**Louisiana International Gulf Transfer Terminal Authority**

**Executive Committee Meeting Minutes-** Adopted September 30, 2016

August 22, 2016 365 Canal Street, Suite 1450 2:02-3:01

 New Orleans, LA

Executive Committee Members in Attendance:

A.G. Crowe

Dennis Crawford

John Hyatt

Scott Becnel

Guests in Attendance:

David Fleshman – Board Legal Counsel

Larry Roedel – Board Legal Counsel

Crystal Hutchinson – Administrative Assistant

Jim Woodworth- Developer

Christine Lowenberg- Development Team

George Mueller- LMH Legal Counsel

A roll call was conducted and a quorum was established – members present listed above. The Chairman, A.G. Crowe, called the meeting to order at 2:02 pm. Commissioner Crawford moved to accept the minutes of the previous meeting and dispense with the reading of the same. Motion carried unanimously.

Chairman Crowe discusses the expense associated with the AAPA Membership and Conference. A motion was made by Commissioner Hyatt to table the expense until the board can consider expenses for hiring a technical consultant for the board. Motion carried unanimously. This will be added to the agenda at the next full board meeting.

Chairman Crowe opens discussion regarding quarterly reports being provided by the Developer. The floor is turned over to Jim Woodworth- Developer and Christine Lowenberg- Development team. Mr. Woodworth states that significant progress has been made since the last board meeting and asks Mrs. Lowenberg to give an update regarding the progress of the dry bulk and liquid bulk development. She states that she anticipates reengaging in the dry bulk market 3rd to 4th quarter.

Mrs. Lowenberg discusses the progression of the permitting and what remains to be completed.

 Complete the permit with Plaquemines Parish. Based on preliminary meeting with them she does not anticipate any issues and states that it should take approximately 60 days to complete once it is submitted.

 The greatest challenge right now is identifying a pipeline route. According to geo-hazard survey they know there is some infrastructure on the property. They are working to identify right of ways and the integrity of the infrastructure.

Commissioner Crawford asks what the depth is in the area that has the pipeline and questions whether the depth is enough for a ship filled to capacity. Mrs. Lowenberg states that the depth in this particular location is 80-85 feet and that it gets deeper as you go further out. Commissioner Becnel explains that the depths are deep enough for any load that would come through.

Mrs. Lowenberg continues stating that they are looking at several landside facilities however one in particular is being considered more aggressively. This particular facility is already fully permitted and they are ready to go to construction. Mrs. Lowenberg is in the process of vetting the site by examining permits, engineering, and how pipelines will be connected between the landside facility and the LIGTT. The cost could be 2-5 million per mile for the pipeline so they need to make sure it is cost effective.

Mr. Woodworth’s attorney enters and is introduced as George Mueller- LMH Legal Counsel

Mrs. Lowenberg opens to questions and Mr. Woodworth states that on the NOLA site, one of the things that came up from the investor that gave a letter of intent to fund them for the first 2 billion, and on Saturday, according to John Graves will have a commitment letter in 2-3 weeks, tops which will also be backed up by a letter from a very large bank, they did not say who but the quality of a Citibank or J. P. Morgan, presumably one of those banks. We are verifying the funds and the ability of the lender to make the deal happen. While verifying, one of the due diligence things that came up is whether or not the site can withstand a storm surge. After working with FEMA, USACE, and John Graves on regulations, we got our approval last Thursday regarding storm surge. Mr. Woodworth states that though they do not anticipate any issues in getting their pipeline approved there is moderate risk with this deal. He also states that they have contingency plans in place if it does not work out.

Commissioner Crawford references a conversation he had with Mr. Woodworth several months ago states that he is ready to see something done, maybe putting pilings down. Mr. Woodworth stated that could possibly break ground in 30 to 60 days. Commissioner Crawford questions if he is talking about at the landside facility. Mr. Woodworth answers with, there is a lot of engineering involved in each step and that they have to determine what makes most sense to do first.

