Necessary Officers – Action Item – After a discussion and information on the Downtown Development District By-Laws it was determined that the current Board Vice-Chair, Commissioner Gregory Curtis, automatically steps into the office of Chair. This appointment will run through the end of the current term, which ends June 30, 2022. At such time the normal process will take place with an appointed nominating committee filling the full slate of officers for the new term. It was also noted that there is a possibility that the Board Chair be allowed to keep that seat for another year.

Appointment of the new Vice-Chair and any other necessary officers has been deferred to the next meeting. Commissioners Barrasso, Spears, and Brown-Russell have been selected to be the Nominating Committee, which will be responsible for the nomination of the above-mentioned officers.

Public Hearing on 2022 Workplan and Budget – Action Item* - Anthony Carter stated that the last year and a half has been a unique time in the history of not only the DDD but the City of New Orleans as well. It has created unique opportunities and challenges. The DDD staff remained responsive to the needs of all of our constituents.

He then reviewed the accomplishments of 2021 and the objectives for 2022.

To summarize the budget Anthony discussed the following items.

Ad Valorem Taxes are reflected as the gross amount actually collected by the City of New Orleans on behalf of the DDD, before collection and assessor fees are withheld. The 2022 tax revenue projection is based on 3.5% increase in property value assessments. This reflects the fact that at the time of the closing of tax rolls in August 2021 the Assessor's office was showing an increase of slightly more than 7% over those for 2021, subsequently the tax rolls were reopened to consider a reduction in assessments due to damage caused by Hurricane Ida.

On the expense side, which covers all of the departments, he stated that we are starting to return our staffing to pre-pandemic levels. We are also proposing that effective January 1, 2022 that the staff gets provided with a 3% increase. A couple of reasons is that over the last few years the staff did not receive any increases due to budget concerns. Prior to that the increases were capped at 3% but most employees received between one and a half and two and half percent increase, which was based on an evaluation. That allowed employees to barely keep up with the cost of living. Those that would normally be responsible for doing a large portion of the evaluations are no longer with the organization. Also, there is no CEO on staff that has been here long enough to evaluate the Directors.

We are also looking to work with the City to fund two civilian quality of life officers who are dedicated to the Downtown Development District who are able to issue citations. We have been trying for several years to make this happen. The City now has the ability to deputize civilian employees who can site for quality-of-life issues.

1. Special Event Clean Up (Line 111) – Through the year the DDD provides concentrated services to particular areas of the district affected by Downtown events. The cost includes \$45,000 for contractors for Mardi Gras and \$50,000 for the other events (e.g., spring and fall concert series, White Linen Night, Essence Fest, and Bayou Classic, etc.), which are uncertain in the wake of COVID-19. The DDD has recommitted itself to its goal of having Downtown clean and ready for business by the beginning of the workday after every event.
2. Graffiti (Line 112) – Funding for program to remove graffiti on private property.
3. Police Detail Services (Line 136) – The budget for 2022 represents the cost of normal police detail. The police detail is at a rate of \$38.25 per hour for all shifts Monday - Friday and \$50.58 per hour all day Saturday, Sunday and Holidays.
4. Private Security Services (Line 137) - The budget for 2022 represents the cost of the private security detail provided by Pinnacle Security, with sufficient funding to provide coverage from 2:00 pm until 6:00 am, seven days a week.

