Complex partnership formed

By GIBBS ADAMS
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The development group with which Mayor Pat Screen is authorized to contract for construction of a hotel-office complex on the Riverside Centroplex parking lot did not formally file articles of partnership until Friday of last week.

Copies of the proposed contracts, which were reported to be still in negotiation as late as Tuesday, indicate the city-parish is contracting with Riverfront Centroplex Development Group, a Louisiana partnership in commendam.

Carole P. Cross, secretary to Catfish Town developer Jerry Dodson, is listed as a limited partner, holding 1 percent of the shares in the partnership, with the other 99 percent of the partnership held by the general partner, Riverside Centroplex Development Group Inc.

The corporation was formed and filed its articles of incorporation on Jan. 31, before the Metro Council voted Feb. 12 to enter into agreements for the developments on the Centroplex parking lot.

The council resolution authorizing the mayor to sign contract documents does not stipulate whether the contracts are to be signed with the corporation or the partnership, referring only to Riverside Centroplex Development Group.

Proposed contracts, however, are drawn in the name of the partnership — not the corporation. Parish Attorney Lynn Williams said Friday he sees no

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legal impediment to the city-parish contracting with the partnership, though the ordinance does not specify the precise name of the partnership.

Robert M. Coleman Jr. said Friday that he and his son, Robert M. Coleman III, who is listed as president of the corporation, hold one-third interest in the corporation; Dodson holds a third; and Robert Tudor of Tudor Construction Co. holds a third.

There are no plans for selling stock to others in the corporation, Coleman said, and at present, there are no plans for other limited partners in the partnership.

Coleman said that, from a legal standpoint, there had to be a partner in commendam (a limited partner) to form a Louisiana partnership in commendam.

Cross said that she has no interest in the partnership and that her name had been used as a limited partner simply as a matter of legal convenience.

The articles of partnership in commendam were filed with the secretary of state's office on Friday, March 7, though the documents show Coleman and Cross signed the partnership papers on Jan. 31 and had the acknowledgements notarized on March 5.

Screen had been expected to sign the contracts for the private development on public property last Tuesday; instead, he held a press conference to announce he was delaying signing the contract until the Metro Council had a chance to reconsider.

The council on Feb. 12 voted 7-5 to authorize the mayor to sign the contracts, but two of the seven-member majority announced they would seek to repeal that authority at last Wednesday's council meeting. Instead, the council simply deferred action until its first meeting in April.

The council, based on the mayor's word, Wednesday evening delayed until its April 9 meeting consideration of a move to rescind the mayor's authority to sign the contract. A council committee was named to examine the contract documents.

When the controversy first flared, the five councilmen in the minority had sought to delay consideration for 60 days, but the developers said a 60-day delay would kill the project.

Robert M. Coleman III, president of the corporation that holds 99 percent ownership in the partnership, said the developers are proceeding with plans and meeting schedules called for in the contract drafts.

He said soil tests, which under the contracts were scheduled to be completed by the end of February, had been conducted at the site, and the partnership is moving along with its plans for the development, though the council's reconsideration of the deal is still in the air.

The articles of partnership in commendam says the partnership's purpose is to "lease certain property, construction of an office and/or hotel complex on such property and operation and management of said business or businesses." The document is drafted in such a manner that additional investors can be admitted to limited partnerships. The corporation also can take in new shareholders.

Initial contributions of the partners are listed as $990 for Riverfront Centroplex Development Group Inc. and $10 by Cross. The partners' share of income, gain, loss, deduction and credit is 99 percent for the corporation and 1 percent for Cross.

Under the arrangement, the general partner (the corporation) has no authority to admit another general partner, but it does have the right to bind the partnership and to execute notes, mortgages, loans, agreements and documents of every nature.

No limited partner is allowed to sell or assign interest in the partnership without the consent of the corporation.

The articles of incorporation for the corporation shows it is authorized to issue 10,000 shares of no par value. The board of directors is permitted by unanimous vote to "divide shares into classes, with such designations, voting powers, preferences, dividends or redemption rights or other relative rights of restrictions, limitations or qualifications as it deems appropriate."

The corporation was incorporated by attorney Robert T. Bowsher of 830 North Street.