Mr. Woodworth states that he would like to discuss what the normal timeline is for a project like this, from the permit to breaking ground. We just got the dry bulk permit 7-8 weeks ago and we already have our designs done. The dry bulk is one permit. We have the fully permitted tank farm and we have to break it up into phases.

Commissioner Hyatt asks if they know what order the dry bulk and liquid terminals will be constructed. Mr. Woodworth answers that both are ready to go, just waiting on the lender and decision as to what should come first. Hopefully they will be going at the same time.

Mr. Woodworth states that since the last meeting he has been negotiating with one of the largest commodity brokers in the world. After negotiating with them for 6 weeks they have just reached out to him on Friday to let him know that they have contracts for coal that they can start doing. They are more interested in dry bulk but interested in investing in both dry and liquid bulk. The details of the basic terms of their investment have not been worked out. Likely, later this week, I will have their term sheet which will be negotiated by my commodities attorney in New York, Rich Kronthal, who has negotiated numerous contracts with this particular company over the years. The average length of time it takes to negotiate a contract is 3-6 months.

Mr. Woodworth says that he has also received a call back from the Adoni and another group he is working with last week and that both of these groups want coal. Commissioner Hyatt points out that the market is poor right now for commodities and asks if a rise is anticipated. He states that we are still moving coal in the US but that it is steam coal that meets the EPA requirements. Commissioner Becnel states that yes, a rise is anticipated.

Mr. Woodworth continues with saying that they got their permit in less than 10 months and just got their commitment letter on funding. According to the banks he is talking to, the project is moving forward a fast clip for a multibillion dollar project. Though he doubted the 3-6 month timeline for negotiating contracts given to him by the bank after waiting 6 weeks and still not having a draft, he understands that he needs to readjust his expectations regarding timelines on finalizing contracts.

Mrs. Lowenberg mentions that there are numerous sites being considered.

 -NOLA site, fully permitted- a levee is being built that will protect the site.

 -Backup site of the same caliber that is less than 2 weeks from full permitting. Odds are we are probably going to develop both of them. Details regarding this site cannot be discussed because they are under an NDA.

 -G.T.T. site- depth isn’t great but has infrastructure in place that could work with rail

 -Upriver sites

Mr. Woodworth adds that he was happy to get the letter of intent but the commitment letter is really what counts and he has been told that he will be getting it on Saturday. With that, we still have the 6th largest investment banking firm in the world ready to raise our 50 million in pref (preferred stock). They can do it in three weeks; they are ready to do all of our bond work. They are the largest bond shop in the world. They are bigger than J.P. Morgan as of last year so just in case I get that commitment letter and don’t like it for any reason we instantly have another track that can pull financing for this project. We are not worried about that. Mr. Woodworth addresses that something he shared as confidential was shared and asks that it not happen again as it may jeopardize the project and contracts. He states that he walked away from the deal with that particular person and is negotiating with three other groups to be able to do what he needs to do to buy out Mr. Thornhill’s equity. He states that the incident did not cause any problems with the negotiations.

Chairman Crowe states that any and all communications that go out need to run through the Ex. Board and Legal Counsel before going out to avoid any conflict.

Mr. Mueller, LMH Legal Counsel states that they are trying to delicately balance providing information to the board and maintaining anonymity for the people they are dealing with. He states that he feels Mr. Woodworth has touched on the key points which would be:

 Flow of information regarding the development of the two verticals

 The continued need for confidentiality

 The status of different funding options

Mr. Woodworth states he has the following:

 LOI with commitment letter eminent

 Steiffel ready to go, waiting on me to sign their engagement letter

 A very large client group that wants to partner with us

Commissioner Hyatt states that Port Director for Customs and Borders approached him at a meeting last week and asked for an update on the project. He asks that the Developer keep Customs and Border Protection updated regularly on the status of the project. Mr. Woodworth agrees to provide an update to Customs and Border Protection.