5. Planning Initiatives (Line 172) – Participation in planning for Charity District, vacant buildings and Infrastructure projects.
6. Façade Incentive (Line 178) – Matching grants to support \$120,000 of traditional façade projects, \$30,000 for lighting in the 100 Blocks and an additional \$30,000 to continue the vacant storefront art program.
7. Holiday Event (Line 188) – All events are being reinstated for 2022.
8. DDD Events (Line 189) – The DowntownNOLA Awards are being revived in 2022.
9. Legal Services (Line 247) – General Legal Counsel, the anticipated resolution of litigation related to state mandated retirement obligations and any additional services needed due to the more complicated nature of projects being undertaken.
10. District Wide Capital Improvements (Line 281) – Represents \$150,000 for the design of the Higgins Streetscape project in partnership with the City of New Orleans and the National World War II Museum.
11. DDD Infrastructure Fund (Line 282) — Dedicated to the annual costs of the Downtown Infrastructure Plan implemented by the City of New Orleans and governed by a cooperative endeavor agreement between the DDD and the City of New Orleans that has been approved.
12. Bond Proceeds (Line 300) – Funds from the sale of the 2021 Series Bonds that are being utilized to fund the second year of the Downtown Infrastructure Plan.
13. General Fund Cash Proceeds (Line 301) – The DDD held \$2,275,608 in undesignated funds at the end of 2019. The projected increase of \$1,026,723 in 2020 would have provided approximately \$3,302,331 available to invest or fund operating expenses in future periods. We have utilized \$2,500,000 in 2021 to fund the DDD Infrastructure Fund and are projecting a contribution of \$231,151 at the end of 2021. This would leave approximately \$1,033,482 in General Fund Cash at the end of 2021. The projected use of \$311,878 in 2022 will result in reserves of approximately \$721,604 at the end of 2022.

The floor was opened to the members for their questions or concerns.

Commissioner Brown-Russell inquired about the process of filling the positions which had been eliminated from the 2021 Budget and were now being reinstated. Mr. Carter assured the Board that those individuals who previously occupied the positions had been contacted regarding their interest in returning. As a reminder the positions cut last year were Director of Operations, Parks & Open Space Coordinator, Executive Administrative Assistant, and Administrative Assistant. Budget Community Relations position.

Commissioner Barrasso expressed concern regarding enacting a budget which called for deficit spending funded from our reserves. The staff was asked to scrub the budget to find the funds to keep from using any of the reserve funds to allow us to have a balanced budget. Mr. Pourciau and Mr. Carter committed to reviewing the budget to find funding or spending cuts that would allow the budget to be balanced without the use of any reserve funds, or at least with a minimal amount. The deficit is in the amount of approximately \$312,000.

Commissioner Cook inquired into the possibility of providing some millage relief to the taxpayers in the 2022 Budget. Mr. Pourciau and Mr. Carter voiced concern in attempting to both eliminate the deficit spending from reserves and provide millage relief as well. Mr. Carter reminded the Board that the millage rate was set predicated on the idea of growing property

assessments going forward from 2019, which has not occurred. Commissioner Curtis suggested that we may be able to look at some millage relief in future budgets beginning with 2023.

Commissioner Cook asked that we be cautious with bond payments as they accelerated each year. Anthony reminded the members that in 2023 the obligation for the Low Barrier Shelter will be ending, which was \$500,000 in cash flow each year. That would be coming back to the DDD, which would help fund the debt service.

Approval of August 2021 Financial Reports – Action Item* - Anthony Carter reviewed the following items:

Line 65: DDD Internal Sources – Bank interest revenue for August received, along with RTA transit shelter fees for July.

Line 72: City Sources – Collections are 275.15% of the amount budgeted for August and 112.00% of the amount budgeted YTD and 110.04% of the total amount budgeted for 2021.

Line 150: Low Barrier Shelter Operations – Invoices not yet received.

Line 248: Legal Services – Litigation expenses related to lawsuit with CNO continue to be significantly greater than anticipated.

Line 281: District Wide Capital Improvements – Design work on the Andrew Higgins Streetscape has not yet commenced.

There being no further discussion Chair Curtis requested a motion to approve the August 2021 Financial Report. Moved by Commissioner Cook; Supported by Commissioner Major. Motion carried unanimously.

Chair Curtis asked that in the future a motion made on behalf of the Finance Committee by the Chair of the Finance Committee.

Approval of Check Signing Authority Resolution – Action Item* The resolution was read in full. A roll call vote was taken and the final vote was as follows: 7 yeas (Commissioners Curtis, Ross, Spears, Barrasso, Brown-Russell, Cook, Major); 0 Nays; and 4 absent (Commissioners Craig, Adler, Burns, Marsh). The resolution was adopted.

Resolution to Set 2022 Millage – Action Item* - The resolution was read in full. A roll call vote was taken and the final vote was as follows: 7 yeas (Commissioners Curtis, Ross, Spears, Barrasso, Brown-Russell, Cook, Major); 0 Nays; and 4 absent (Commissioners Craig, Adler, Burns, Marsh). The resolution was adopted.

