



Joint meeting of the East Baton Rouge Community Development Entity, LLC and the Advisory Board of the East Baton Rouge Community Development Entity

MINUTES	NOVEMBER 15, 2018	9:00 AM	RDA OFFICE, 620 FLORIDA ST., STE. 110, BATON ROUGE, LA 70801
MEETING CALLED BY	Mr. John Noland, Chairman		
TYPE OF MEETING	Board of Directors- Regular Meeting and Advisory Board Meeting		
FACILITATOR	N/A		
NOTE TAKER	Tara Titone		
TIMEKEEPER	N/A		
ATTENDEES	<p>Attending EBRCDE LLC Board Members: Mr. John Noland, Chairman; Mr. Van Mayhall, Vice Chairman; Dr. James Llorens; Rev. Tommie Gipson</p> <p>Attending EBRCDE Advisory Board Members: Mr. John Noland, Chairman; Mr. Rodney Braxton, Secretary-Treasurer; Pastor Leo Cyrus; Mr. Byron Turner</p> <p>Also attending: Tammy Propst, Tax Advantage Group; Christopher Tyson, RDA President and CEO; Tara Titone, RDA Vice President; Tasha Saunders, RDA Grants Administrator; Marla Morris, Vashti Little, Ashley Vaughn, RDA Staff; Heather LeBlanc, Vanessa Graham, LLC; Samuel Sanders, Mid City Redevelopment Alliance; Tim Boone, The Advocate</p>		
	CALL TO ORDER		JOHN NOLAND
DISCUSSION	Meeting called to order by Mr. Noland at 9:06 AM		
	APPROVAL OF NOVEMBER 16, 2017 EBRCDE MINUTES		JOHN NOLAND
DISCUSSION	Mr. Noland asked for approval of the November 16, 2017 minutes of the East Baton Rouge Community Development Entity, LLC.		
CONCLUSIONS	There was no quorum, so a vote will be held at the 2019 meeting.		
	APPROVAL OF NOVEMBER 16, 2017 EBRCDE ADVISORY BOARD MINUTES		JOHN NOLAND
DISCUSSION	Mr. Noland asked for approval of the November 16, 2017 minutes of the Advisory Board of the East Baton Rouge Community Development Entity.		
CONCLUSIONS	There was no quorum, so a vote will be held at the 2019 meeting.		

	NEW MARKETS TAX CREDIT PROJECT UPDATE	TAX ADVANTAGE GROUP
DISCUSSION		
<p>Ms. Kent presented an update on CDE activities. She discussed community outcome achievements, asset management and portfolio risk ratings, stating that all loans were performing as expected. The unwind targets for the remaining 3 projects will occur in 2019. Howell Place YMCA unwound in September 2017 and Red Stick Hospitality (Hampton Inn) unwound in October 2018. TAG stated they will work with the RDA to prepare for the transitions. The following attachments provide further detail into what was presented to the Boards. In reference to the Portfolio Risk Rating sheet, Ms. Kent explained that the “B” Risk Ratings for Honeywell was due to the fact that there was not a mortgage taken out on the property, and the “B” rating for the Emerge Center was due to the ratio being higher at loan closing. Ms. Kent stated that it is normal for a community facility project’s fair market value to be higher than the loan ratings and that the “B” risk Ratings have nothing to do with the performance of the loans.</p>		
	NEW BUSINESS, PUBLIC COMMENT & ADJOURNMENT	JOHN NOLAND
NEW BUSINESS	Ms. Titone will send LIC forms to both Boards in 2018 to remain in compliance. The Boards will convene in early 2019.	
PUBLIC COMMENT	No public comment.	
ADJOURNMENT	Mr. Noland adjourned the meeting at 9:15 AM	



MEMORANDUM

FROM: TAX ADVANTAGE GROUP

TO: FILE

SUBJECT: EBRCDE 2018 BOARD MEETING

DATE: NOVEMBER 15, 2018

I. EBRCDE Closed Projects: Community Outcomes

II. Asset Management: Risk Ratings

III. Unwind Targets

1. Americana YMCA
2. Honeywell
3. Emerge Center

May 2019
June 2019
October 2019

EBRCDE Portfolio Risk Rating

		<u>September 30, 2015</u>		<u>September 30, 2016</u>		<u>September 30, 2017</u>		<u>September 30, 2018</u>	
RDA Fund I	Howell Place YMCA	B	4	B	4				
RDA Fund II	Red Stick Hospitality	A	5	A	5	A	5		
RDA Fund III	Americana YMCA	A	5	A	5	A	5	A	5
RDA Fund IV	Honeywell	B	4	B	4	B	4	B	4
RDA Fund V	Emerge Center	B	4	B	4	B	4	B	4
	Average	B	4.4	B	4.4	B	4.5	B	4.3

LENDER: REDEVELOPMENT AUTHORITY FUND III, LLC

BORROWER: Americana YMCA Operating, Inc.

Loan Closing Date – May 25, 2012

Loan Maturity Date - May 24, 2042

Project Costs – \$11,389,407

QLICI Loans – \$10,961,000

Other Loans – none

Appraised FMV of Project - \$11,096,000

Project LTV – 98%

Project DSCR – 2.33

Collateral –

- Mortgage – 1st priority
- Security Interest in all equipment, intangibles, books and records, and proceeds from sales of equipment (including UCC-1 Financing Statement)
- Assignment of Leases and Rents

Guarantor – YMCA of the Capital Area

Guaranty – All amounts due under Loan, including principal, interest, expenses, and fees

September 30, 2018 Risk Rating – A Pass

All interest payments have been received as scheduled.

LENDER: REDEVELOPMENT AUTHORITY FUND IV, LLC

BORROWER: HONEYWELL BATON ROUGE QALICB REAL ESTATE COMPANY, LLC

Loan Closing Date – June 25, 2012

Loan Maturity Date - Loan A - June 24, 2020

Loan B – June 24, 2052

Project Costs – \$33,525,000

QLICI Loans – \$16,975,000

Other Loans – Chase \$7,500,000
CRF \$8,000,000

Appraised FMV of Project - \$30,425,500

Project LTV – 107%

Project DSCR – 22.5x

Subordinate debt – RDA Fund III is 3rd priority of payment behind Chase and CRF

Collateral -

Guarantor – Honeywell International, Inc.

Guaranty – All obligations, duties, covenants and agreements of Borrower under Loan Documents;
Completion of all construction work and equipping of the Improvements

September 30, 2018 Rating – B Pass

Project LTV exceeds normal underwriting limits.

Loans are undercollateralized.

All interest payments have been received as scheduled.

LENDER: REDEVELOPMENT AUTHORITY FUND V, LLC

BORROWER: THE EMERGE CENTER HOLDING COMPANY, INC.

Loan Closing Date – December 21, 2012

Loan Maturity Date - December 20, 2047

Project Costs – \$8,004,106

QLICI Loans – \$7,857,000

Other Loans – None

Appraised FMV of Project - \$7,638,000

Project LTV – 103%

Project DSCR – 1.08x

Collateral - Mortgage, Security Agreement and Assignment of Leases and Rents

- UCC-1 Financing Statements – all accounts, equipment, general intangibles, books and records, proceeds of any collateral, and all fixtures relating to real property

Guarantor – Baton Rouge Speech and Hearing Foundation

Guaranty – all obligations, duties, covenants and agreements of Borrower under the Loan Documents

- Construction and Completion of Improvements

September 30, 2018 Risk Rating – B Pass

Project LTV exceeds normal underwriting limits

All loan interest payments have been received as scheduled