Mr. Woodworth repeats that the main things are:

 -We’ve got two permitted sites

 -First tranche in money will be in November. By the time we get our commitment letter and sign our contracts it’s going to take about six weeks. Once tranches start coming in then they will come as fast and as much as we need.

 -At the request of our Key Lender, we interviewed some people for management to manage the LIGTT that have backgrounds in logistics, liquids, port, and maritime; both have accepted. Employment agreements have not been signed yet so they can’t be named. The goal is to bring the new Executive Director of LIGTT Development Partners for the port to the September 12 board meeting.

Commissioner Crawford mentions the press being interested in the project. Chairman Crowe reminds the board of the protocol for giving information and participating in interviews. All requests are to be forwarded to Administrative Assistant to be run through the legal team and Ex. Board to make sure we are in one accord with the developer.

Mr. Roedel states that it is very important that the board speaks with one voice and that there be a central location for answering questions that are posed. This will help us properly respond to public records requests.

Mrs. Lowenberg discusses the unique structure associated with being a P3 and the conflict with the need for transparency in sharing information and the responsibility of maintaining confidentiality on the private side.

Chairman Crowe shares one las note on the subject of General PR- In an effort to make sure that information released is as accurate as possible we need to collaborate with the developer to come up with a presentation that reflects the current status of the project. Crystal, Commissioner Hyatt, and Mrs. Lowenberg agree to work together to put together a presentation that can be distributed to the board members for their use. Mrs. Lowenberg says she will make herself available to answer technical questions at presentations if needed.

Chairman Crowe states that the next presentation Commissioner Hyatt gives should include the permitting information. Mr. Woodworth agrees but states to only include dry bulk permitting information at this time as he has not signed an official JV agreement with NOLA and that he can’t sign it until Mr. Thornhill is bought out which he and John Graves are working on really hard.

Commissioner Crowe asks for questions. Commissioner Crawford states that he understood that information shared in Executive Board Meetings was confidential. Mrs. Hutchinson explained the difference in Executive Board Meetings and Executive Session then deferred any questions to Mr. Roedel. There were none.

Commissioner Crowe discussed the LLA Audit and it progress. Board members will be notified of any findings.

Motion was made by Commissioner Hyatt to have Chairman Crowe sign the engagement letter submitted by Kelly Smith, CPA. Motion carried without opposition. This is to be ratified at the next full board meeting.

Motion was made by Commissioner Hyatt to pay two invoices submitted by Kelly Smith, CPA totaling $500 for the 1st and 2nd quarter, federal and state, payroll tax liabilities. Motion passed without opposition. This is to be ratified at the next full board meeting.

Commissioner Becnel explains the need for new accounting procedures and a motion is made by Commissioner Crawford to adopt the new procedures. Motion carried with no opposition. This is to be ratified at the next full board meeting.

Chairman Crowe opens discussion regarding the possibility of hiring consultants and gives the floor to Mr. Roedel. Mr. Roedel states that as the project moves forward we will need to add consultants to our team so that we can maintain proper oversight. Being Professional Services, they are not Public Bid items; they are based on quality of service. Mr. Roedel suggests that the board consider creating a 3 person subcommittee tasked with interviewing and rating or scoring applicants then presenting their findings to the board. The possibility of using an RFP is discussed however it was not determined if this is the process that would be used. Mr. Roedel suggested that the topic be added to the agenda for the September 12 board meeting for further discussion.

Board Member information sheets that include contact information and each member’s status regarding Ethics Training and Financial Disclosure reporting are distributed.

Chairman Crowe opens for any other business that needs to be discussed. Commissioner Hyatt gives a brief overview of a Round Table Discussion he participated in with Congressman Boustany’s staff. He felt the discussion was favorable in regards to the LIGTT Project.

There being no further business to come before the Board, Chairman Crowe moved that the meeting be adjourned. Motion carried unanimously. The meeting was adjourned at 3:01.

Crystal Hutchinson

Administrative Assistant