Resolution to Adopt 2022 Workplan and Budget – Action Item* - The resolution was read in full. A roll call vote was taken and the final vote was as follows: 5 yeas (Commissioners Curtis, Ross, Spears, Brown-Russell, Major); 2 Nays (Commissioners Barrasso, Cook); and 4 absent (Commissioners Craig, Adler, Burns, Marsh). The resolution was adopted.

Appointment of Legal Counsel – Action Item – John Pourciau updated the Board on the previous recommendation of Sher Gardner for general counsel. It was found that Sher Gardner has litigation similar to that of the DDD against the City. For this reason, they pulled out of the

selection. After further research John felt that the corporate, governance six-month contract should be given to Stone Pigman. However, the Board still needs to select litigation counsel.

Commissioner Barrasso asked that firms be questioned as to what, if any, work they have done for the City over the last five years. John stated that Adams & Reese, the potential Counsel for litigation matters, has no active work for the City and Stone Pigman is involved on behalf of the City only with the Hard Rock site collapse litigation.

Commissioner Brown-Russell made a motion to move forward with Stone Pigman as counsel for Corporate Governance for the six-month contract with the caveat that they apprise the Commission of any conflicts of interest. Supported by Commissioner Ross.

A roll call vote was taken and the final vote was as follows: 5 yeas (Commissioners Curtis, Ross, Spears, Brown-Russell, Major); 2 Nays (Commissioner Barrasso and Cook); and 4 absent (Commissioners Craig, Adler, Burns, Marsh). The motion passed.

The second part of this is to allow Chair Curtis to move forward with entering into a contract with someone to handle litigation moving forward in the interim or permanently should the Board decide to do so. Chair Curtis requested a motion to approve the process for him to evaluate the final firms for the short-term litigation services contract, which would be subject to the conflict-of-interest piece prior to that recommendation and then would present it to the Executive Committee and then the Board allowing a vote on that recommendation. Moved by Commissioner Brown-Russell; Supported by Commissioner Major. Motion carried unanimously.

Old Business – No old business

New Business – No new business

Executive Session – No executive session

Discussion of CEO Search and Update on Progress – The DDD Executive Search Committee decided the two final candidates will be Davon Barbour, Vice President of Advocacy and Economic Development, The Hollywood Partnership, Los Angeles, CA and David Colligan, Interim Chief Operating Officer, Austin Economic Development Corporation, Austin, TX. Each candidate will be scheduled to do a presentation with the Board and a separate one with the stakeholders. They will also be scheduled for a meet and greet with Mayor LaToya Cantrell, should her schedule permit. The dates are to be determined once a polling of the Board members' availability is completed as well as the availability of the candidates.

Chair Curtis asked that the DDD marketing team prepare a statement for the press and have it ready in case there are any inquiries.

Sally Shushan asked about a commissioner making a statement in reference to the lawsuit between the DDD and the City coming to an end. Commissioner Spears stated that he did not request that the lawsuit come to an end. There will be a point and time that the Board will have to evaluate the cost of litigating it versus what the litigation amount is. Commissioner Barrasso stated that in addition to the amount that Ms. Shushan referred to, which is money the DDD is

seeking to recoup, The DDD has saved money every year since 2018 when the injunction was entered by the court, which stopped the City from illegally taking our tax revenues. That would be forty or fifty thousand a year, which would be higher as our tax proceeds have gone. So already in addition to the \$350,000 we have saved over \$100,000 or more. She also wanted clarification on a statement made by Anthony Carter in reference to budgeting less funds for legal representation. Anthony stated that the projection on information he received from legal counsel that said that we were proceeding to a period in the litigation where by they do not anticipate the expenses to be as significant because they anticipate that most of the discovery and inquiries between the two parties have taken place. We are currently awaiting an actual assignment of a trial date.

Adjournment – Motion to adjourn meeting by Commissioner Barrasso, Supported by Commissioner Spears. Motion passed unanimously.

Meeting adjourned at 7:26 pm.